

**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

**FACULTY OF COMMERCE**

**GRADUATE SCHOOL OF BUSINESS**

**EXECUTIVE MASTERS IN BUSINESS LEADERSHIP**

**THE CLIENTS' ASSESSMENT ON EFFECTIVENESS OF REVENUE  
COLLECTION STRATEGIES IN IMPROVING REVENUE PERFORMANCE: A  
CASE STUDY OF ZIMBAWE ELECTRICITY TRANSMISSION AND  
DISTRIBUTION COMPANY (ZETDC) NORTHERN REGION**

**BY**

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**A DISSERTATION SUBMITTED TO THE BINDURA UNIVERSITY OF SCIENCE  
EDUCATION IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR AN  
EXECUTIVE MASTER OF BUSINESS LEADERSHIP (EMB) DEGREE  
QUALIFICATION**

**BINDURA, ZIMBABWE**

**DECEMBER 2022**

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**DEGREE:** EXECUTIVE MASTER OF BUSINESS LEADERSHIP

**YEAR DEGREE AWARDED:** 2022

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**DECLARATION**

I, Wurayayi Stanford, do hereby declare that this dissertation is a result of my own investigation and research, except to the extent indicated in the acknowledgments, bibliography, references, and comments included in the body of the report, and that it has not been submitted in part or in full for any other degree to any other university.



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## **DEDICATION**

My gratitude and appreciation to the Lord Jehovah the Almighty God for blessing and guiding me through my academic journey. I dedicate this research to my parents Mrs Julia Manyawu-Wurayayi, my dear wife Tendai, and my three boys Benjamin, Blessed and Bethel for their undying support and love during my research and studies. I cherished and shall continue to cherish their continued support and counsel.

## **ACKNOWLEDGEMENT**

My gratitude to Dr. Gilbert Kichini, my supervisor whose wisdom, expertise, understanding, guidance and patience added value to my research and experience. I appreciate his vast knowledge and skill in key areas which were pertinent in my research, his belief and motivation kept me going. It was through his persistence, understanding and kindness that I completed this research.

## **ABSTRACT**

Modernizing and developing effective strategies in revenue collection has been a pivotal matter in revenue collection and reduction of debtors balances in the electricity sector or industry globally. The adoption of new and better strategies helps an organization to work more efficiently as well as collecting revenue which is needed to run the utilities on a day to day basis as well as financing capital projects. The importance of liquidity culminated in the current research on the effectiveness of revenue collection strategies as ZETDC Northern Region. ZETDC Northern Region embarked on a serious drive to collect revenue through adopting strategies on its main operations across the region. Innovative and modern revenue collection strategies implemented were supposed to improve organizational structure, training, manpower planning, developing team work among management and staff. The purpose of the study was to assess the clients' assessment on effectiveness of revenue collection strategies in improving revenue performance at ZETDC Northern Region. The objectives of the research was to find out the collection strategies in place, assess effectiveness of the strategies and propose possible new collection strategies. A descriptive research method was used focusing on qualitative characteristics and status of the vast revenue collection strategies employed by ZETDC Northern Region in improving the revenue performance. ZETDC Northern Region has 800 employees and 145000 clients. The focus was on 20 credit control staff, 18 Customer service officers as well as 13 management staff. A purposive and expert sampling method was employed in this study to select a sample of 24 employees. Data was also collected from registered clients with the view of getting independent comments on better ways of collecting revenue. A sample of 32 clients was chosen with fair representation from each tariff category. In this study, data was collected using structures and open ended questionnaires administered through face to face interactions and emails for those geographically far away. Data was analyzed using a thematic and content analysis to discover emerging major views regarding the effectiveness of revenue collection strategies of ZETDC. Firstly, data was collected, cleaned, sorted and collated. Data matching and coding was done to maintain the temporary employees' confidentiality. Then, it was entered in a computer, after which analysis was done. Descriptive statistics in the form of pie charts, contingency tables and bar graphs were used to describe the data. Then measures of association were used to examine the relationship between the independent and dependent variables. The major findings were that effective power disconnection improves revenue collection paired with full adoption of performance based contracts. It was further deduced

that staff plays a key role along revenue collection value chain hence the need to train staff to equip and capacitate them with requisite skills. Monitoring and evaluation was identified as a weak link in the revenue collection value chain and improvement as well as establishment of the same will significantly add to revenue collection. Business process were recommended for automation, staff capacitated with skills like communication, negotiation and customer care with the view of motivating clients to pay before adoption of other harsh credit control measures. In conclusion, it was shown that there is a positive correlation between independent variables which are revenue collection strategies and dependent variable which is revenue collected owing to the role which the strategies play in enhancing revenue collection and reduction in debtors.

**Key words and phrases:** Strategy effectiveness, Revenue collection, emerging strategies, ZETDC Northern Region, disconnections, monitoring and evaluation, strategic management

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## LIST OF ABBREVIATIONS

GMB	Grain Marketing Board
ZETDC	Zimbabwe Electricity Transmission and Distribution Company
TIMB	Tobacco Industry and Marketing Board
ZENT	ZESA enterprises
ZESA	Zimbabwe Electricity Supply Authority
ZPC	Zimbabwe Power Company
SAPP	Southern Africa Power Pool
FCB	Financial Clearing Bureau
VUCA	Volatile Uncertain Complex Ambiguous
NDS	National development strategy
SWOT	Strength weaknesses opportunities threats
KEDS	Kosovo Energy Distribution Services
TANESCO	Tanzania Electricity Supply company
GIS	Geographical information systems

## CHAPTER ONE: INTRODUCTION

### 1.0 Introduction

The under-collection of taxes is a serious issue that public utility company executives in Africa and elsewhere must deal with. For instance, under-collection of water sales money is an issue in both the United Kingdom and Africa (Clerk, McDonald, & Boden, 2012). Boyle (2014) noted that water sales are the main source of income for African water utilities in a study of water company financial practices. Although these revenues fund high-quality water supply services, consumers' persistent unpaid water bills result in funding gaps. The same result of electricity power providers' inability to collect the money they are owed has led to significant problems like poor maintenance, slow growth and expansion, and ultimately load shedding. Power utilities' debtors' books have been expanding worldwide, in Africa, and in Zimbabwe, but cash flow performance has been deteriorating. This has exposed power utilities to technical insolvency and failure to carry out their mandate, which is sometimes highlighted by the rising number of customer complaints.

In order to turn the situation around and turn all revenues and debtors into cash, which will eventually finance the operations of the key sector in the economy because reliable supply of adequate and safe electricity stimulates economic growth, managers and responsible staff in power utilities must invest in strategic management skills and effectiveness. Strategic management includes strategy formulation, strategy execution, and strategic control. The examination of an organization's value chain, goals, and important result areas, including revenue collection, will be crucial. The targeted goals are then created, along with strategies and techniques. The execution or application of the strategies is then followed by control, evaluation, variance analysis, and the development of remedial actions. It is necessary to conduct research on the effectiveness of revenue collection strategies in order to improve revenue performance in Zimbabwe's electricity sector, where rampant energy theft on installed prepaid meters has made it difficult to provide a service to the country. Strategic effectiveness is defined as the capacity to get the desired results out of a strategy, which is typically a challenge with many power utilities.

A public power utility firm in Zimbabwe, a nation in the southeast of Africa, served as the subject of this study's focus case. The study's main objective was to determine how well revenue collecting strategies may increase revenue performance in the Northern Region of Zimbabwe Electricity Transmission and Distribution Company (ZETDC Northern Region). In the investigation, I looked into reputable business tactics employed by top management of the power utility to resolve inefficiencies in recouping electricity revenue billed and evaluated any potential fresh strategies that would aid in boosting collections. The study's findings may force all Zimbabwe's public utility company executives to adopt strategies that boost revenue in order to achieve financial sustainability, reduce load shedding, and get ready for future increases in industrial demand and the realization of vision 2030. Since the Covid 19 era, revenue collection has been a problem for many public utilities worldwide. There was a need to monitor or evaluate the effectiveness of revenue collection strategies in relation to revenue performance because many utilities were experiencing problems with working capital and rising debtor accounts. Changes in the business sector, technological advancements, and changes in human capital abilities have surpassed traditional ways of revenue collection.

## **1.1 Background**

The word "strategy" first appeared in the sixth century BC in the city of Athens, where it was created to describe a new military and political leadership role. It was created by combining the words agein, which means to lead, and stratos, which indicated an army spread out over the ground. The Chinese military philosopher Sun Tzu stressed the significance of strategy in relation to this practical aspect of leading and managing a big, complicated army by defining it as "The great job of the organization. It is the tao/strategy of survival or extinction in life-or-death situations". As demonstrated by Tesla, which used electric vehicles as a strategy to increase survivability, strategic effectiveness has been seen as the key to success on a global scale. In fact, the plan worked, and favorable outcomes were attained through improved sales and survival in a competitive corporate environment. This illustrates the necessity of guaranteeing a strategy's efficiency from top leadership all the way down to the ground level and maintaining open lines of communication if a company or utility wants to succeed. The idea of strategic effectiveness is closely related to the subject of the research, which is the efficiency of revenue collection techniques in raising revenue collection performance.

Locally, Econet Wireless learned from fixed telephone providers like Telone who were having trouble meeting customer demand due to cash flow issues. Econet enhanced its cash flows by adopting a strategy of prepaid services with minimal post-paid facilities. Econet became one of the emerging high tech firms with stable shareholding as a result of this improvement in collecting, which allowed it to expand into regional and international markets. Because Econet used an effective strategy, it was necessary to conduct research on how well a plan performs in terms of revenue. There are increasing worries about most electric utilities' inability to provide a dependable, economical, and widely accessible service at acceptable levels of financial and technical performance in the majority of Sub-Saharan African nations. Poor performance, a small customer base, poor revenue collection, insufficient power pricing levels, and strict state control have been the main causes of this. The majority of Sub-Saharan countries have started the restructuring and privatization of the power sector in an effort to reverse this negative trend, all of which point to the success of the plan. Rebundling was formerly thought to be the greatest technique, but because it did not produce the desired outcomes, the strategy was changed to unbundling, which is now being taken into consideration by many.

A strategy is sometimes described as a company's target market for its products. Choosing what to create and for which market is meant by this. An organization can function without changing its product-market emphasis if the environment is steady (Ansoff, 1990). According to Ansoff (1990), strategy, structure, and environment all work together to improve organizational performance, which eventually affects revenue performance and cash generation capacity. Organizations are reliant on the environment (Ansoff and McDonnell, 1990). They draw their inputs from the environment that is currently in place, and following transformation, they release their outputs into that same environment, which includes clients and other stakeholders (Porter, 1985). The conditions and forces that influence the organization's strategic alternatives and determine its competitive status make up the organization's external environment (Pearce and Robinson, 2003). Therefore, a company must pay special attention to its external environment in order to succeed in attaining its goals, among them the collection of money. According to Porter (1985), firms are forced to think about tactics that will make them more inventive, productive, and efficient as competitive pressures increase. Organizations must make the most of all available resources to increase the efficiency of revenue collection in order to finance business operations.

The study focused on Zimbabwe Electricity Transmission and Distribution Company (ZETDC) Northern Region which is one Region under ZETDC, a strategic business unit of ZESA holdings.

The Electricity Act, which created the Zimbabwe Electricity Supply Authority (ZESA), as a parastatal that is entirely controlled by the Government of Zimbabwe (chapter 13:05).

Zimbabwe's power is produced by ZPC with an installed capacity of 1961 MW, transmitted, and distributed by the ZETDC. Privately owned sugar estates produce an additional 68 MW on a seasonal basis for their own use (Triangle: 45 MW; Hippo Valley Estates 23 MW). 750 kW of mini-hydropower is produced by Rusitu Power Corporation, a tiny private firm. Up to 30% of demand is met by imports, which are provided by the interconnectors in the Southern Africa Power Pool (SAPP). About 4% and 6% of the energy supplied is lost during transmission and distribution, respectively. 1824 MW is the system peak. Table 1.1 following provides a breakdown of the installed capacity and prospective sales:

**TABLE 1.1 ZESA POWER GENERATION CAPACITY AND OTHER TARIFF CATEGORIES**

<i>a) Generating capacity</i>			
<i>Power station</i>	<i>Type</i>	<i>Installed capacity (MW)</i>	
Hwange	Thermal	920	
Munyati	Thermal	120	
Harare	Thermal	135	
Bulawayo	Thermal	120	
Kariba	Hydro	666	

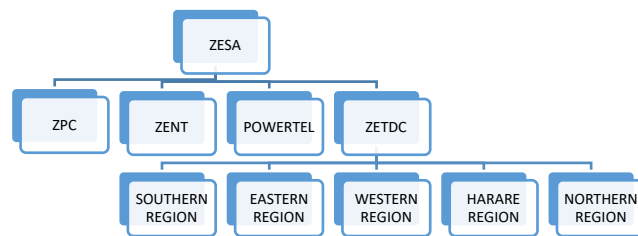
  

<i>b) ZESA sales (1997)</i>			
<i>Customer group</i>	<i>Number of customers</i>	<i>Sales (GWh)</i>	<i>Per cent share</i>
Industrial	1887	3951.82	42.2
Mining	693	1579.10	16.7
Commercial	358 935	1385.87	14.8
Farming	10 51	690.48	7.4
Domestic	38 405	1734.23	18.5
ZESA Properties	295	23.37	0.3

Source : World Bank (Washington DC. 1994)

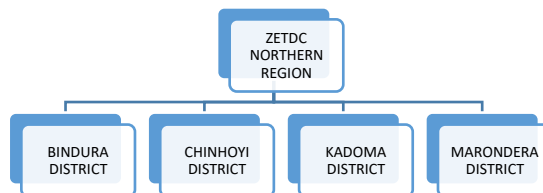
Rebundling of ZESA giving birth to 4 subsidiaries which are Powertel, Zimbabwe Power Company (ZPC), ZESA Enterprises (ZENT), and Zimbabwe Electricity Transmission and Distribution Company were created (ZETDC). Along the value chain of supplying the country with power, the strategic business units of ZESA each make a contribution. The building of thermal generators in Hwange, Munyati, Bulawayo, Harare, among other locations, as well as hydro generation at Kariba and other possible sites, is part of ZPC's responsibility to generate power.

Through a well-balanced mix of energy products, ZPC should provide a trustworthy product. Powertel, ZESA's technology division, primarily manages connection, systems support, and information technology for the group of firms. ZENT is a manufacturing, transport, projects, and retail division that offers vital services including vehicle maintenance, transformer manufacturing and repair, as well as significant building projects like the development of transmission networks. Power transmission, distribution, and retailing to end consumers are the areas of expertise for ZETDC, an electrical transmission and distribution firm. ZETDC accepts the product from ZPC for transmission as high voltage before stepping it down to medium voltage and distributing it to customers such as domestic, industrial, commercial, mining, farming, government, parastatals, and local authorities. According to the organogram below, ZETDC is divided into five regions: Harare Region, Eastern Region, Southern Region, Western Region, and Northern Region (See figure 1 below)



**FIGURE 1.1: ZESA HOLDINGS, SUBSIDIARIES AND ZETDC ORGANOGRAM (SOURCE ZETDC STRATEGIC PLAN 2021)**

As listed below, the Northern Region is divided into four districts: Marondera district (covering Mashonaland East province), Chinhoyi District (Covering the North western part of Mashonaland west Province), Kadoma district (covering the other part of Mashonaland West province), and Bindura district (covering Mashonaland Central province). Figure 2 below shows the organogram.



**FIGURE 1.2: ZETDC NORTHERN REGION ORGANOGRAM (ZETDC STRATEGIC PLAN 2021)**

### 1.1.1 ZETDC Revenue Collection Strategies

ZETDC Northern Region has the sole responsibility of retailing power to various customer categories which include Domestic points, industrial points, commercial points, mining points, farming points, government points, parastatals and local authorities. Electricity is provided to clients mainly in 2 forms, that is, in prepaid meter form and post-paid meter form. Prepaid meter form will entail buying tokens before consuming the product. Post-paid entails drawing power first, meter reading taken at the end of the month and billed at approved rates so as to produce a bill which shows an amount which should then be paid by a client. The billed amounts will form part of electricity debtors should they remain uncollected at the end of the month. Prepaid revenue is collected automatically when tokens are bought while postpaid revenue will require strategies to collect it from clients.

ZETDC Northern Region solely relies on revenue collection in delivering its mandate and various measures are used to collect revenue from different customer categories. Since 2020, ZETDC Northern Region has been facing liquidity challenges as a result of non-payment of bills. This resulted in ballooning debtors' balances, service compromise and poor revenue performance which saw the Region failing to meet its mandate like providing adequate, reliable and safe power, line construction, equipment maintenance, business growth and performing corporate social responsibility activities.

In an effort to improve revenue performance, ZETDC Northern Region has been using traditional revenue collection strategies like Issuing a demand for payment, installation of prepaid meters, power disconnection, stop order facility for farmers, set off arrangement for government points, litigation, black listing and equipment recovery. The study therefore aims to assess the effectiveness of the revenue collection strategies in improving the revenue performance or maximization of revenue for ZETDC Northern region given the changes in the business models, the coming in of technology among other business complexities like hyper-inflationary environment. For post-paid and prepaid clients, ZETDC has a team of auditors which does revenue assurance with the view to identify anomalies in metering, meter bypasses, meter tempering, and direct connections among other anomalies which might contribute to power theft. The debtors' trend analysis, revenue collection and collection index is as shown below in table 2:

**TABLE1.2: ZETDC DEBTORS AND REVENUE COLLECTION TREND**

	Dec-20	Dec-21	Aug-22	
	zwl\$bn	zwl\$bn	zwl\$bn	% change from 2020
<b>Debtors balances</b>	0.69	1.18	2.41	-249%
<b>Revenue collection</b>	1.38	5.47	9.20	
<b>SALES</b>	1.67	5.29	8.84	
<b>COLLECTION INDEX</b>	83%	103%	104%	
<b>Anticipated collection index</b>	135%	135%	135%	

*Source: ZETDC Northern Region monthly report, August 2022*

Application of traditional revenue collection strategies by ZETDC Northern region saw debtors growing from zwl\$0.69 billion in December 2020 to zwl\$2.41 Billion in August 2022 as shown in table 2 above. The results points to ineffective revenue collection and possible financial challenges should the trend remain the same. Revenue collection index of 104% in August 2022 as shown in the table 2 above remained below the targeted collection index of 135%.

The use of stop orders has been in use for some time especially for seasonal client categories like farming. The option worked for some but buy in large it failed since debt for the same category increased instead of going down. In statistical terms, ZETDC Northern region’s electricity debtors increased by 249% from zwl\$0.69bn in December 2020 to zwl\$2.41bn in August 2022 as shown in table 2 above. The winter season’s debt is mainly as a result of irrigation activities. Come end of the year, the farmers did not settle their debts, but instead prioritized other commitments like inputs for the summer season. Non-payment of bills was also fueled by side marketing which have left the stop orders idle at GMB and TIMB in most cases thus poor revenue collection. Further, the farmers at times deliver farming proceeds to GMB in a different vendor name from the one on the stop order garnish. As a result, the stop order facility failed to achieve the anticipated collections.

Currently revenue collection is through strategies such as Customer final demand after due date, power disconnection, use of stop orders, installation of prepaid meters, handing over to legal for prosecution and finally black listing.

A final demand is a written correspondence which notifies a client of the amount due and demand for settlement within a certain period failure of which other credit control measures will be

instituted. This normally works well for responsive clients with average to good business ethics. It has been observed that over the years that so many clients ignore this measure of revenue collection.

Power disconnection is a measure which follows should a client ignores settlement reminder after the due date and it involves service withdrawal. The process involves preparing disconnection schedules, printed and teams dispatched to manually visit the points to disconnect from the transformer or from the main breaker. The measure has worked for some client categories but has not been useful for farmers, Government points, local authorities and other business clients. This is also attributable to corruption cases which leads to unauthorized reconnections without bill settlement thereby making the measure ineffective. Further to the above, ZETDC Northern Region is heavily affected by politics when applying credit control measures like power disconnection as well as possible write off of debt through government pronouncement which in most cases affects the viability of the business and threat to cash flows. In 2013, debt write off of 80% was authorized for farmers without a compensating effect on revenues hence there is need to implore effective revenue collection measures so as to fund the business and avert load shedding among other odds in the electricity supply industry.

Installation of prepaid meters has been fruitful on domestic clients which if completed, will go a long way though the cases of meter bypass are on the rise thus electricity theft, so many clients have been caught on the wrong side by Revenue assurance teams which normally do routine checks on suspicious points. This then complicates the revenue collection process through prepaid meters. To a greater extend the utility improved revenue performance through prepaid meter installation on domestic and small points. Prepaid meters benefits the utility through reducing meter reading costs, billing costs as well as credit control costs thereby improving the revenue performance. This strategy was adopted in 2012 for all small power users. Smart meter installation for large power users is on-going from 2021.

The legal route is regarded as the fallback position should engagement and other internal credit control measures fail to yield results. This handover to legal was done in 2017 but still the debt did not go down given the time frame the legal process take. Further, the lawyers could agree on longer payment periods thereby loosing on the value for money. At the end, the legal process proved to be a challenge in improving revenue performance as well as considering the costs involved. In

2017, legal processes were done for clients like farmers and other commercials but the success rate was below 30% at the same time debt continued to grow. Eventually, debt handed over to legal was then collected through ZETDC normal credit control which calls for better and effective strategies of collecting revenue from the clients at least costs.

Finally, blacklisting becomes an alternative should all collection efforts fail. This option is done through the Financial Clearing Bureau (FCB). A black listed client will need to clear ZETDC debt before being granted a loan by financial institutions thereby the utility recovering its dues though it might take years before recovering. Looking at figures, collections from FCB are so small and insignificant given what the utility is owed thereby threatening the going concern of the utility. In terms of numbers, less than 1% of black listed clients have settled what they owe since most funding is from informal markets and small micro finance institutions which do not regard credit rating as important. This research should then find out the best strategy of collecting from the clients at the same time continuing to provide a critical service for national development.

As a result of the failure of the traditional methods in improving the revenue collection performance, there is need to establish new ways of doing business ushered as a result of changes in the business world, change in dynamics and given the Volatile Uncertain Complex and ambiguous (VUCA) environment in which ZETDC is operating. The statistics shows that a status quo might not yield results but change of strategy might work for the better and even improved application of revenue collection measures, stepped up monitoring and evaluation as well as results based approach in revenue collection.

## **1.2 Statement of the Research Problem**

ZETDC Northern Region is characterized by an ever increasing debtor's balances and liquidity challenges which are all a reflection of challenges with revenue collection performance. This then calls for a research on the effectiveness of the revenue collection strategies in enhancing collection performance which will indeed improve the liquidity of ZETDC Northern Region and eventually reducing the debtors' balance thereby giving life to the parastatal. At the end, the Parastatal should be able to deliver its mandate using the generated revenue should the collection strategies be aligned to the modern trends of doing business. The research seeks to close a gap on effectiveness of the strategies and ramp them up as well as adopting any new and better strategies to enhance

revenue collection performance, reduce load shedding, improve service delivery, reduce revenue leakages and minimizing commercial losses. In performance terms, the electricity debtors of ZETDC Northern Region increased from zwl\$0.69bn in December 2020 to zwl2.41bn which was a sign of failing collection performance. The level of load shedding had increased as well thereby affecting the business community. The number of operational vehicles dropped from 900 to 300 in the same between 2020 and 2022 since the business could not fund itself as a result of cash flow challenges. Annual planned maintenance of distribution equipment was not done as well, adequate poles were not bought and even transformers all as a result of cash flow challenges threatens survival of the power utility and possible technical insolvency. There have been positives through institution of disconnection blitz across the Region which brought about some good results especially on the USD clients' debt which then dropped by 71% from us\$41m to us\$11m between June and July 2022.

The rising levels of positive consumer engagement have revealed significant collecting shortcomings that, if fixed, might lower transaction costs in Africa (Crandall & Bodin, 2005). These include the absence of a service ethos at all district management levels, the antagonistic relationship between depots and the business community, the scarcity of or ineffective use of supporting resources, the lack of a facilitation culture in other government agencies, corruption, and illegal relationships. The difficulties give chances for enterprises to collaborate with service providers to effect the required transformation (Crandall & Bodin, 2005). The above researches done to date relates to stable economies with uncontrolled price of electricity as well as with adequate power supply and energy mix. ZETDC Northern Region is in a country where electricity price or tariff is controlled by government, the economy is not stable and business models have changed since the covid 19 era, the grid set up and status of infrastructure is still below regional standards and high level of political influence when credit control is applied. This results in a gap (Environmental differences, business model changes, monitoring and evaluation not covered by researches and a specific collection challenge for ZETDC not explored) which need to be filled by this research conceptualizing effectiveness of revenue collection strategies to ZETDC Northern Region, a company with serious resource shortages.

### **1.3 Research Aim/Purpose of the study**

The main aim of the research is to ascertain the effectiveness of revenue collection strategies in improving the revenue performance for ZETDC Northern Region. The research identified the new revenue collection strategies which will give birth to a better performing parastatal with improved liquidity thereby assisting all stakeholders to drive national growth through provision of reliable power nationally with minimum commercial losses. A decline in revenue collection threatens the financial viability of public utilities, and that a decline in revenue collection affects business liquidity, profitability and viability hence the purpose for this study.

### **1.4 Research Objectives**

1. To identify the available revenue collection strategies being used by ZETDC Northern Region
2. To assess the effectiveness of revenue collection strategies in improving revenue performance
3. To propose the possible new revenue collection improvement and revenue leakage minimization strategies for improving revenue performance

### **1.5 Research questions**

1. What are the available revenue collection strategies being used by ZETDC Northern Region?
2. How effective are the revenue collection strategies in improving revenue performance?
3. What new revenue collection strategies and revenue leakage minimization strategies could be adopted to improve revenue performance?

### **1.6 Underlying Assumptions**

Assumptions are unproven but logical statements of truth without which a study may not progress (Leedy & Ormrod, 2013). My study's design and implementation were based on four assumptions.

1. Sound collection strategies will boost service delivery
2. Research participants will fully participate and would have relevant experience and knowledge in revenue collection in the energy sector.
3. Results from data collection will be generalized so as to draw a conclusion

4. A selected sample will fairly represent the population

### **1.7 Justification of the study**

The research sought to establish the effectiveness of the current revenue collection strategies being applied by ZETDC Northern Region and their contribution towards collection performance. This will enable assessment and determination of other emerging better strategies of collecting revenue to ensure a self-funding business model with reduced debtors' book. Specific research on ZETDC's effectiveness of revenue collection strategies has not been done and covered thereby leaving a gap to be filled by this research. ZETDC Northern Region currently has funding challenges which culminated into failure to buy operational vehicles, failure to repair broken down distribution lines, failure to grow the business, failure to pay for power importation, failure to invest in new power generation equipment all leading to serious load shedding in the country. The new emerging strategies will be recommended for adoption so as to address service provision challenges within ZETDC.

### **1.8 Significance of study**

The findings of the research will assist ZETDC management in decision making so as to improve revenue collection performance and eventually service delivery. Furthermore, various government agencies will also make use of the findings to establish causes of parastatal poor performance and coming up with better financing models for the electricity sector as well as assessing the need for a cost reflective tariff which promotes power supply sustainability. The suppliers will also make use of the research outcomes in assessing assurance of payments on services rendered as well as developing supply models which suits the parastatals. The employees will make use of the findings in assessing the security of their employment and prospects of salary adjustments among other employment benefits. The customers will also make use of the outcomes through appreciating the effects of not paying bills, the causes of load shedding, and the best business model for the power utility as well as a possible shift in the financing/business model to match changes in service provider's operational procedures. Lastly, the study will assist future researchers, academics and scholars who would like to study strategic management and monitoring and evaluation in electricity sector's revenue collection.

## **1.9 Contribution of the study**

Business leaders' grasp of the significance of managing revenue collection in all forms of business may be improved by this study. Through increased profitability, the use of revenue collecting tactics in power utility businesses can improve the companies' financial viability. There is a basic connection between increased revenue flow, successful business operations, and excellent customer service. (Baik, Chae, Choi, & Farber, 2013)

### **Practical contribution**

The results of the study and its recommendations will assist ZETDC management in identifying the weak link in revenue collection and adopt necessary strategies to plug them and improve liquidity of the power utility which will then be used to grow the business and improve service delivery. Improved liquidity and reduced debtors balance through effective revenue collection will increase the borrowing power should there be need for capital projects financing.

### **Knowledge/literature contribution**

The findings of the research will assist future researchers through adding more knowledge in the research domain which can then be used for various purposes among them guiding other utilities on how collection can be enhanced in a turbulent environment

### **Policy contribution**

The research findings also added more flesh on what is required to keep the utilities going and usually the operations of power utilities is affected by existing polies and guidelines including statutory instructions. This will then guide the policy makers on how best to craft policies which can support execution of a mandate.

### **Methodological contribution**

The manner in which a research is done will also add more views on how a qualitative research can be, that is, by assessing effectiveness from the perspective of views from staff and clients instead of results based as a way of collecting more information other business stakeholders.

### **1.10 Delimitation/Focus of study**

Delimitations are manageable criteria that are utilized to limit the study's scope. (Marshall & Rossman, 2016). The first delimitation was that the geographic location of the chosen case study was close to my place of residence, that is, Mashonaland Provinces. The second delimitation was that I involved a limited number of participants.

#### **Conceptual focus**

The research focused on the effectiveness of revenue collection strategies within the context of ZETDC Northern Region which is one out of the five regions of ZETDC for the reason of it being well composed in terms of big clients in all client categories. The Region further contributes 70% of the ZETDC's revenue hence the focus on it.

#### **Spatial or geographical focus**

The research was bound in the geographical areas which fall under ZETDC Northern Region which are Mashonaland Central province, Mashonaland East province and Mashonaland west province. The research focused on the mentioned geographical for the purpose of easy of data collection since the researcher could easily travel through the provinces to collect data. Furthermore, the spatial confinement was as well caused by the time which was available to do the research. The geographical focus did not affect the outcome since it had a fair client representation and key players in the energy sector are resident in the three provinces.

#### **Temporal focus**

The revenue collection trend was observed over the period of two years from 2020 to 2022 where major increase in debtors was noted and declining revenue collection as well as deteriorating tools and equipment all culminating from liquidity challenges owing to low revenue collection. The timeframe from 2020 to 2022 has many changes including monetary policy changes, currency deterioration, macro-economic challenges, covid 19 challenges, hyper inflationary environment as well as brain drain within ZETDC time.

### **1.11 Limitations of the study**

Limitations are uncontrollable weaknesses inherent in a study (Connelly, 2014). The first limitation was that the study involved only a single case for ZETDC Northern Region just to make

it practical since one Region has a fair share of all clients categories and staff capacities knowledgeable to provide the necessary responses through the research. The second limitation was that the location of the study was only in the Mashonaland provinces of Zimbabwe for the reason that the provinces have a fair share of the clients and staff representation. The third limitation was that of a small sample size given limited time and resources thereby use of sample to generalize the results. The samples were taken from all categories of clients and staff which has a direct contribution to revenue collection. The research was self-sponsored as such a limit on data collection given the cost of doing so. The study relied on qualitative data collection through structured and semi-structured questionnaire of which collection, analysis and interpretation was not free from human errors. Modern tools were used to analyze data as a mitigation measure to reduce human errors.

## **1.12 Outline of the study**

### **1.12.1 Chapter 1**

The chapter provided the background to the study, revenue collection strategies, statement of the research problem, the purpose of the study, the research objectives, the research questions, underlying assumptions, justification of the study, significance of the study, contribution of the study, delimitation of the study and limitations of the study.

### **1.12.2 Chapter 2**

A review of relevant literature will be conducted, tying it to the researcher's area of study, the relevant goals, and most crucially, using the scientific process in the review.

### **1.12.3 Chapter 3**

The research methodology, the philosophy, design and research instruments to be used for the research study will be highlighted and justified within this chapter.

### **1.12.4 Chapter 4**

The data gathered in the previous chapter together with secondary data will be analyzed using tables and charts.

### **1.12.5 Chapter 5**

The findings, conclusions and recommendations will be proffered based on the triangulation of the primary data, secondary data and the research results obtained from the previous chapter.

### **1.13 Chapter Summary**

The chapter first discussed the background of the study, highlighting the problems that ZETDC Northern Region is face pertaining to factors affecting effectiveness of revenue collection. Secondly, the chapter discussed the problem statement and objectives that help to give the scope of the extent of the analysis that need to be done. The significance of this research was presented. Other issues that were covered include the limitations and delimitations of the study. An overview of each chapter of the study was also presented. The next chapter presents a review of relevant literature.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.0 Introduction**

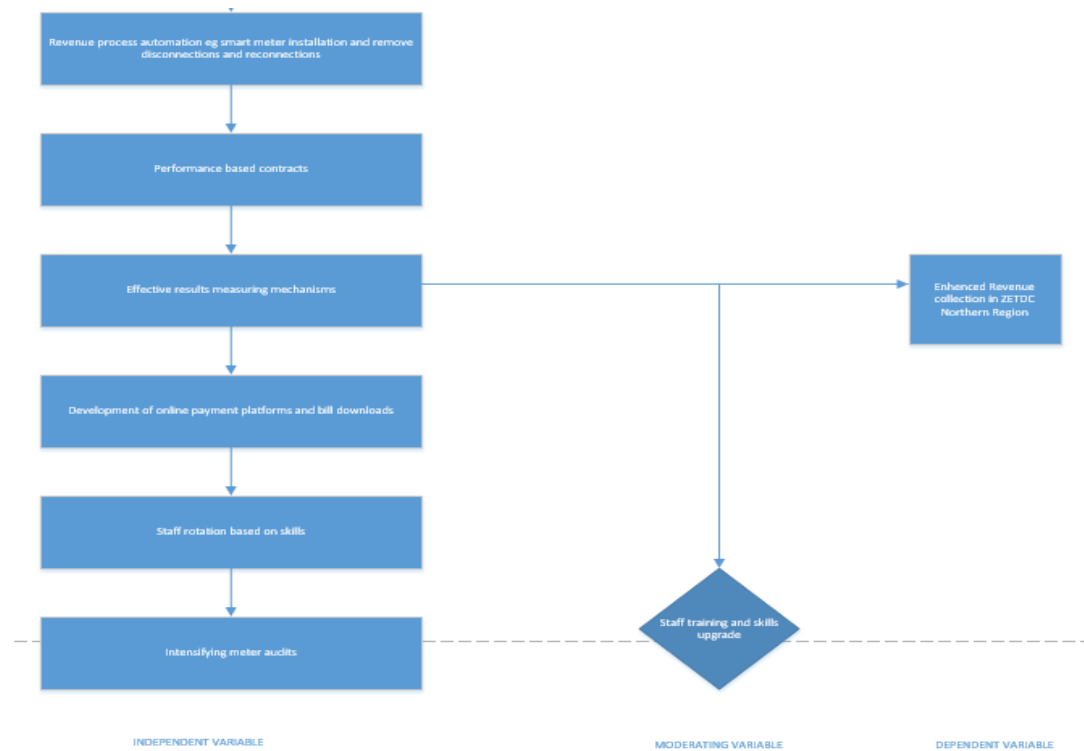
The theoretical and conceptual underpinning on how revenue collection tactics affect revenue performance is provided in this chapter. It examines empirical research on earlier studies in this field relating to the study objectives and provides a critical assessment of the literature, highlighting any gaps that need to be filled by this research. Finally, a conceptual operational framework that conceptualized all the relevant variables was presented.

### **2.1 Conceptual Framework**

A conceptual framework, according to Mbufu (2013), is the connection between variables and a congruative map. In order to improve revenue performance in ZETDC Northern Region, the conceptual framework theory addresses the effectiveness of revenue collection strategies. It is made up of control, dependent, and independent variables. The dependent factors are improved revenue collection and a decline in the debtors' balance, whereas revenue collection tactics are the independent variables. Since staff skills are a significant enabler in connecting independent and dependent variables, different acts and staff skills that affect both the independent and dependent variables are included as control variables.

According to Crompton (1991), there is a correlation between effective implementation of collection tactics and efficient revenue collection. He goes on to say that for efficient revenue collection, the more successful the method, the more money is collected and the less money owed by the debtors. The use of the available options to obtain the anticipated revenue will also depend on the existence of a sound and effective legal framework. The legal structure in this case includes sufficient policies, rules, and regulations that control how ZETDC's value chain and revenue collecting division operate.

The Conceptual Model, which provides the basis for the research, is shown in Figure 3 below. This network of links between the variables determined by a literature review to be pertinent to the problem situation is logically built, described, and elaborated.



**FIGURE 2.1: ZETDC CONCEPTUAL FRAMEWORK**

**SOURCE-OWN DIAGRAM FOR THE STUDY**

The independent variables are techniques that are essential for generating revenue, and their effectiveness in execution has led to outcomes like enhanced revenue performance. A moderating variable is a crucial element in ensuring that the dependent variable is used to produce the desired results. The outcome of applying independent factors along with the moderating variable determines the dependent variable. The revenue collected or the improvement in revenue collection as a result of strategy application was the dependent variable in the ZETDC Northern Region research on revenue collection. The independent variables were methods that were used to collect money. In order to get the desired result, which becomes the dependent variable, the conceptual framework summarizes the research by showing the key drivers that require more time and resources. This is because revenue collection results from strategies that are successfully implemented with the right monitoring and evaluation tools. The conceptual framework clearly states that the dependent variables, such as business process automation, implementation of performance contracts, monitoring and evaluation, carrying out meter audits, staff rotation, and expanding the number of online payment options, will enable revenue collection if the strategies

are effectively implemented by skilled and passionate manpower operating in an organization with clear frameworks, accounting manuals, and statutory instruments, among other things.

## **2.2 Theoretical framework**

The goal of revenue administrations has typically been to improve revenue collection. The majority of diagnostic work has been devoted to quantifying revenue leakages. The World Bank and the IMF both commonly employ this strategy (Keen, 2003). In the case of ZETDC Northern Region, the utility's ability to achieve its National Development strategy 1 (NDS1) goals, which among other things include doing away with load shedding and giving everyone access to electricity, is made possible by the revenue collected, which is frequently referred to as the main driver in service delivery. As the utility works to power the entire country, ZETDC as a whole is engaged in a total electrification project that, in essence, requires cash or revenue gathered to pay essential components. Many theories do connect to the research in different ways.

### **2.2.1 Mckinsey 7s framework**

The Mckinsey 7s framework is a management model developed by Robert H. Waterman Jr. and Tom Peters in the 1980s. It is the main theory in this study since it covers a strategy and the factors which affect the strategic fit of a tactic as well as success of it. The 7s are strategy, structure, system, skills, style, staff and shared values. This concept is based on the idea that these seven components must be in harmony for an organization to function well. The idea highlights the components that must work together in a utility setup to make goal achievement easier. According to the theory, an organization contains seven different components that work together to produce the outcomes at the end of the value chain. In the case of ZETDC Northern Region, which the researcher examined, the collection strategy must be agreed upon by all, the formal reporting structure must be clear, the system must be functional and automated, the staff must have improved skills, the leadership must be appropriate to support the effectiveness of revenue collection, the staff must have the appropriate attitude, and the organization's values must be shared. The theory explains the study of effectiveness of revenue collection strategies at ZETDC Northern Region in that strategies are implemented by employees, who are guided by management and all processes done in the system in which clients are billed. This points to the relevance of the theory to the

study and the need to adopt its concept by ZETDC there be need to improve effectiveness of revenue collection. The major weakness of the theory is that it does not consider external factors like inflation which also affects its implementation and effectiveness of collection. This weakness however can be mitigated by applying the 7s model as it applies and blending it with situational approaches in strategic management. Figure 4 below shows a summary of the McKinsey 7s model.



**FIGURE 2.2: MCKINSEY 7S MODEL** Source: Peters (1982).

The 7s model is conceptualized as follows:

The term "strategy" refers to an action plan created to preserve and increase competitive advantage as well as other maximal target achievement. (Alfred D. Chandler, Jr, 1980, Yayra 2011).

Structure indicates the way the organization is organized and who reports to who. Structure divides tasks and then provides coordination. This aspect is critical to ZETDC Northern Region in that the Region covers three political provinces of Mashonaland which requires a functioning structure to coordinate all collection efforts and strategies by commercial managers and sales executives.

Systems refers to the daily activities and procedures that staff members engage in to get the domestic revenue collection done. The administrative systems were vital areas that can bring in domestic revenue collection McKinsey, Yayra (2011). Systems are key in facilitating effectiveness of revenue collection strategies as they aid clear audit trails and monitoring mechanisms.

Shared Values often called 'super ordinate goals' when the model is developed, these are the core values of the organization that are evidenced in the corporate culture and the general work ethic. The core values of the ZETDC Northern Region are client focus, integrity, teamwork, innovation

and corporate social responsibility. The values are key in ensuring effectiveness of revenue collection through staff transformation and behavior guidance.

Style implies the type of leadership adopted. The leadership style adopted in any organization has direct impact on performance according to Friedman & Rosenman, (2009). ZETDC Northern Region has a fair age mix of staff and heavily unionized which then calls for dedicated leadership which pays attention to detail and remain focused to avoid being derailed by union leaders from the goals of the utility.

Staff refers to the general capability of employees. The capabilities depends on several factors like qualifications, experiences, motivation among others. Absence of these might contribute to low goal attainment, such as low revenue collection in the case of ZETDC Northern Region. The staff over the years moved from results based culture of working to time based thereby contributing compromised performance across ZETDC.

Skills: the actual skills and competencies of the employees working for an organization are also vital for effective performance. There has been a change in business dynamics as evidenced by changing business models. Staff for ZETDC need training so as to improve flexibility and ability to deliver. Skills acquired 10 years ago might not be relevant in this turbulent environment which requires agile team members.

The McKinsey 7Ss model is therefore relevant in this study. If something within an organization or team isn't working well, chances are there is inconsistency between some of the elements identified by this 7s classic model hence its application in the research of ZETDC Northern Region's revenue collection performance. Proper alignment of the 7s and application will contribute materially to revenue collection which will drive the expected results as per the National Development strategy 2021 to 2025 (NDS1).

### **2.2.2 SWOT analysis**

An organization can use a SWOT analysis to identify its internal strengths (S) and weaknesses (W), as well as external opportunities (O) and threats (T) (T). The data is utilized in business planning to assist in achieving objectives like revenue collection, as in the case of this study for ZETDC Northern Region. Strengths are the aspects of revenue collecting that ZETDC excels at, as in this instance, and the SWOT analysis theory truly aids management in identifying the areas that require attention when assessing a process that may not be producing the required results. One

of this theory's biggest flaws is that it's subjective, which makes it easy for people to misjudge situations or use it incorrectly. When analyzing the same for an objective evaluation, this shortcoming might be reduced by enlisting the help of outside specialists.

Weaknesses describe internal deficits like staff skills gap, resource limitations, remuneration challenges among others all necessary in the study since they as well affect effectiveness of revenue collection strategies.

Opportunities describe any external circumstances or trends that favor the demand for an organization's specific competence like in this case new strategies which can be proposed by staff and clients will be of importance in enhancing revenue collection within ZETDC Northern Region.

Threats define any external circumstance or trend (establishment of strong competitors, government deficit, or regulations) that limit free distribution of products or services.

SWOT analysis is a key theory in this research in that for revenue of ZETDC Northern Region to be collected, there is need to identify the main causes of non-performance of the current strategies thereby applying the SWOT analysis. In the same view, the SWOT analysis works as a strategic guideline in decision making which is key in making choices like choosing the best strategy to collect revenue from the most difficult tariff category like Farming. The SWOT analysis will assist management in figuring out a best fit strategy to collect all the revenue at the minimum cost possible. This then points to the criticality of SWOT analysis through capitalizing on strengths and exploiting opportunities like government set off and concessions with farmers to collect revenue from source. The research also explored potential collection strategies (opportunities) and weaknesses of the old strategies all cementing the importance of the SWOT analysis as a theory in the research.

## **2.3 Empirical literature review**

### **2.3.1 Current ZETDC revenue collection strategies**

- **Power Disconnection**

The factors influencing the regular monthly payment of power bills in Hajvali were examined in the study by Vllasaliu (2015). The proposal took into account the issue of unpaid electricity bills in Hajvali, Kosovo. Surveys, regression analysis, and interviews were some of the analysis techniques. The director of energy supply for Kosovo Energy Distribution Services (KEDS), the

director of Kosovo's budget, and a representative from the Ministry of Labour and Social Welfare participated in three professional interviews. A total of forty polls with citizens were also done. To determine the statistical significance of each of the components, regression analysis was conducted using Minitab software. From the data gathered, a number of reasons that contributed to a low collection of electricity bills stood out. The main contributing reason was a shortage of monthly discretionary cash, as energy costs for certain households during the distribution system accounted for about 30% of the whole family budget. On the project, various elements were covered in further detail. According to the Minitab data, there was a 10% level of significance for the absence of discretionary income and customers' knowledge of tariff structures (lack of efficiency measures). To account for any outliers and method mistakes, normality and independence tests were conducted on the only significant quantitative variable.

In order to boost the rate of bill collection in Hajvali it was recommended to ensure Electricity cutoffs to all debtors and appliance reconnection costs, reintroduction of daytime discounts on rates and publicity campaigns, seminars, or educational programs to raise awareness of energy efficiency

The research by Vllasaliu (2015) points to power disconnection as a traditional revenue collection strategy which ZETDC uses to collect revenue.

- **Installation of prepaid meters**

The performance of Tanzania Electric Supply Company Limited's prepaid metering system in terms of revenue collection was studied by (Chaula, 2020). (TANESCO). The study's particular goals were to identify the advantages of prepaid meters for TANESCO, consumer issues with prepaid meters, and the impact of the revenue collection period on prepaid systems at TANESCO. The study focused on the branches in Mbeya. On a monthly basis, the study collected data from yearly reports, financial reports, and certain documents. The results of the study showed that collection expenses and the timing of revenue collection had a negative and considerable impact on TANESCO's profitability in the Mbeya Region. In order to increase the coverage of prepaid meters across the nation, the corporation must therefore quadruple its efforts in debt collection. It was discovered that TANESCO staff occasionally read electric meters inaccurately, which compromised the accuracy of the billing process. It was suggested that TANESCO switch from an electric metering system to a prepaid metering system. The study concluded that the use of prepaid

billing system reduced revenue collection costs for TANESCO. This emerging business approach to revenue collection seems smart and ZETDC Northern Region might need to broaden it to all customer categories further to the domestic and small business customers who are already on prepaid. The strategy to target key clients which contribute 80% of the revenue as per the Pareto principle.

Dube (2014) investigated how home prepaid meters affected generating money. He did his research from 2012 to 2014 in the Gweru urban district. The purpose of the study was to assess how the household prepaid meter affected the Zimbabwe Electricity Transmission and Distribution Company's ability to generate income (ZETDC). Questionnaires were the main tool utilized in the study's descriptive design technique for data collection. For the purpose of choosing and interviewing respondents, the judgemental sampling method was used.

According to the study, the adoption of prepaid meters had advantages, such as the removal of costs associated with collection, arrears, and unpaid bills. Further findings from the study revealed that 67% of ZETDC managers firmly felt that the implementation of home prepaid meters had enhanced revenue generating. He determined that, as stated by the managers, the main issue was power theft committed by interfering with the meter. The researcher's results also revealed that Zimbabwe's electricity supply was insufficient and that blackouts continued to affect ZETDC customers even after they switched to the prepayment system. He recommended that management should consider carrying out awareness campaigns to discourage customers from tampering with prepaid meters

From the 2 authors, it is evident that they agree on installation of prepaid meters though there is a concern raised of energy theft which needs to be addressed to ensure effectiveness of the strategy in revenue collection.

- **Final demand and client engagement**

Strategies for Maximizing Revenue Collection in Public Water Utility Companies in Malawi were the subject of a research by (Namaliya, 2017). This one-case study's goal was to investigate the reliable business tactics employed by senior management of water utilities to overcome inefficiencies in the collection of water fee revenues. Revenue management, which contains tactical constructions for boosting revenue collection, served as the study's conceptual framework. Five senior administrators of a public water service in Malawi, in the southeast of Africa, were the

study's target population. Semi-structured, in-person interviews as well as a study of corporate records were used to acquire the data. Four themes were found through thematic analysis of the data, including methodological triangulation, including innovative techniques, efficient metering and invoicing, customer relationship management, and cutting off water service to clients who owe past-due bills. These themes emphasized reliable business approaches that, for these 5 top managers, worked well for generating money. By raising profits, expanding the water industry, lowering crime by hiring more people, providing potable water to reduce waterborne diseases, and supporting Malawi's citizens' sustainable social and economic development, addressing inefficiencies in the collection of water fee revenues will facilitate positive social change. Namaliya agrees with Vllasaliu (2015) on disconnection when bills are not paid after the due date as well as engaging the client. The two tactics are not exhaustive when it comes to ZETDC given the complexity of its clientele which leaves a gap to be filled by this research through identifying other possible strategies through which revenue collection can be enhanced. Disconnections cannot be used on critical installations like hospitals and government points.

### **2.3.2 Emerging revenue collection strategies**

- **Staff training and skills upgrade**

Ngicuru (2017) conducted research on the variables influencing revenue collection in Nairobi, Kenya. This study aimed to identify the variables influencing revenue collection in the Nairobi City County Government. The study's specific goals included: determining the impact of revenue diversification on revenue collection; determining the impact of administration on revenue collection; evaluating the impact of tax structure on revenue collection; and determining the impact of various revenue sources on revenue collection. The research design used in the study was descriptive. The study population had 340 participants, and the Fischer's method yielded a sample size of 180 participants. With the use of SPSS, both descriptive and inferential statistics were used to analyze the data that had been obtained. The study indicated that revenue diversification tactics enhance the amount of money collected. The amount of revenue collected will grow with appropriate tax administration practices, such as hiring competent employees and implementing cutting-edge technology. The report suggests using the most recent technology, skilled personnel, and more innovations for Nairobi City County's various sources of income.

The research by Lita (2013) and Ngicuru (2017) both emphasize the importance of hiring qualified personnel for guaranteeing employee competence. Ngicuru also advocates using modern technology to gather information from clients. Lita (2013) brought attention to the issue of poverty, which has an impact on collection overall, including ZETDC. The two authors both offer solutions that are also applicable to ZETDC, but because Zimbabwe's business environment is different from that of the two writers', there may be a vacuum that has to be filled by the present study.

- **Business process automation eg smart metering and remote disconnection and reconnection**

"Evaluating reasons for non-payment of vital services in Oshakati town, Namibia" was the title of a study done by Iita (2013). The study's goal was to assess the causes of key services in Oshakati not being paid for. Both quantitative and qualitative research methodologies were used by the researcher. Case studies and descriptive research design were two of the many research methods used in the study. The results indicate that there is a performance gap regarding issues with trash collection and sewage services management between consumer expectations and revenue collection by the municipality. This was a sign of subpar service. According to the study, unlawful water use contributed to non-payments when homeowners disregarded water meters. Additionally, the study indicated that, compared to other tactics used to collect money, poverty and unemployment were inevitable factors influencing how much customers were willing to pay for services.

The key recommendations were as follows:

- ✓ **Revenue collection** – Implementing a Geographical Information System (GIS) will be beneficial for staff in tracking down unpaid bills because of the block maps that are generated. The study also suggests various methods for increasing income collection, such as door-to-door customer visits.
- ✓ **Recruit qualified and experienced employees** – Employing qualified Chartered Accountants to oversee the municipality's financial management systems is crucial. To enhance service delivery and foster a culture conducive to managing debt collections, training is necessary.

The recommendations by Iita (2013) supports automation of business processes for ease of use and accessibility which includes development of GIS. The writer coincides with others like Chaula.

The writers are differing where Iita (2013) recommended door to door which defies the purpose of using technology as suggested by other writers. This difference and conflicts creates a gap which need to be verified from the field through research to find out if door to door improves effectiveness of revenue collection strategies given the state of roads, geographical coverage and resource limitations.

(Ogada, 2013) indicated the influence of System Operational Efficiency on Revenue Collection in Kenya, A Case of Malaba Border Customs Office and concluded that the accountability of customs systems, work flow and ease of doing business influenced positively by embracing system operational efficiency in revenue collection at Malaba Border. Based on the findings the study recommended a need for a continuous upgrading of the systems, in line with prevailing technology other readers analysed above agree with.

- **Internal controls**

Adenya (2017) conducted research on the variables influencing the effectiveness of revenue collection by Kenyan county administrations, particularly Kiambu county. Kiambu County had been falling short of its goals for income collection. The evaluation of factors influencing revenue collecting efficiency was the study's principal goal. The particular goals included determining the impact of technology, internal controls, and law enforcement on the effectiveness of revenue collection, as well as the impact of revenue collection human capacity and technology on revenue collection efficiency. Descriptive and survey research designs were used in the study. While secondary data was taken from already published materials, primary data were gathered utilizing questionnaires. The main data was gathered, processed, and presented in tables using the statistical program for social sciences and Microsoft Excel. Using the multiple linear regression, it was discovered that all variables influencing revenue collection (personnel capacity, technology, internal controls, and legal enforcement) were significant.

All the writers including Adenya, (2017) agree on the need for personnel capacity through skills upgrade to enhance staff competence. Adenya, (2017 further recommended internal controls and a strategy which was not mentioned by other writers. It was revealed that, revenue collection can improve when internal control system like segregation of duties, reconciliations and physical controls have been put in place. But all writers are putting forward strategies but effectiveness of the same is not addresses since effectiveness is the one that matters.

- **Proper monitoring and evaluation**

Over the past decades, ZETDC Northern Region has been holding revenue collection meeting and indabas as well as workshops coming up with good strategies. Now the issue is on effectiveness of those strategies since the desired results were not realized as was evidenced by a growing debtors balance, cash flow challenges, poor service delivery as well as failure to maintain the network to the extent that clients are asked to buy network materials should they need power. Research have pointed to the lacking of monitoring and evaluation which in strategic management is a key process because it is a check point and a stage at which challenges can be resolved in order to achieve the desire goals. The employees of ZETDC seems to know the lack of monitoring and evaluation as well as implementation of corrective measures as such passion to achieve then loses track. There have been cases of non-performers being rewarded, such as through an annual bonus for all yet incentives should be for ability to meet a target so that collection targets and application of revenue collection targets can be applied serious. This emerging strategy of monitoring and evaluating utility strategies was plied in Kenya revenue authority and revenue collection improved.

- **Client education and engagement**

A research on the non-payment of municipal services in the Vhembe District Municipality, South Africa, was done by Mavhungu (2011). This study sought to determine why residents didn't pay for services provided by the Vhembe District Municipality. The study was empirical and involved a variety of research methods, including expository, historical, and descriptive (case study) research. In this investigation, simple, stratified, and cluster random sampling techniques were employed.

The most important data showed that only 8% of respondents thought the services were beyond of reach, 50% thought they were not very affordable, and 42% thought they were. In addition, only 2% of respondents thought the municipal services were very good, 39% thought they were good, 36% thought they were poor, and 23% thought they were very poor. The high level of dissatisfaction among municipal service users may seriously affect how well revenue collection tactics work to increase revenue collection.

Regarding improving service delivery and encouraging customers to pay for the services, she recommends the followings:

- ✓ The municipality needs to launch an educational and awareness campaign among the communities to deal with the apparent dependency syndrome

The municipality needs to urgently improve the quality of services to ensure that customers' willingness to pay service is raised

This was supported by a research on the efficiency of taxpayer education as a revenue collecting tactic in Kenya (KRA) conducted by (Best, 2004). Determining the efficiency of taxpayer education in KRA's revenue collection was the study's main goal. In Nairobi, where the area was separated into four administrative regions, the study used a descriptive research design. The strata for tax payer sampling were the sub-regions. Primary data was gathered via questionnaires and a sample of 120 taxpayers. Utilizing a combination of quantitative and qualitative methodologies, the data was analyzed. Tables and charts were used to present the findings. The results showed that taxpayer education had improved KRA collection. The results showed that tax payer education had improved the following areas of revenue collection: the public's level of comprehension of various taxes at KRA; tax compliance among non-cooperative taxpayers; reduction of tax evasion; and taxpayers' ease in filing returns. The study suggested that KRA work to enhance the options for tax payers to receive services, encourage participation by all tax payer sectors and categories, streamline the tax process, broaden the scope of electronic tax services, provide targeted taxpayer education programs and guidance instructions to taxpayers, and formulate measures to increase the participation of taxpayers in the tax, and ensure timely response to the dynamics affecting revenue collection from time to time.

The two writers agreed on educating clients on the organizational expectations and purpose of paying for services even though applicability of the strategy might need to be further researched to see if it fits well in the context of ZETDC Northern Region.

## **2.4 Research Gap**

From the literature analyzed above, it was found out that all writers recommended strategies which could be used to improve revenue collection but the effectiveness of the strategies in a hyper inflationary environment, with more political influence, changed business model by covid 19, a company without adequate resources, a company with deteriorated distribution structure was not addressed as well as key enablers of strategy effectiveness was not as well articulated which leaves

a gap which should then be covered by this research. The writers also had different views on some aspects like using GIS to facilitate movement from door to door yet technology could be available to lessen the burden given the geographical coverage of ZETDC and the staff to employee ratio.

It has been determined that the general public believes they are not permitted to take part in discussions about their well-being. Due to this, many people have chosen not to pay for the services that were provided to them (Hagg, 1998). The effectiveness of a strategy's implementation and revenue collection are related, claims Crompton (1991). Additionally, it is clear that each utility must have a successful revenue collecting strategy that is in line with its strategic goal (Parkin, 1995). In addition to interventions focused at strengthening revenue collection tactics, addressing these collection difficulties necessitates more significant service delivery improvements, adequate monitoring, and assessment of all measures in relation to the desired outcomes. In strategic management, a well-developed strategy could amount to nothing if it is not put into practice, and all programs depend on how successful monitoring and assessment are done. By examining the variables that impacted the efficiency of revenue collecting tactics in enhancing revenue performance at ZETDC Northern Region, the current study aimed to close these gaps. Although the energy sector is distinct and necessitated specific ways to handle revenue collection, there has been little research on it especially in the Zimbabwean context and ZETDC in particular. The research that is known to the researcher has primarily focused on existing tactics and how they performed in other service industries which might not best fit in the Zimbabwean context and ZETDC Northern region's business case.

## **2.5 Chapter summary**

The chapter outlined the conceptual framework for the study as well as the theoretical framework which was relevant to the study. It further reviewed the literature of studies done in the field of revenue collection as well identifying the research gap which was to be filled by the current study.

The next chapter deals with the methods used to gather data, analysis, recommendations and conclusions drawn from the research data.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

The chapter will give an overview of the methodology used to conduct the research outlining the research design, target population, sampling design, data collection methods, and instruments as well as data analysis and interpretation.

### **3.2 Research Design**

The study was done through a sample survey approach since there was a big population covering Mashonaland East, West and Central provinces being the area covered by ZETDC Northern Region. This follows a case study approach which gives deeper insight into revenue collection challenges for utility companies. The descriptive research design was used with a focus on qualitative characteristics and status or views of the vast revenue collection strategies employed by ZETDC Northern Region in improving the revenue performance. The descriptive design describes the current state of affairs as they exist at the time of study (Herve, 1988). He went on to state that with this methodology, data about the variables that are found in a society is gathered. In summary the design deals with incidences of variables (both dependent and independent) as well as the relationships.

### **3.3 Target population**

The research targeted the staff of ZETDC Northern Region covering all Districts, that is, Chinhoyi District (Mashonaland West Province), Marondera District (Mashonaland East), Bindura District (Mashonaland Central Province) and Kadoma District (Mashonaland West Province). ZETDC Northern Region has 1500 employees and the focus was on 20 credit control staff, 18 Customer service officers as well as 13 management staff being internal clients. These categories was chosen owing to their daily contribution and level of activity in revenue collection since they are electricity clients in their own right. Further, they also deal with clients as such they can easily share the emerging strategies and recommend improvements on the current strategies. In addition to internal clients (staff), the study also targeted external electricity clients per tariff category across Northern Region. The total of post-paid and prepaid clients was 145000 of which 7500 were post-paid clients

and 137500 were prepaid clients, however, due to the homogeneous nature of the clients, the research sampled 4 from each tariff category (total 32) like domestic, commercial, industrial, mining, farming, government, local authorities and parastatals. Clients are included in the sample owing to their value along the value chain. The clients shared honest strategies which could improve revenue collection strategy. Table 3 below shows the target population by grade at ZETDC Northern Region.

**TABLE 3.1 TARGET POPULATION BY GRADE**

<b>Grade</b>	<b>Population frequency</b>	<b>Percentage</b>
C2-C3	20	39
C5-D1	18	35
D3-D5	13	26
Total	51	100

Source: ZETDC Payroll (2022)

### **3.4 Sample design**

In this study, the target population was staff of ZETDC Northern Region as shown in table 3 above and electricity users from various categories across the three provinces which falls under ZETDC Northern Region. There were 145000 clients in the Region, however, due to their homogeneous nature, a sample of 4 will be picked per category

Cooper and Schindler (2003), stated that a sample size needs to be a function of the variation or spread in the population parameters under research and the estimating precision needed by the researcher. Therefore, sampling is the process of choosing some individuals representing a large group from which they were selected for a study (Mugenda and Mugenda 1999)..

A stratified random sampling method will be employed in this study. From the 20 credit control staff, 18 customer service officers and 13 management staff, at least 40% will be selected as shown in the below table 4

Total population for ZETDC Northern Region’s grade C2 to C3 and C5 to D1 has been included in the sample owing to their central and main role in revenue collection as it encompasses the

credit control staff who are in charge of implementing revenue collection strategies which might determine failure or success of the tactics in collecting revenue. Table 4 presents the study population and sample size.

**TABLE 3.2 STUDY POPULATION AND SAMPLE SIZE**

<b>Grade</b>	<b>Population Frequency</b>	<b>Sample Size</b>	<b>Percentage</b>
C2-C3	20	10	41.7
C5-D1	18	8	33.3
D3-D5	13	6	25
Subtotal	51	24	100
Electricity clients	145000	32	
Total	145051	56	

In addition to the staff sampled, 4 electricity users per tariff were randomly sampled and included in the sample. The responses will be used to cross check staff responses and obtain their opinions on effectiveness of the revenue collection strategies as well as clients' views on effectiveness of revenue collection strategies.

### **3.5 Data collection**

The study was a sample survey and primary data was collected from the field using a semi structured questionnaire. The questionnaire had both open ended and closed questions. The questionnaire had two parts, that is, part one for the bio-data of the respondents and part two for primary data on the employee's or clients' opinions and perceptions on the effectiveness of revenue collection strategies in improving revenue performance for ZETDC Northern Region. The questionnaires were be dispatched and administered through both face to face and online. The completed documents were collected during face to face sessions and online submission through emails when clients were in a different geographical locations.

### **3.6 Data Analysis**

Data was collected, cleaned, sorted and collated. All the respondents' opinions and views obtained from the field were matched and coded using numerical numbers for ease of sequencing. The data was then captured into a computer for analysis. To summarize and describe the data, descriptive statistics in the form of pie charts, contingency tables, and bar graphs were employed. Measures were examined establishing the relationship between the independent and dependent variables. Data was analyzed using a thematic and content analysis to discover emerging major views regarding the effectiveness of revenue collection strategies of ZETDC. The results were presented on a frequency distribution tables, pie charts, and bar charts. The interest was the frequency of occurrence across attributes of measures and possible recommendation thereon. This was followed by analysis using thematic analysis to examine the relationship between the variables.

### **3.7 Chapter summary**

The chapter outlined the methodology used to conduct the research clearly showing the research design, target population, sampling design, data collection methods, and instruments as well as data analysis and interpretation.

## CHAPTER FOUR: DATA ANALYSIS RESULTS AND DISCUSSIONS

### 4.1 Introduction

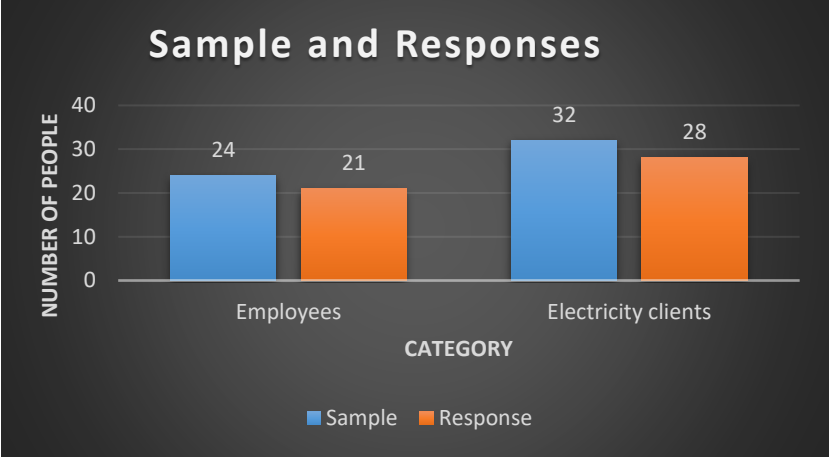
This chapter presents the analysis and discussion of the results of the study. The responses were compiled into frequencies and converted into percentages and presented in tabular form to facilitate easy analysis and understanding of the effectiveness of revenue collection strategies at ZETDC Northern Region. The findings of the study would be useful to ZETDC Northern Region as an eye opener in terms of the performance of the revenue collection value chain and effectiveness of current strategies as well as adopting new emerging strategies which might help achievement of set revenue collection targets over the respective financial years. A sample of 24 employees and 32 electricity clients was used.

Table 5 below shows the sample size and actual response from the target population which included ZETDC Northern Region employees and electricity clients. The study targeted to collect data from 24 employees in various job grades in Mashonaland provinces as well as 32 electricity user clients.

**TABLE 4.1 : SAMPLE SIZE AND RESPONSES FROM EMPLOYEES AND CLIENTS**

Respondents	Target Population	% sample	Response	% response
Employees	24	100%	21	87.5%
Electricity clients	32	100%	28	88%

(Source: Own data)



**FIGURE 4.1: SAMPLE SIZE AND RESPONSES FROM EMPLOYEES AND CLIENTS**

*Source: Own data*

Table 5 and figure 5 above shows an 87.5% response by ZETDC Northern Region staff members being 21 responses out of 24 target sample size (100% target sample) and on the other side 88% responses from electricity clients being 28 responses out of 32 expected responses (100% target sample). The high responses as indicated in table 5 and figure 5 improves the reliability of the data collected.

**4.2 Demographic information**

The captured demographic information covers the gender, age, education qualification, job description, department, roles, employment period, tariff, metering type and mode of receiving bills. Evaluation of revenue collection strategies in this study is based on responses from staff and clients as such fair representation of demographic information matters. The data was important because of reliability enhancement as well as giving an overview of the respondents who took part in the study. Categories such as age and educational background were important because of their contribution to training capability and the level of understanding emerging revenue collection strategies towards enhancement of efficiency in revenue collection. The age also determines agility of a respondent in turbulent times and quality of decision making might be related to educational qualifications as well. The main revenue collection strategies of ZETDC includes issuing final demand letters, disconnecting for non-payment, legal collection, installation of prepaid and smart meters. Effective implementation of the strategies requires an active age, firm gender, qualified

personnel, relevant job type which contributes towards revenue collection, in the correct department doing the roles related to revenue collection, employed for a reasonable period of time which determines exposure to the revenue collection value chain. As a result, consideration of the demographic profiles was key in making sure that the right respondents gives an honest correspondence which analyses the strategies with a view of recommending the best way to collect utility bills.

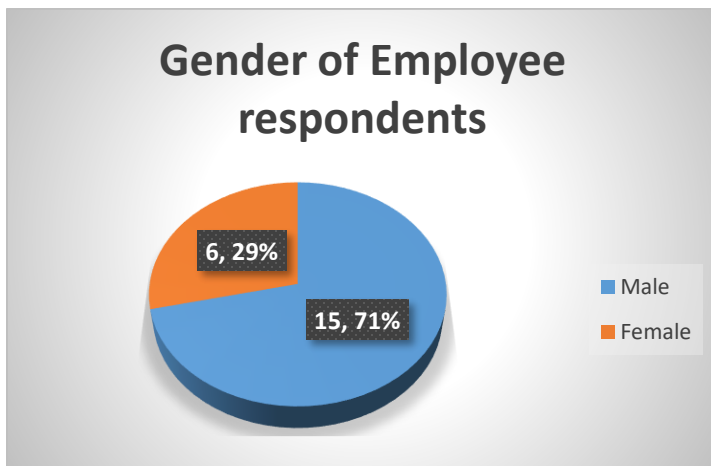
#### 4.2.1 Gender

The purpose was to establish the female and male respondents who participated in the study. Gender representation ensured balanced submissions on the effectiveness of collection strategies at ZETDC. The below table 4.2 shows the breakdown of the respondents by gender.

**TABLE 4.2: GENDER OF EMPLOYEES RESPONDENTS**

Gender	Frequency	Percentage
Male	15	71.4%
Female	6	28.6%
<b>Total</b>	<b>21</b>	<b>100%</b>

Source: own data



**FIGURE 4.2: GENDER OF EMPLOYEES RESPONDENTS**

SOURCE: OWN DATA

The above table 6 depicts that the majority (71.4%) of the employees' respondents were males while 28.6% were females. The views of all genders were fairly represented even though 50/50 was not achieved. Figure 6 also shows the same in a pictorial view (pie chart) above.

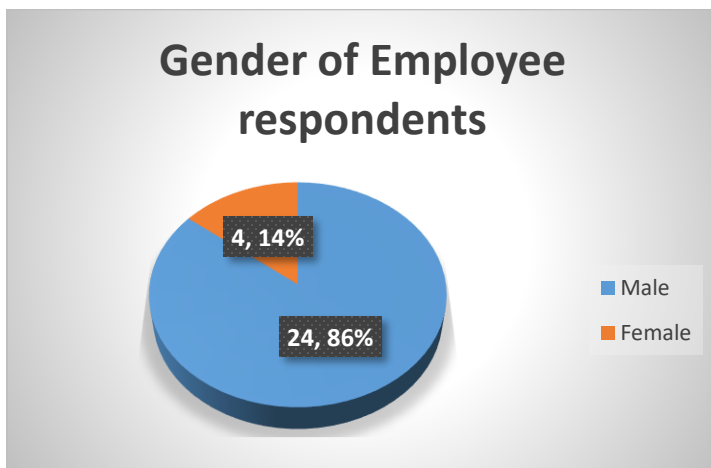
The below table 7 presents responses from electricity clients' distribution by gender.

**TABLE 4.3: GENDER OF ELECTRICITY CLIENTS WHO RESPONDED**

Gender	Frequency	Percentage
<b>Male</b>	24	85.7
<b>Female</b>	4	14.3
<b>Total</b>	<b>28</b>	<b>100%</b>

Source: own data

The study shows that 85.7% of electricity clients who responded were males while 14.3% were females as shown in table 7 above. The views of both males and females were fairly captured even though the 50/50 representation was not attained. The summary of the clients respondents per gender is also summarized in the below Figure 7 pie chart pictorial view.



**FIGURE 4.3: GENDER OF ELECTRICITY CLIENTS WHO RESPONDED**

SOURCE: OWN DATA

#### 4.2.2 Age of respondents

The section shows the age of respondents capturing age brackets. Age of a respondent affects reception of education, decision making ability, and emotional intelligence among other strategies adopted by the utility in a drive to enhance revenue collection.

The below table 8 depicts the ages of the respondents which were captured in the questionnaire's first section.

**TABLE 4.4: AGE OF STAFF RESPONDENTS**

Age Category	Frequency	Percentage
Below 20	0	0
21-30	2	9.5
31-40	4	19
41-50	12	57.1
51-60	2	9.6
61 and above	1	4.8
<b>Total</b>	<b>21</b>	<b>100</b>

The study results show that 57.1% of staff respondents were in the age range of 41-50 while 19% was in the range of 31-40. The two aged groups represents the majority of the respondents which shows that employees are experienced and have the capability to come up with agile collection strategies like client education, serious engagement, proper monitoring mechanisms and other revenue collection strategies which enhances effective revenue collection in a volatile environment heavily affected by political factors among other dynamics. A small 9.5% is between 21 and 30 while 9.6% is between 51 and 60. Finally 4.8% is above 61 years representing the almost retiring aged which will be conservative when it comes to taking risks.

Table 9 below shows the age ranges of the electricity clients which responded to the questionnaires.

**TABLE 4.5: AGE OF CLIENT RESPONDENTS**

Age Category	Frequency	Percentage
<b>Below 25 years</b>	0	0
<b>26-35 years</b>	6	21.4
<b>36-45 years</b>	19	67.9
<b>Above 45 years</b>	3	10.7
<b>Total</b>	<b>28</b>	<b>100%</b>

Source: own data

67.9% of respondent electricity clients were in the age of 36-45 while 21.4% was in the aged of 26-35 years category. Majority of the clients' respondents are within the productive stage as such revenue collection strategies applied well by ZETDC Northern Region to the electricity bill payers would be effective in increasing the revenue collected. The productive aged clients will mostly

engage and respond positively to engagements and call for revenue collection through use of modern technology. A smaller percentage of 10.7% of the respondents were above 45 years of age.

### 4.2.3 Educational Qualification

The section shows the educational qualification or the highest level of education for both staff and client respondents which points to their skills and ability to assess a strategy. Table 10 below shows the distribution of staff respondents by their educational or professional qualifications.

**TABLE 4.6: EDUCATIONAL QUALIFICATIONS OF STAFF RESPONDENTS**

<b>Educational qualification</b>	<b>Frequency</b>	<b>Percentage</b>
Secondary	1	4.8
Diploma	2	9.5
Degree	10	47.6
Master's Degree	7	33.3
Other-CIS professional	1	4.8
<b>TOTAL</b>	<b>21</b>	<b>100%</b>

Source: own data

Table 10 above shows that 47.6% of staff respondents had first degrees while 33.3% had post graduate degrees. In addition, 4.8% had secondary education while 9.5% had diplomas and lastly 4.8% had other qualifications which was a CIS professional qualification. The level of education shows that the majority of staff at ZETDC northern Region are well educated and qualified in executing their jobs. The skills set will be used to improve revenue collection strategies through adoption of technology, client education, consistent engagement, developing robust monitoring and evaluation tools among other emerging strategies to enhance revenue collection.

Table 11 below shows the highest level of education attained by electricity clients' respondents.

**TABLE 4.7: ELECTRICITY CLIENTS' LEVEL OF EDUCATION**

Education Qualification	Frequency	Percentage
Secondary	5	17.9
Tertiary	2	7.1
University graduate	16	57.2
University post graduate	3	10.7
Other-CIS professional	2	7.1
<b>TOTAL</b>	<b>28</b>	<b>100</b>

Source: own data

Most client respondents (57.2%) had university degrees while 17.9 had secondary education. 10.7% of the respondents had university post graduate. It was also found out that 7.1% had tertiary education while a same percentage had other qualifications like CIS and professional membership. The level of education of electricity clients helped in terms of appreciating the importance of paying for inputs to production electricity included as well as ability to use online platforms to access bills. Financial literacy is also enhanced when a client is educated and has appreciation of taking all costs of doing a business into consideration.

#### 4.2.4 Job Description, section and roles

ZETDC Northern Region employees have different job descriptions in various sections performing critical roles which eventually adds up to revenue collection. The study targeted credit control staff, depot forepersons and managerial staff as tabulated in table 12 below.

**TABLE 4.8: JOB DESCRIPTION, SECTION AND ROLES OF STAFF RESPONDENTS**

Job desc,sec&roles	Frequency	Percentage
Credit control-collection	8	38.1
Customer service officer-client disconnections	7	33.3
Managerial-monitoring & evaluation	6	28.6
Total	21	100%

Source: own data

Table 12 above shows that most of the staff respondents was from credit control staff with 38.1% followed by customer service officers with 33.3% and lastly management with 28.6%. The fact of collecting data across job roles from operational to managerial improves study reliability to a great extent. This is so because the categories represents the respondents who has the mandate to execute the strategies as well as recommending emerging collection strategies.

#### 4.2.5 Employment period at ZETDC Northern Region

The section depicts the duration respondents had been working/employed by ZETDC Northern Region since experience had a fair test of collection strategies. Table 13 below shows a summary of staff employed per duration category.

**TABLE 4.9: EMPLOYMENT PERIOD AT ZETDC NORTHERN REGION**

Time period	Frequency	Percentage
Below 1 year	0	
1-5 years	1	4.8
6-10 years	3	14.3
11-15 years	5	23.8
16-20 years	10	47.6
21 years and above	2	9.5
<b>TOTAL</b>	<b>21</b>	<b>100%</b>

Source: Own data

The study depicted that 47.6% of the respondents were employed for 16-20 years at ZETDC Northern Region, 23.9% have been employed between 11 and 15 years while 14.3% were employed between 6 to 10 years. Only 4.8 were employed 1-5 years while 9.5% were employed for over 21 years. The results further shows that the majority of ZETDC northern Region staff were employed for at least 10 years which speaks to the experience as such capability to improve revenue collection through strategy implementation. The time period of experience also improves the reliability of data collected from the respondents who in this case sounds knowledgeable.

#### 4.2.6 Registered electricity clients

The study aimed to collect data from registered electricity clients for the purposes of obtaining rich information on the services and operations of ZETDC Northern Region. The table 14 below shows the number of registered clients who participated in the study.

**TABLE 4.10 REGISTERED ZETDC NORTHERN REGION CLIENTS**

<b>Client status</b>	<b>Frequency</b>	<b>Percentage</b>
Registered	28	100%
<b>Total</b>	<b>28</b>	<b>100%</b>

The research focused only on registered electricity clients. Data reliability is also premised on the clients being registered and they are indeed getting a service from ZETDC Northern Region making them part of the value chain.

#### 4.2.7 Nature of employment

The section shows the nature of employment of ZETDC Northern region clients, that is, whether they are formally or informally employed so that a fair appreciation of the strategies can be presented. Table 15 below shows the findings.

**TABLE 4.11: NATURE OF EMPLOYMENT**

<b>Nature of employment</b>	<b>Frequency</b>	<b>Percentage</b>
Formal	25	89.3
Informal	3	10.7
<b>Total</b>	<b>28</b>	<b>100</b>

Source: own data

89.3% of the clients have formal businesses while 10.7% have informal. This means that majority have well registered companies which has professional structures thereby making payment of electricity bills part of the normal business transaction for such. This also speaks to good record keeping and fair access to funding eventually building capacity to pay for electricity consumed.

#### 4.2.8 Tariff categories for ZETDC Northern Region clients

ZETDC Northern Region clients are classified into Domestic, Commercial, Industrial, Mining, Farming, Government, Local authority and Parastatals. These various categories have differing

payment behaviors and factors affecting payment of electricity bills. Some commercial, industrial, mining and domestic clients believe in not paying as a way of managing cash flows as well as capitalizing on political interferences at times. Farming clients in most cases has serious political interferences when credit control action and strategies are applied on overdue date. Farming is also affected by side marketing of products and possible government policy changes on disposal of proceeds and settlement of farm proceeds which ultimately affects their behavior in paying electricity bills. Government, parastatals and local authorities falls under critical installations as such selective credit control might be applied. It was therefore key to have responses from such so that collection strategies can then be consolidated to achieve revenue collection performance. Table 16 below shows the spread of respondent clients.

**TABLE 4.12: CLIENT TARIFF CATEGORIES**

Tariff category	Frequency	Percentage
<b>Domestic</b>	2	7.1
<b>Commercial</b>	4	14.3
<b>Industrial</b>	3	10.7
<b>Mining</b>	5	17.9
<b>Farming</b>	9	32.1
<b>Government</b>	2	7.1
<b>Local authority</b>	2	7.1
<b>Parastatals</b>	1	3.7
<b>Total</b>	<b>28</b>	<b>100%</b>

Source: own data

The study results shows that most clients who responded were farming customers with 32,1% followed by mining customers with 17.9%, followed by Commercial customers with 14.3%, followed by Industrial with 10.7% , followed by Domestic, Government &Local authorities at 7.1% each and finally Parastatals with 3.7%. Response from each tariff category improves reliability of on the collected data and ensures fair representation of each tariff category on enhancement of ZETDC revenue collection.

#### 4.2.9 Client billing system

This section deals with the billing system which the client is on. The two billing systems are postpaid and prepaid. Table 17 below shows the billing system of the respondents.

**TABLE 4.13 BILLING SYSTEM FOR CLIENTS' RESPONDENTS**

Billing system	Frequency	Percentage
Post paid	24	85.7
Prepaid	4	14.3
<b>Total</b>	<b>28</b>	<b>100%</b>

Source: own data

Table 4.13 shows that 85.7% of clients who responded were on post-paid while 14.3% were on prepaid metering. The main thrust of the study was to collect data from post-paid clients since prepaid clients are taken care of by prepaid meters which requires payment before power consumption.

#### 4.2.10 Bill dispatch mechanism

This section explored the means through which clients are receiving bills from ZETDC Northern Region. Table 18 below shows the data obtained from the respondents.

**TABLE 4.14: BILLS DISPATCH MECHANISM**

Method of bill dispatch	Frequency	Percentage
Post	0	0
Email	16	57.1
WhatsApp	5	17.9
Self-service portal	3	10.7
Did not receive bills	4	14.3
<b>Total</b>	<b>28</b>	<b>100%</b>

Source: Own data

The study results shows that majority of the clients at 57.1% received bills on email, followed by 17.9% which receives through WhatsApp, followed by 10.7% which accesses through the ZETDC self-service portal and finally 14.3% which does not receive bills at all.

### 4.3 Revenue collection strategies

Revenue collection is a pivotal role and process along the value chain of business organizations and utilities. Liquidity drives all operations and determines the growth rate of an organization and its survival during volatile moments as such it plays a key role in the value chain of ZETDC Northern region since it as well dictates the direction of the business. The revenue collection strategies must develop robust credit management tactics which ensures collection of revenue. The table below shows the extent to which employees and clients agree to various statements on revenue collection strategies.

#### 4.3.1 Information on issuing of final demand as a revenue collection strategy

This section assesses the extent to which staff respondents agree or disagree with various statements on revenue collection strategies ranging from traditional to other emerging strategies. Table 19 below shows information on revenue collection strategies by employees.

**TABLE 4.15: INFORMATION ON REVENUE COLLECTION STRATEGIES BY EMPLOYEES**

Issuing final demand	<b>Strongly agree</b>	<b>agree</b>	<b>Not sure</b>	<b>disagree</b>	<b>Strongly disagree</b>
Final demand improve payment	4 (19%)	12 (57%)		3 (14%)	2 (10%)
Final demand improve client relationship				16 (76%)	5 (24%)
Final demand improve revenue collection	4 (19%)	12 (57%)		3(14%)	2 (10%)
Final demand were system generated		9 (43%)		5 (24%)	7 (33%)

Source: own data

The study results established that 57% of the employees agreed that issuing of final demand letters improved payment of bills before the due date and improvement in revenue collection while 19% strongly agreed on the positive on both aspects. 43% agreed that final demand letters are system generated. On the other hand, the majority at 76% disagreed on client relationship improvement when final demands are issues supported by 24% which strongly disagreed.

### 4.3.2 Information on power disconnection as a traditional revenue collection strategy by employees

This section assesses the extent to which staff respondents agree or disagree with power disconnection as a traditional revenue collection strategy which ZETDC used to collect bills due. Table 20 below shows the results of the study.

**TABLE 4.16: INFORMATION ON POWER DISCONNECTION RESPONSES BY STAFF**

Power disconnection	S/agree		agree		Not sure		Disagree		S/disagree	
	F	%	F	%	F	%	F	%	F	%
Disconnection improved payments	4	19	15	71			2	10		
Disconnection improved relations			1	5			12	57	7	33
Disconnection improved collection	3	14	18	86						
Disconnection reduced debt balance	2	10	12	57			6	28	1	5
Disconnections are done virtually							20	95	1	5

Source: own data

The research found out that 71% of staff respondents agreed that power disconnection improves payment of bills before the due date and 19% strongly agreed in the positive on the same item. 86% agreed that disconnections improves revenue collection supported by which 14% strongly agree on the positive of revenue collection improvement through disconnection as a strategy. The majority 57% agreed that disconnections reduces the debtors balance supported by 10% which strongly agrees on the positive.

On the other hand, 57% disagrees with the statement of client relationship improvement through disconnections supported by 33% which strongly disagree with relationship improvement from power disconnection. 95% disagreed with the statement that disconnections were done virtually supported by 5% which strongly disagreed on the same.

### 4.3.3 Information on power disconnection as a traditional revenue collection strategy by clients

This section assesses the extent to which client respondents agree or disagree with power disconnection as a traditional revenue collection strategy. Table 21 below shows the responses from ZETDC Norther Region clients on statements about client disconnections for non-payment.

**TABLE 4.17: CLIENTS RESPONSES ON DISCONNECTION AS A STRATEGY**

Power disconnection	S/agree		Agree		Not sure		Disagree		S/disagree	
	F	%	F	%	F	%	F	%	F	%
Disconnection improved payments			16	57	2	7	10	36		
Disconnection improved relations					1	4	27	96		
Disconnection improved collection			20	71	2	7	6	22		
Disconnection reduced debt balance			7	25	2	7	17	61	2	7
Disconnections are done virtually							27	96	1	4

Source: own data

The research found out that 57% of the client respondents agreed that disconnections improved bill payments. 71% of clients agreed that disconnections increased revenue collection as well. On the other side 96% disagreed with improvement of relations when disconnections are done. 96% disagrees with the implementation of disconnections virtually supported by 4% which strongly disagreed.

### 4.3.4 Information on installation of prepaid meters as a strategy responded by employees and clients

The section assessed the extent to which staff and clients responses agreed or disagreed with installation of prepaid meters to enhance revenue collection. Table 22 below shows responses from ZETDC Northern Region staff.

**TABLE 4.18: STAFF RESPONSES ON INSTALLATION OF PREPAID METERS**

Installation of prepaid meters	S/agree		Agree		Not sure		Disagree		S/disagree	
	F	%	F	%	F	%	F	%	F	%
Prepaid meters automatically collects	16	76	5	24						
Prepayment improves relations			17	81			4	19		
Bypass leads to revenue loss	4	19	16	76	1	5				
Audit teams are sufficient							18	86	3	14

Source: own data

The research found out that the majority at 76% of staff respondents strongly agreed that prepaid meters enables automatic revenue collection supported by 24% which agreed in the positive on automatic revenue collection. Furthermore, the research found out that 81% of staff agreed to improvement of client relationship owing to installation of prepayment meters. 76% agreed that prepaid meter bypass leads to revenue loss with another 19% strongly agreeing on the same.

On the other side, 86% disagreed with the statement on sufficiency of audit teams supported by 14% which strongly disagreed on the same.

ZETDC Northern Region registered clients also responded on the effect of prepaid meter installation on revenue collection as tabulated in table 23 below.

**TABLE 4.19 RESPONSES FROM ZETDC NORTHERN REGION CLIENTS ON INSTALLATION OF PREPAID METERS**

Installation of prepaid meters	S/agree		Agree		Not sure		Disagree		s/disagree	
	F	%	F	%	F	%	F	%	F	%
Prepaid meters automatically collects	7	25	20	71	1	4				
Prepayment improves relations	6	21	17	61	2	7	3	11		
Bypass leads to revenue loss	7	25	19	68	2	7				
Audit teams are sufficient					5	18	21	75	2	7

Source: own data

The research showed that majority at 71% of client respondents agreed that prepaid meters enhances automatic revenue collection with a further 7% strongly agreeing with the same. 61% of clients agreed that prepaid meters improves relations with additional 21% strongly agreed with the same. Majority of the clients (68%) agreed with revenue loss caused by meter bypass with additional 25% strongly agreeing with the same. On the other side, 75% of the clients disagreed with the sufficiency of meter audit teams supported by 7% which strongly disagreed.

#### **4.3.5 Information of legal handover as a revenue collection strategy response from staff**

The section assessed the extent to which staff responses agreed or disagreed with collection through legal processes. Table 24 below shows responses from ZETDC Northern Region staff

**TABLE 4.20: RESPONSES FROM STAFF ON COLLECTION THROUGH LEGAL**

Collection through legal	S/agree		Agree		Not sure		Disagree		S/disagree	
	F	%	F	%	F	%	F	%	F	%
Legal process is automatic							19	90	2	10
Legal collection improves payment culture			8	38	1	5	11	52	1	5
Legal process enhances credit control			13	62			8	38		
Legal process improved collection	2	10	16	76			3	14		

The research showed that a majority of staff (62%) agreed with legal’s role in beefing up credit control. 76% of the staff members agreed that the legal processes improved revenue collection with an additional 10% strongly agreeing with the same.

On the other side, majority of staff (90%) disagreed with the notion of legal process being automatic supported by an additional 10% which strongly disagreeing with the same. 52% disagreed with improvement of payment culture after legal action with an additional 5% strongly disagreeing with the same.

#### **4.4 Emerging revenue collection strategies**

Revenue collection being a key arm in the operations of ZETDC, there are other emerging strategies emanating from the changes in the business model, changes in environmental variables, volatility of the business environment as well as effects of COVID 19.

##### **4.4.1 Aspects of staff training by employees**

The study further sought to determine the extent in which the respondents agree with various aspects on staff training. Table 25 below shows the findings.

**TABLE 4.21 ASPECTS OF STAFF TRAINING BY EMPLOYEES**

<b>Staff training &amp; skills upgrade</b>	<b>S/agree</b>		<b>Agree</b>		<b>Not sure</b>		<b>Disagree</b>		<b>S/Disagree</b>	
	F	%	F	%	F	%	F	%	F	%
ZETDC train staff			4	19	2	9	15	72		
Training enhances skills & knowledge	5	24	16	76						
Training creates opportunities	5	24	16	76						
Training improves collection acumen	5	24	16	76						

Source: own data

Majority of the employees 72% disagreed that ZETDC train staff while 19% agreed that training is done by ZETDC. Staff trainings had enhanced employee’s skills, knowledge, professional capacity, created opportunities and enhanced appreciation of collection significance which was agreed on by 76% and supported by 24% who strongly agreed.

**4.4.2 Aspects of business process automation including bulky sms**

The study assessed the extent to which staff agrees or disagrees with various aspects of business process automation. Table 26 below shows the responses on each aspect.

**TABLE 4.22: ASPECTS OF BUSINESS AUTOMATION STAFF RESPONSES**

Business process automation	S/agree		Agree		Not sure		Disagree		S/disagrees	
	F	%	F	%	F	%	F	%	F	%
Bills are viewable on self-service portal			13	62			8	38		
Online application functional							14	67	7	33
Smart meter remote disco improves collection			5	24	3	14	10	48	3	14
E-billing improves payments			16	76	2	10	3	14		
ZETDC has bulky sms facility							21	100		
Clients get sms notifications							21	100		

Source: own data

Majority of employees 62% agreed that bills are viewable on self-service portal while 38% disagreed on the same. 67% disagreed on functionality of online application supported by 33% which strongly disagreed. 48% disagreed on the functionality of remote disconnection supported by 14% which strongly disagreed with the same. 76% of staff commended and agreed with the positive effects of e-billing to revenue collection while 14% disagreed. 100% of the staff respondents disagreed with the statement that ZETDC has a bulk sms facility and its communication to clients.

#### 4.4.2 Aspects of performance based contract and incentive schemes at ZETDC Northern Region

In this section, the study sought to determine the extent in which the employees' respondents agree with aspects on institution of performance contracts on ZETDC Northern Region employees. The findings are presented in table 27 below

**TABLE 4.23: PERFORMANCE BASED CONTRACTS FOR ZETDC STAFF**

Performance based contracts	S/agree		Agree		Not sure		Disagree		S/disagree	
	F	%	F	%	F	%	F	%	F	%
Performance contracts brings results based	6	29	14	67			1	4		
IRBM improved revenue collection	3	14	5	24			10	48	3	14
Weekly planner improved goal orientation	4	19	12	57			5	24		
Performance contracts improved communication	9	43	11	52	1	5				

Source: own data

The majority of employees 67% agreed that performance contracts brings about results based approach supported by 29% which strongly agreed on the same. 57% of the employees agreed that weekly planner improved goal orientation supported by 19% which strongly agreed on the same aspect. 52% agreed that communication will improve as a result of performance based contracts supported by 43% which strongly agreed. On the other side, 48% disagreed with the statement that integrated results based management (IRBM) improved revenue collection supported by 14% which strongly disagreed owing to non-objectivity of it.

### 4.4.3 Aspects of client education and awareness

This section explored the responses from clients on the extent to which they agreed or disagreed with the impact of client education on revenue collection. Table 28 below summarizes the findings.

**TABLE 4.24: ASPECTS OF CLIENT EDUCATION AND AWARENESS**

Client education	S/agree		Agree		Not sure		Disagree		S/disagree	
	F	%	F	%	F	%	F	%	F	%
Client education imparts knowledge on bill payment			16	57	2	7	3	11	7	25
Client education helped improve revenue collection			5	18	3	11	13	46	7	25
Non-payment still there after training	7	25	19	68	2	7				

Source: Own Data

The majority of clients 57% agreed that client education imparts knowledge on bill payment. On the other side, 46% disagreed with the statement that client education helps improves revenue collection supported by 25% which strongly disagreed. 68% agreed with existence of non-payment of bills even after client education supported by 25% which strongly agreed.

### 4.4.4 Aspects of monitoring and evaluation including internal controls

This section explored the responses from employees on the extent to which they agreed or disagreed with the impact of monitoring and evaluation on revenue collection. Table 29 below summarizes the findings.

**TABLE 4.25: ASPECTS OF MONITORING AND EVALUATION IN ZETDC NORTHERN REGION**

Monitoring and evaluation	S/agree		Agree		Not sure		Disagree		S/disagree	
	F	%	F	%	F	%	F	%	F	%
ZETDC has a monitoring and evaluation mechanism			3	14	1	5	14	67	3	14
Debtors reports are closely monitored			5	23	2	10	12	57	2	10
Collection feedback is shared			9	43	1	5	10	47	1	5
Clients are consistently engaged for payments			3	14	1	5	14	67	3	14
Credit control has requisite skills			4	19			15	71	2	10
Internal controls reduce connivance	4	19	13	62	2	10	2	10		
Staff rotation improves collection	3	14	12	58	1	5	5	23		
Regular review of internal controls improved collection			11	52			9	43	1	5

Source: own source

The majority of staff members at 67% disagreed with the statement that ZETDC Northern Region has a good monitoring mechanism supported by 14% which strongly disagreed. 57% of staff disagreed with the availability of debtors close monitoring supported by 10% which strongly disagreed with the same. 47% being a greater percentage disagreed with the statement that collection feedback is shared supported by 5% which strongly disagreed. 67% disagreed on consistent client engagement supported by 14% which strongly disagreed. 71% disagreed with the

statement that credit control has requisite skills. On the positive note, 62% agreed that internal controls reduce connivance with clients supported by 19% which strongly agreed. 58% agreed that staff rotation improved collection supported by 14% which strongly agreed. Lastly 52% being the majority agreed with the improvement of collection through regular review of internal controls while 43% disagreed with the same.

#### 4.4.5 Open ended questions for electricity clients and employees.

The section explored the findings from staff and clients responses on open ended questions which related to effectiveness of revenue collection strategies at ZETDC Northern Region. The open ended questions were coded and common comments grouped together to come up with statistics which relates to each. One respondent client even said “ZESA does not know business” Table 30 shows a summary of the findings.

**TABLE 4.26: EFFECTIVENESS OF CURRENT REVENUE COLLECTION STRATEGIES RESPONSE BY CLIENTS AND STAFF**

Category	Frequency	Percentage	
Yes	10	20	
No	39	80	
Total	49	100%	

Source: Own data

The research found out that the majority 80% disagreed with the effectiveness of the current revenue collection strategies while 20% agreed that the current strategies were effective. The 80% had justifications including lack of strategy review with changes in the business environment, ZETDC not being visible on the ground, lack of consistency in implementation, taking of bribes by staff executing strategies among others. These pointed to lack of monitoring and evaluation mechanism in the ZETDC Northern Region collection value chain.

#### 4.4.6 Aspects on suggested revenue collection strategies by clients

This section evaluates the suggested revenue collection strategies by ZETDC clients and the justifications. The open ended responses were coded and related strategies summarized into key classes which have been shown in table 31 below

**TABLE 4.27: ASPECTS OF SUGGESTED REVENUE COLLECTION STRATEGIES**

Strategy	Responses	Percentage	
Disconnection	26	36	
Client engagement	10	14	
Install prepaid meters	30	41	
System automation	7	10	
Total responses	73	100%	

Source: Own data from findings

The study found out that 41% of the respondents being the majority recommended installation of prepaid meters to improve revenue collection. This was followed by 36% which proposed effective power disconnection on all clients owing. 14% proposed client engagement since a number of clients were indicating non delivery of bills. 10% advocated for system automation which involved automatic bill dispatch, creation of mobile applications for bill download, establishment of online enquiries and artificial intelligence to respond to some generic client issues as a way of enhancing revenue collection.

#### 4.4.7 Aspects on skills set for ZETDC Northern Region staff

This section presents the results of analyses of the suggested skills set which ZETDC staff members should have from the client's view point. The coded open ended question had the findings in table 32 below.

**TABLE 4.28 ASPECTS OF PROPOSED STAFF SKILLS SET**

Proposed Skill	Frequency	Percentage
Communication	14	50
Negotiation	6	21
Customer care	8	29
Total	28	100

Source: own data

The research found out that the majority 50% suggested skills coded as communication as a skill key to ZETDC's employees in enhancing revenue collection. Communication had aspects like advising clients of a due date, change in tariff, consistent follow up for unpaid bills, regular sending of sms among others. It was followed by 29% being customer care where the cases of ZETDC employees being rude was raised through the research. Lastly 21% raised issues summarized as Negotiation skills which enables some difficult clients to pay as well as sensitive clients like government security points.

#### **4.5 Chapter summary**

This chapter summarized the findings from the research. The responses were compiled into frequencies and converted into percentages and presented in tabular form to facilitate easy analysis and understanding of the effectiveness of revenue collection strategies at ZETDC Northern Region. A purposive and expert sample of 24 employees and 32 electricity clients was used. 21 employees responded while 28 registered clients responded. Through the thematic data analysis, it was observed that independent variables which are revenue collection strategies are positively correlated to the dependent variable which is revenue collected. Effectiveness of implementing the collection strategies, evaluating them, monitoring and controlling them has a positive impact on revenue collection as shown by the responses of the research.

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This section of the research provides a summary on the findings, the conclusions of the study and the recommendations on the clients' assessment on effectiveness of revenue collection strategies at ZETDC Northern Region. Section 5.2 will show the summary of the study, section 5.3 summary of findings, section 5.4 Summary of conclusion, section 5.5 recommendations and finally section 5.6 suggestions for further research.

### **5.2 Summary of the study**

The purpose of the study was to assess the effectiveness of revenue collection strategies in enhancing revenue performance at ZETDC Northern Region from the view point clients. The effectiveness of revenue collection strategies was based on what respondents judged or viewed. It is acknowledged that the best method could have been performance based where collection performance could be analyzed before and after implementation of strategies so as to have empirical evidence on the effectiveness of the revenue collection strategies. However, this study focused on how respondents felt about or experience on the various strategies used by ZETDC to improve revenue collection. The route of using performance was not explored owing to limited time frame that was available to source the data which could be sufficient to come up with w conclusion at the same time it could have limited to historical performance and strategies. The route of assessing effectiveness through views was considered in this manner since the figures were showing an upward trend in debtors book and a downward trend in cash flow hence the need to collect data from the staff involved and the clients with the view of harnessing all the possible strategies which could arm the utility to collect all its revenue.

Descriptive design was adopted. ZETDC Northern Region staff members and registered electricity clients were the target population. The population that participated in the research was made up of 21 ZETDC Northern Region staff members (from credit control, customer service Centres and management) and 28 electricity clients from across all tariff categories (Domestic, industrial, mining, commercial, farming, government, local authorities and parastatals). Purposive and expert sampling was used in the study with different categories of employee grades and client tariffs. Questionnaires were the primary data collection instruments and had open ended and closed

questions or statements. Data analysis was done using thematic and content analysis. Summarization of data was done using descriptive statistics with findings presented on frequency distribution tables and pie charts.

### **5.3 Summary of findings**

The study first revealed that all staff and clients were registered electricity users with all staff members on prepayment and the majority of other clients on post-paid metering. On traditional revenue collection strategies, the majority of the respondents agreed that issuing of final demand letters improved payment of bills and that the final bills were system generated. On the other side, the majority of the respondents disagreed with the client relationship improvement when final demands are issued to clients.

#### **5.3.1 Findings on current strategies**

On power disconnection as a traditional revenue collection strategy, the majority of the respondents agreed that disconnections improved client payments and revenue collection. Furthermore, the majority agreed that client disconnections reduced the debt balance of the utility which translates to revenue collection. On the other side, majority of the respondents disagreed with the view that disconnections were done remotely through technological advancements, instead they are done manually through physical metering point visits.

On installation of prepaid meters as a revenue collection strategy, the majority of respondents agree that prepaid meters collects revenue automatically each time a token is bought. More so, the majority of the respondents agreed that prepayment meters enhances client relationship and meter bypasses leads to loss of revenue. On the other side, the majority disagreed on the sufficiency of audit teams given the number of meters they should audit to rectify the revenue leakages.

On legal handover, the majority of the respondents agreed that legal process on non-payers improved revenue collection through enhancing internal credit control. On the other hand, majority of respondents disagreed on the legal process being automatic. The majority of respondents further disagreed that collection through legal will improve revenue collection attitude of clients since the process gets completed after the values are almost nothing owing to inflation.

### **5.3.2 Findings on emerging strategies**

On emerging revenue collection strategies, the majority agreed that staff training enhances staff skills and knowledge which is needed in collection of revenue. The majority of respondents further agreed that staff training creates opportunities for staff members as well as equipping appreciation of the significance of revenue collection. On the other hand, the majority disagreed with the statement that ZETDC Northern Region train staff even though training has positive contributions to collection of revenue.

On business process automation, the majority of the respondents agreed that bills are viewable on ZETDC self-service portal. The majority further agreed that e-billing improves bill payments which eventually translates to revenue collection. On the other hand, the majority disagreed with the statement that ZETDC has a bulk sms in place and sms are send to clients notifying due dates of bills. The majority also disagreed with the statement that smart meter remote disconnection improved revenue collection since the facility was not in place.

On performance based contracts, the majority agreed that performance based contracts brings about results based approach on the manner employees executes tasks including revenue collection. The majority of respondents further agreed that weekly planner for employees improves goal orientation. In addition, the majority also agreed that performance based contracts improves communication within the organization along the value chain. On the other side, the majority disagreed with the statement that integrated results based system (IRBM) improved revenue collection since the results based system was not fully utilized.

On client education and awareness, the majority of the respondents agreed that client education imparts knowledge on significance of bill payments on service delivery. The majority also agreed that non-payment of bills is still rampant even though client awareness and education was done. On the other hand, the majority disagreed on the statement that client education helped improve revenue collection since clients' payment habits did not change much.

On monitoring and evaluation as a revenue collection strategy, the majority of the respondents agreed that internal controls reduce connivance with clients thereby improving revenue channels

to the utility. The majority further agree that staff rotation improves revenue collection. In addition, the majority of the respondents agreed that continuous review of internal controls improved collection through reducing revenue leakages. On the other hand, majority of the respondents disagreed that ZETDC Northern Region has a monitoring mechanism on revenue collection. Majority further disagreed that debtors' reports are closely monitored and feedback shared with stakeholders. In addition, the majority of respondents disagreed that clients are consistently engaged for bill payments. The majority further disagreed that credit control staff had the requisite skills to collect revenue of the utility.

On the proposed strategies which ZETDC can use, the majority agreed on installation of prepaid meters so that the business can be self-financing. The majority also suggested effective power disconnection to defaulters followed by consistent client engagement, bill dispatch as well as applying Know Your Client (KYC) so as to enhance revenue collection. Automation of business processes in this modern world was also suggested by clients as a quick win to eliminate corruption and other revenue leakages.

### **5.3.3 Findings on effectiveness of collection strategies**

On effectiveness of revenue collection strategies, the majority disagreed on the effectiveness of the same even though the strategies were spot on. The major challenge was implementation and evaluation challenges being the weak link in the revenue collection value chain.

On skills expected from ZETDC employees, the majority suggested communication skills, negotiation and engagement skills as well as customer care. These were suggested as positive channels of collecting revenue from clients and ensures a client to client treatment not using one approach for all.

On other recommendations, the majority of the clients emphasized on the need to attend faults in time as well as ensuring that the product is available to motivate payment of bills.

## **5.4 Conclusions**

The purpose of the research or study was to assess the effectiveness of revenue collection strategies in enhancing revenue performance at ZETDC Northern Region. The following are the major conclusions based on the findings and discussions.

### **5.4.1 Conclusion on current strategies**

On power disconnection of clients with unpaid bills, the study found out that it has been effective on revenue collection under both traditional and emerging strategies. The previous studies in both developed and developing countries emphasized on engagement as opposed to disconnection. In the circumstances on ZETDC, the research found out that clients understand a collection need through disconnections for non-payment of bills.

### **5.4.2 Conclusion on emerging strategies**

On performance based contracts, the study found out that it has brought out some results through weekly plans at ZETDC Northern Region hence it needs to be polished up and ensure full adoption with clear targets being set. The previous research showed that performance based contracts are key in revenue collection.

It was also found out that staff training enhanced employees' skills, knowledge and professional competence through affiliation with professional bodies. Professional membership registration by staff will promote ethical consideration among staff as a result staff members will contribute more to results as they work towards enhancing visibility of the professional bodies they are affiliated to. The training strategy need to be adopted and embraced so that all employees are capacitated in terms of skills to enhance revenue collection. Organization management need to create a learning culture, rewards for academic success, refunding fees for achieved training needs and or goals since these will ultimately benefit the organization. Team building exercises and workshops with other professional institutions will also sharpen staff skills.

On monitoring and evaluation, the study found out that ZETDC Northern region did not have a good system of collection checks and balances even though the strategies were spot on. This led to low results than expected. Further to that, internal controls were also weak in some aspects. Staff transfers and rotation was recommended to improve revenue collection. Monitoring and evaluation was found out to be a missing link in the revenue collection value chain which ZETDC was supposed to improve on to enhance effectiveness of revenue collection strategies.

On client education, it was found out that many clients now appreciate online platforms of viewing bills and processing payments of bills even though non-payment of bills was still rampant.

## 5.5 Recommendations

In light of the findings and conclusions of the research, the following recommendations were presented as shown in table 33 below:

**TABLE 5.1 : SUMMARY OF RECOMMENDATIONS FROM THE RESEARCH FINDINGS.**

Recommendation category	Strategy recommended	Responsible authority
Human Capital	<ul style="list-style-type: none"> <li>• Continuous staff training</li> <li>• Implement results based contracts</li> <li>• Recruit more revenue assurance staff</li> </ul>	Management
Business process automation	<ul style="list-style-type: none"> <li>• Installation of smart meters and prepaid meters</li> <li>• Virtual disconnections</li> <li>• Introduction of bulky sms facility</li> </ul>	Management
Monitoring and evaluation	<ul style="list-style-type: none"> <li>• Introduce task force for monitoring and evaluation</li> </ul>	Management

### 5.5.1 Human capital

*Continuous staff training*-Investing in staff training is key in driving performance for ZETDC Northern Region given that a number of big clients are still on post-paid therefore skills, knowledge and competences are needed by staff in implementation of strategies to collect revenue.

It is therefore recommended to invest in continuous staff training and development as supported by research findings of 72% disagreeing with the availability of staff training facility. Currently only apprentices and post graduate trainees are trained through the value chain and capacitated with skills. The permanently employed are not exposed to changes in industry skills set hence the recommendation to train all staff directly involved in revenue collection to capacitate them with skills needed to competently collect revenue as opposed to the current set up where the staff are employing 15 years ago acquired skills. Refresher trainings and winter schools as well as team building activities will assist in capacitating staff skills and the right attitude to execute a mandate. The training needs to be implemented by the Sales Executives and Commercial Managers.

***Implementation of results based approach***-The full package of results based contract to be adopted so that employees are paid for work done not time spend at work. This will promote focus on results if remuneration is only results based which will promote better drive in revenue collection. From the research, 48% disagreed with the improvement in revenue collection using the existing results based approach supported by 14% which strongly disagreed as well in the same since only part of the package was adopted. There is need for adoption of the full package so that all staff have their performance appraisals aligned to performance and salaries be performance based. Currently ZETDC use an integrated results based management (IRBM) which is operating in a traditional manner without link to pay, benefits and skills. The proposed approach sets targets at the beginning of the year, agreed with the employee, crafted into a contract and linked to benefits like salary, annual performance bonus as well as tracked monthly and quarterly with the view to match skills set and get variances in performance corrected. This sort of recommendation was not indicated in previous researchers analyzed by the researcher. The recommendation to be implemented by the General Manager to ensure culture shift to results based from time based.

***Revenue assurance staff recruitment***-from the research, it was found out that 86% of staff disagreed with the sufficiency of revenue assurance teams supported by 14% which strongly disagreed as such it is recommended to have revenue assurance teams per depot to ensure that all leakages are plugged and prepaid meters with issues audited to ensure ZETDC revenue integrity. At the times of research, ZETDC was relying on contract staff which were employed to address complains and tip off anonymous issues yet revenue assurance has become a business of the day given that 90% of domestic clients are on prepaid and research have shown that meter bypass is on the rise even in the UK, Kenya and Tanzania. It is therefore recommended to employ permanent

staff for the exercise of auditing meters to ensure integrity of revenue which translate to revenue collection improvement. The Commercial Manager to implement the recommendation in liaison with the Human Resources Manager.

### **5.5.2 Business process automation**

Business processes are also recommended to be automated so as to minimize human interferences which might tamper with revenue collection processes for personal gain.

***Installation of prepaid meters***-Installation of smart prepaid meters for all clients is key so that payments are received before a product is consumed by a client. It is therefore recommended to move all clients to prepayment save for large clients which will be moved to smart metering in a prepayment mode. The current scenario at ZETDC from the research was that about 80% of Domestic clients are on prepaid and about 50% of business clients including farming points, industrial, commercial and mining are on prepaid. Of the remaining business clients on post-paid, revenue constitution is 80% as per 80/20 Pareto rule hence the recommendation to move such big clients to prepaid smart meters. All post-paid clients are currently on a post-paid whole currently and digital smart meters which are in post-paid mode. Given the above, it is therefore recommended to migrate all clients to prepaid metering so as to improve revenue collection improvement. The Commercial Manager to resource so that the Sales Executives can implement.

***Virtual disconnections***-Client disconnections are recommended to be done virtually through smart metering technology which eliminates human errors and corruption tendencies which results in compromised disconnections. From the research, 95% disagreed that disconnections are done virtually hence the recommendation to adopt online implementation linked to ZETDC's billing systems with a disconnection command to be automatically implemented just after the due date without human intervention. The virtual platform will as well reconnect a meter automatically when the account is paid up. This type of facility will be expensive but ideal for all big clients often called Maximum demand clients. The Commercial Manager to implement the recommendation in coordination with the customer service officers.

**Online application**-it is recommended to adopt and implement online application through ZETDC self-service and ZETDC application to ensure client convenience. This will minimize the number of walk in clients thereby creating more time and resources to collect revenue. From the research 67% disagreed on availability of online application facility supported by 33% which strongly disagreed. Currently ZETDC use manual forms which are collected by clients from ZETDC

offices. The industry standards have changed such that online application has become normal and the way to go for business even through applications for real time processing. The recommendation will save clients travelling time, improve satisfaction, saves ZETDC manpower hours which will enhance utilization of the saved hours to critical activities like revenue collection and client engagement. The recommendation to be implemented by the Commercial Manager.

***Introduction of bulky sms facility***-it is recommended that ZETDC Northern Region introduces bulky sms facility for communication with clients advising of developments in the utility as well as reminding clients to settle bills. This will ensure that all clients are aware of their bill balances and settlement can then be arranged. From the research, all clients (100%) disagreed that a bulky sms facility exists thus a need in the market to enhance revenue collection. Currently ZETDC does not have a bulky sms facility and bills are send manually through meter reading teams. Communication with clients is through WhatsApp platforms which might not accommodate every client. It is recommended to have a bulk sms put in place for communication with all clients to ensure bigger coverage when sending bills and communicating demand for payments. The recommendation to be implemented by the Commercial Manager.

### **5.5.3 Monitoring and evaluation**

Finally on monitoring and evaluation, there is need for a revenue collection dashboard which acts as a monitoring tool which empowers management to evaluate effectiveness of strategies and intervene in good time to enhance revenue collection. In fact, it is recommended to have a monitoring and evaluation task force which evaluates all strategies against the results brought forward in comparison to the targets with the view of collecting all the revenue as is required. From the research, 67% confirmed that monitoring and evaluation does not exist supported by 14% which strongly confirmed. It is therefore pertinent for ZETDC to ensure a monitoring and evaluation task force is in place to track effectiveness of various strategies to ensure goal attainment including revenue collection. Currently, ZETDC analyses results are quarterly when performance review meetings are done and in most cases compromises are reached which then affects revenue collection. There is no monitoring and evaluation task force in place at the moment since section heads are currently in charge of the section results. It is therefore recommended to have a monitoring and evaluation task force which does validation and tracking of strategies and results for all critical outputs like revenue collection with the view of driving the business. The

task force will be independent of daily operational activities as such more time to critically analyze performance and strategy performance. Training needs of staff can as well be recommended from the same task force as well as skills re-alignment (staff transfers where necessary).

## **5.6 Suggestions for further studies**

Due to limiting factors in this study, it was not possible to carry out a comprehensive research across the whole country with the view of covering all ZETDC Regions so that effectiveness of revenue collection strategies can be assessed in a holistic approach with the view of benefiting the power utility in totality. Further research on effectiveness of revenue collection strategies is also recommended based on results or performance of the power utilities.

## **5.7 Chapter Summary**

The section of the research outlined a summary on the findings, the conclusions of the study, the recommendations on the clients' assessment on effectiveness of revenue collection strategies at ZETDC Northern Region and suggestions for further research.

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**Appendix A: Letter of Introduction**  
**INTRODUCTION LETTER TO RESPONDENTS**

Dear Respondent,

I am an EMBL student at Bindura University of science education. In partial fulfillment of the course requirements, I am conducting a study “**The Effectiveness of Revenue Collection Strategies in improving revenue performance at ZETDC Northern Region.**” I would appreciate if you could spare a few minutes of your time to fill in the blanks in the attached list of questions to the best of your knowledge.

The information in this questionnaire will be strictly confidential. The information will not be used for any other purpose other than for this research. Your assistance in facilitating the same will be highly appreciated.

Thank you in advance.



.....  
**Wurayayi Stanford**  
**EMBL Student**

.....  
**Dr. Kichini**  
**Supervisor**

## Appendix B : Permission to undertake the study from the University



### BINDURA UNIVERSITY OF SCIENCE EDUCATION

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jmwenje@buse.ac.zw

### GRADUATE SCHOOL OF BUSINESS *Where Great Minds Meet*

29 November 2022

#### TO WHOM IT MAY CONCERN

#### MR WURAYAYI STANFORD C: REG. NUMBER B212503B: EXECUTIVE MASTER OF BUSINESS LEADERSHIP (EMB) STUDENT

This letter serves to confirm that **Mr. Wurayayi [B212503B]** is an Executive Master of Business Leadership Degree (EMB) student at Bindura University of Science Education. He is in the third and final semester of the EMB Programme which requires him to carry out a research. The topic of his research is: ***"THE EFFECTIVENESS OF REVENUE COLLECTION STRATEGIES IN IMPROVING REVENUE PERFORMANCE. A CASE STUDY OF ZETDC Northern Region"***.

Please give him any assistance she may require.

For more details please do not hesitate to contact us.

Yours faithfully



**DR. J. MWENJE**  
DIRECTOR

*"Promoting Science for Human Development"*

**Appendix C: Questionnaire for staff respondents**  
**RESEARCH QUESTIONNAIRE TO ZETDC STAFF**

The questionnaire is for data collection on the **effectiveness of revenue collection strategies in enhancing revenue performance at ZETDC Northern Region**. You are kindly being requested to answer the questions or to write sharing more details and ticking the boxes provided as will be applicable or necessary.

Date...../...../2022

**SECTION 1: DEMOGRAPHIC INFORMATION FOR EMPLOYEES**

1. Gender

a) Male

b) Female

2. Age

a) Under 20 years

b) 21-30 years

c) 31-40 years

d) 41-50 years

c) 51-60 years

d) 61 and above

3. Educational qualification

a) Secondary

b) Diploma

c) Degree

d) Masters Degree

e)other (specify).....

4. Job Description.....

5. Section/Department of work.....

6. Job roles .....

.....

7. How long has you been employed at ZETDC Northern Region?

a) less than 1 year

b) 1-5 years

c) 6-10 years

d) 11-15 years

e) 16-20 years

f) 21 years and above

**SECTION 3: ZETDC REVENUE COLLECTION STRATEGIES**

1. The table below shows the traditional methods which are used by ZETDC Northern Region to collect revenue. Please indicate the extent to which you agree/disagree with the statements.  
5=strongly agree; 4=agree ; 3= not sure ; 2=disagree ; 1=strongly disagree

Statement	Score				
	5	4	3	2	1
a)Issuing payment reminder and final Demand letters					
issuing of final demand clients improved payment before due date					
issuing of final demand letters improved ZETDC client relationship					
Issuing of final demand letters improved revenue collection					
The final demand letters were system generated and ridded on technology					
b)Power Disconnection					
Power disconnection improved payments before the due date					
Power disconnection improved ZETDC client relationship					
Power disconnection improved revenue collection					
Power disconnection reduced debtors balance					
Power disconnections are done automatically through virtual platforms					
c)Stop order	5	4	3	2	1
Use of stop orders enabled collection from source					
Use of stop orders helped improve ZETDC client relationship					
Stop orders improved revenue collection					
Stop orders are not affected by side marketing					
Stop orders were honoured by farming clients					
d)Installation of prepaid meters	5	4	3	2	1
Prepaid meters enables automatic revenue collection					
Prepaid meters improved the relationship of ZETDC and clients					
Prepaid meters are being bypassed leading to revenue loss					
Revenue assurance teams are sufficient to audit all prepaid meters					
e)Legal handover	5	4	3	2	1
Client handover is automatically triggered by the system					
Legal collection has improved the payment culture of clients					
Legal processes have helped to collect where credit control has failed					
Legal processes has improved revenue collection					

**2. ASSESSMENT OF EFFECTIVENESS OF EMERGING ZETDC REVENUE COLLECTION METHODS**

- The table below shows the emerging methods which are used by ZETDC Northern Region to collect revenue. Please indicate the extent to which you agree/disagree with the statements.  
5=strongly agree; 4=agree ; 3= not sure ; 2=disagree ; 1=strongly disagree

Score

Statement	5	4	3	2	1
<b>a)Staff training and skills upgrade</b>					
You manage to apply what you had learnt previously attended staff training.					
Staff training have enhanced your skills, knowledge and professional capacity					
Staff training have provided additional support and opportunities					
Staff training has enhanced your level of understanding of ZETDC revenue collection matters					
<b>b)Business process automation</b>	5	4	3	2	1
The self-service portal has enabled clients to view bills online					
Clients can apply for new connections online					
Installation of smart meters with remote reconnection/disconnection will improve revenue collection					
Automation through e-billing and dispatch of bills through have improved revenue collection					
<b>c)Performance based contract and incentive systems</b>	5	4	3	2	1
Institution of performance contracts brought about results based management					
Institution of Integrated results based management system improved revenue collection at ZETDC Northern Region					
Institution of performance contracts through weekly planners optimized operations at ZETDC because goals and results are more closely aligned					
There is improved communication, feedback and dialogue about the organizational goals due to the institution of performance contracts					
<b>d)Online payment and bill dispatch</b>	5	4	3	2	1
Clients receive bills online through emails					
The self-service portal is functional					
The self-service portal accepts bill payments					
Online payments and bill dispatch enhanced revenue collection					
<b>e)sms gateway and mass communication</b>	5	4	3	2	1
ZETDC has a bulk sms facility in place					
Notifying clients of overdue debt through bulk sms improves collection					
Mass sms has improved client service					
Mass sms has improved the clients bill payments attitude					
<b>f)Proper monitoring and evaluation</b>	5	4	3	2	1
ZETDC has a good monitoring mechanism for debtors payments					
Debtors aged reports are consistently monitored and analysed					
Feedback is shared with all stakeholders along the revenue collection value chain					
Clients are consistently engaged for bill payments					
Credit control staff have requisite skills to properly monitor debtors and collect					



**Appendix D: Questionnaire for ZETDC Clients**  
**RESEARCH QUESTIONNAIRE TO CLIENTS**

The questionnaire is for data collection on the **effectiveness of revenue collection strategies in enhancing revenue performance at ZETDC Northern Region**. You are kindly being requested to answer the questions or to write sharing more details and ticking the boxes provided as will be applicable or necessary.

Date...../...../2022

**SECTION 2: NON EMPLOYEES (CLIENTS AND BUSINESS PARTNERS)**

1. Are you a registered client with ZETDC Northern Region? (If no terminate questionnaire)
  - a) Yes
  - b) No
2. What is your gender?
  - a) Male
  - b)Female
3. Your age category
  - a) Below 25 years
  - b)26 - 35 years
  - c) 36- 45 years
  - d)45 years and above
4. What is your highest level of education?
  - a)Secondary
  - b)Tertiary
  - c)University graduate
  - d)University post graduate
  - e) Other (Kindly specify).....
5. Nature of employment?
  - a)Formal
  - b)Informal
  - c) Specify profession.....
6. What is your tariff category? Domestic/Commercial/Industrial/Mining/Farming/Government/Local Authority/Parastatal
7. For how long have you been a client and paying bills at ZETDC?.....years
8. You are on which billing system?
  - a) Prepaid Billing
  - b)Post Paid billing
9. How do you receive bills from ZETDC Northern Region?
  - a)Post
  - b)email
  - c)whatsapp
  - d)self service portal

**SECTION 3: ZETDC REVENUE COLLECTION STRATEGIES**

3. The table below shows the traditional methods which are used by ZETDC Northern Region to collect revenue. Please indicate the extent to which you agree/disagree with the statements.  
5=strongly agree; 4=agree ; 3= not sure ; 2=disagree ; 1=strongly disagree

Statement	Score				
	5	4	3	2	1
a)Power Disconnection					
Power disconnection improved payments before the due date					
Power disconnection improved ZETDC client relationship					
Power disconnection improved revenue collection					
Power disconnection reduced debtors balance					
Power disconnections are done automatically through virtual platforms					
c)Stop order	5	4	3	2	1
Use of stop orders enabled collection from source					
Use of stop orders helped improve ZETDC client relationship					
Stop orders improved revenue collection					
Stop orders are not affected by side marketing					
Stop orders were honoured by farming clients					
d)Installation of prepaid meters	5	4	3	2	1
Prepaid meters enables automatic revenue collection					
Prepaid meters improved the relationship of ZETDC and clients					
Prepaid meters are being bypassed leading to revenue loss					
Revenue assurance teams are sufficient to audit all prepaid meters					

#### 4. ASSESSMENT OF EFFECTIVENESS OF EMERGING ZETDC REVENUE COLLECTION METHODS

- The table below shows the emerging methods which are used by ZETDC Northern Region to collect revenue. Please indicate the extent to which you agree/disagree with the statements.  
5=strongly agree; 4=agree ; 3= not sure ; 2=disagree ; 1=strongly disagree

Statement	Score				
	5	4	3	2	1
h)Client education	5	4	3	2	1
Client education has enhanced knowledge on the purpose of paying electricity bills					
Client education has helped improving revenue collection					
Non-payment of bills is still rampant even after public awareness and client education					
Client education is relevant in improving bill payments and revenue collection					

#### SECTION 4: OVERVIEW COMMENTS ON EFFECTIVENESS OF ZETDC REVENUE STRATEGIES

*Request for considered views, comments here including justifications*

3. In your view, are the current revenue collection strategies effective in collection of revenue?

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

4. What strategies do you think ZETDC Northern Region should employ to collect and improve revenue collection and justifications?

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

5. What skills do you think ZETDC Northern Region staff should possess in order to be effective in revenue collection?

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

6. Any other recommendations to ZETDC Northern Region in terms of improving revenue collection operations?

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

THANK YOU FOR YOUR RESPONSES

END

END

END

END

# Appendix E : RESEARCH SUPERVISION CONSULTATION REPORT FORM

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

GRADUATE SCHOOL OF BUSINESS

## RESEARCH SUPERVISION CONSULTATION REPORT FORM

**STUDENT'S NAME:** WURAYAYI STANFORD **REG. NUMBER:**B212503B

**DISSERTATION SUPERVISOR:** Dr. GILBERT KICHINI

**PROGRAMME:** EXECUTIVE MASTER OF BUSINESS LEADERSHIP


**DISSERTATION TITLE:** THE CLIENT'S ASSESSMENT ON EFFECTIVENESS OF REVENUE COLLECTION STRATEGIES IN IMPROVING REVENUE PERFORMANCE: A CASE STUDY OF ZIMBAWE ELECTRICITY TRANSMISSION AND DISTRIBUTION COMPANY (ZETDC) NORTHERN REGION

DATE	STAGE OF RESEARCH	SUPERVISORS' COMMENTS AND INITIALS
26.09.2022	1. Proposal	Proceed to chapter one after effecting corrections <i>Initials: G. K.</i>
28.10.2022	2. Chapter 1	Proceed to chapter 2 after effecting corrections <i>Initials: G. K.</i>
14.11.2022	3. Chapter 2	Effect necessary changes and proceed to chapter 3 <i>Initials: G. K.</i>
25.11.2022	4. Chapter 3	Proceed to chapter 4 after effecting corrections <i>Initials: G. K.</i>
07.12.2022	5. Chapter 4	Make shown adjustments and proceed to chapter 5 <i>Initials: G. K.</i>
14.12.2022	6. Chapter 5	Proceed to preliminary pages after corrections <i>Initials: G. K.</i>
14.12.2022	7. All together	Proceed to submit <i>Initials: G. K.</i>

**OVERALL COMMENTS BY THE SUPERVISOR:**

The student complied with all the supervision requirements.

**STUDENT'S SIGNATURE:** .....  **DATE:** 15.12.2022

**SUPERVISOR'S SIGNATURE:**  **DATE:** 15.12.2022