

**UNIVERSITY OF KWAZULU-NATAL**

**Impact of turnaround strategy on employee  
engagement: The case of Foskor**

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## DECLARATION

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## **ABSTRACT**

In a turbulent business world, increasing engagement should be a strategic priority. The impact of turnaround strategies on employees' engagement is very important to the success of any distressed organisation such as Foskor in Richards Bay, South Africa. The study was motivated by a turnaround strategy which was implemented by Foskor in 2016, to the best of my knowledge based on literature reviewed no study has been conducted to date to explore the impact of turnaround strategies on employee engagement. The objective of this qualitative study was to assess the impact of turnaround strategy on the engagement of middle managers at Foskor in Richards Bay in South Africa. This study's objectives were achieved through a qualitative research methodology process. Non-probability, purposive sampling was adopted to select a sample of seven (7) middle-level managers to participate in the research. Data for the current study was gathered through semi-structured interviews, which were guided by an interview guide to get multiple perspectives from middle managers on how the turnaround strategy impacted employee engagement. A voice recorder was used to capture interview proceedings, enabling thematic data analysis. Emerging themes were coded and discussed in relation to research questions. Results from the study revealed that the impact of turnaround strategy on employee engagement was evident in loss of employee enthusiasm and desire to go an extra mile; declining employee commitment due to poor turnaround process; perpetuating the mindset of a minimalist performer; dwindling sense of belonging and unhealthy subordinate-boss relationship. The engagement of middle managers in implementing the turnaround strategy at Foskor was not effective in terms of the process which lacked meaningful engagement to give employees a voice and sense that they were part of the turnaround process. Lack of engagement of middle managers, was also evident especially during the formulation of turnaround strategy. While the turnaround strategy was effective in the initial communication of organisation-wide goals, it failed to ensure clarity and relevance of turnaround goals at departmental levels. The study concludes that any failure to build a culture of employee engagement is a huge impediment to successful turnaround strategy, which benefits from organisation citizenship behaviour of all employees. Recommendations for employee engagement when implementing turnaround strategy are proposed. Areas for future research are also highlighted.

## TABLE OF CONTENTS

TITLE PAGE .....	1
DECLARATION .....	ii
ACKNOWLEDGEMENTS .....	iii
TABLE OF CONTENTS .....	vi
<b>CHAPTER ONE: INTRODUCTION</b> .....	<b>1</b>
1.1 Background of the Study .....	1
1.2 Conceptualisation of Turnaround Strategies .....	2
1.3 Motivation for the Study .....	4
1.4 Focus of the study .....	5
1.5 Problem Statement .....	5
1.6 Research Objectives .....	6
1.7 Research questions .....	6
1.8 Limitations of the Study .....	6
1.9 Research Methodology .....	7
1.10 Chapter Outline .....	7
1.11 Summary .....	8
<b>CHAPTER TWO: LITERATURE REVIEW</b> .....	<b>9</b>
2.1 Introduction .....	9
2.2 A brief history of business strategy .....	10
2.3 Definition of Strategy .....	11
2.4 Types of Strategies .....	12
Figure 2.2 Corporate Level Strategies .....	12
Table 2.1: Competitive Strategies .....	13
2.4.1 Best Cost Leadership Strategy .....	14
2.4.2 Pricing strategies .....	16
2.4.3 Acquisitions and Mergers Strategies .....	16
2.4.4 Entering into strategic alliances with foreign providers .....	16
2.4.5 Growth Strategy through Product and Service Differentiation .....	17
2.4.6 Focused Cost Leadership strategy .....	18
2.5 Defining the concept of Turnaround Strategy .....	18
Figure 2.3 Turnaround process as envisioned by Robbins and Pearce (2012:291) .....	18
2.6 Determinants of a Turnaround Strategy .....	21
2.7 Employee Engagement .....	22
2.8 Advantages and Benefits of Employee Engagement .....	23
2.9 Turnaround Strategy and Employee Engagement .....	24
2.9.1 Turnaround Strategy and Enhancement of Employee Commitment .....	24
2.9.2 Turnaround Strategies and Enhancement of Goal achievement .....	25
2.9.3 Strategic Role of a Turnaround Strategist in Fostering Employee Engagement .....	25
2.9.4 The role of the leadership in enhancing employee engagement in a turnaround program .....	26
2.9.5 Communication during the Turnaround Process .....	26
2.10 Human Resource Management Practices that influences Employee Engagement during a Business Turnaround Program .....	27

2.10.1 Performance Management Systems .....	28
2.10.2 Job Analysis .....	29
2.10.3 Compensation Management.....	29
2.10.4 Personal Development Plans and Employee Engagement in a Turnaround Process.	29
2.11 Global Turnaround.....	31
2.12 South African Turnaround .....	32
2.12.1 Turnaround and Employee Engagement.....	32
2.12.2 Turnaround and Employee Engagement at the South African Post Office .....	33
2.13 The case of Foskor .....	33
2.14 Conclusion .....	34
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>35</b>
3.1 Introduction .....	35
3.2 Research Paradigm.....	35
3.3 Research Design.....	37
Figure 3.1: The Research Onion .....	38
3.3.1 Research Philosophy .....	39
3.3.2 Research Approach .....	39
3.3.3 Research Methodology Choice .....	40
3.3.4 Research Strategies .....	40
3.3.5 Time horizon.....	42
3.3.6 Target Population.....	42
3.3.7 Sampling .....	43
3.3.8 Data collection Instrument and Procedure.....	44
3.3.9 Pre-Testing of Interview Guide .....	45
3.3.10 administering the Semi-Structured Interviews.....	45
3.3.11 Method of Data Analysis .....	46
3.4 Research Quality .....	47
3.5 Ethical considerations .....	49
3.5 Ethics clearance .....	50
3.6 Summary .....	50
<b>CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS OF FINDINGS .....</b>	<b>51</b>
4.1 Introduction.....	51
4.2 Impact of Turnaround Strategy on Employee Engagement.....	52
4.2.1 Impact on employee enthusiasm and desire to go an extra mile.....	52
4.2.2 Impact on Commitment .....	54
4.2.3 Changes in Performance .....	55
4.2.4 Sense of belonging.....	56
4.2.5 Subordinate-boss relationship.....	57
4.3 Effective Engagement of Middle Managers in the Turnaround Strategy .....	58
Table 4.1: Themes on effective engagement of middle managers in the turnaround strategy .....	58
4.3.1 Communication of Goals .....	59
4.3.2 Goal Understanding .....	60
4.3.3 Engagement and Involvement in the Formulation of Turnaround Actions .....	62
4.2 Summary .....	63
<b>CHAPTER FIVE: DISCUSSION OF FINDINGS.....</b>	<b>65</b>
5.1 Introduction.....	65

5.2 Findings.....	65
5.3 Summary .....	71
<b>CHAPTER SIX: SUMMARY CONCLUSION AND RECOMMENTATIONS .....</b>	<b>72</b>
6.1 Introduction.....	72
6.2 Overview of the study and summary of findings.....	72
6.3 Conclusions from the study .....	73
6.4 Recommendations.....	74
6.4 Areas of future study.....	74
References.....	76
Appendix 1: Interview questions .....	90
Appendix 2: Consent Letter .....	92

## LIST OF FIGURES

Figure 2.1 Basic framework of strategy .....	13
Figure 2.2 Corporate Level Strategies .....	15
Figure 2.3 Generic Competitive Strategies.....	16
Figure 2.4: A Model of the Turnaround Process.....	22
Figure 3.1: The Research Onion.....	37
Figure 4.3: The successful turnaround process.....	24

## **LIST OF TABLES**

Table 1.1: Distinction between Operation and Strategic turnaround strategies.....	4
Table 2.1: Types of Generic Competitive Strategies .....	17
Table 3.1: Checklist for thematic analysis criteria.....	47
Table 4.1: Impact of Turnaround Strategy on Employee Engagement.....	51
Table 4.2: Themes on degree of effective engagement with middle managers in the turnaround strategy.....	59

## **LIST OF ACRONYMS**

CEO	:	Chief Executive Officer
HRM	:	Human Resources Management
PDP	:	Personal Development Plan
SA	:	South Africa
SAA	:	South African Airways
SADC	:	Southern African Development Community
SAPO	:	South African Post Office
UK	:	United Kingdom
VUCA	:	Volatile, uncertain complex and ambiguous

## **CHAPTER ONE:INTRODUCTION AND BACKGROUND**

### **1.1 Introduction**

The global economic downturn has forced businesses to think beyond the ordinary horizon and to constantly look at long-term innovative ways of growing the business, in order to minimise potential shutdowns. The economic downturn necessitated investments in Research and Development for businesses to come up with refined strategies that are responsive to increasing sales, revenues and brand reputation in this economic unstable world. Turnaround strategy was of vital importance to the survival and future of Foskor. Foskor is the sole producer and supplier of phosphoric acid and granular fertiliser in South Africa (Ledwaba A, 2016).The whole of South African agricultural sector depend on Foskor to supply fertiliser. When the economic downturn hit South Africa, many businesses were adversely affected, Foskor was not immune to this economic disease thus the uplift of Foskor and implementation of a turnaround strategy was a dire need for the country. How the turnaround is introduced and implemented in the organisation may have a positive or negative impact on employee engagement.

### **1.2 Background of the Study**

In the volatile, uncertain complex and ambiguous (VUCA) business world, employee engagement cannot be simply seen as a goal in and of itself, but rather a powerful vehicle to help an organisation execute its turnaround strategy. When faced by the threat of business failure, organisations adopt a turnaround strategy with the primary goal of returning a distressed business to operational and financial normality with regards to an acceptable level of profitability and cashflow (Maheshwari (2011). Thus, transforming a business from a loss making to a profit making entity is not only central in a turnaround strategy, but also relies on employee engagement. It is notable that a turnaround strategy is also considered as a retrenchment strategy such that it has potential and actual impact on people at various levels in an organisation (Manimala & Panickar, 2011). Turnaround strategies are premised on the philosophy that organisational success stems from the ability of the leadership to extract a greater degree of willing employee commitment to corporate objectives, rather than merely competing on price or product quality. The implication is that turnaround strategies in organisations should enhance employees' commitment to their jobs by raising levels of employee engagement.

Foskor is a South African manufacturer of phosphates and phosphoric acid which developed and implemented a turnaround strategy in 2016 as a response to changes on the domestic and global market. It is key to highlight that this company creates shareholder value through its profitable and sustainable beneficiation of phosphate rock into phosphoric acid and phosphate-based granular fertilisers sold to South African and International market (Ledwaba A, 2016). The global economic downturn in 2016 forced businesses to think beyond the ordinary horizon and to constantly look at long-term innovative ways of growing and sustaining business, in order to minimise potential closures.

Foskor in Richards Bay is the only vertically integrated phosphate producer in South Africa. From phosphate-bearing ores, the operations in the Mining Division process phosphate rock concentrate, which is vital for stimulating and raising crop harvests (Ledwaba A, 2016). However, the operations of Foskor were adversely affected by the global economic downturn, which hit many global economies cutting across both the developed and developing countries (eNews24.com, 2016). The sustainability problems of Foskor were compounded by the fact that there was a huge slump in demand for its products both domestically and in the SADC region where the company enjoys a huge market share. According to the Finance Director's report for 2017, the ripple effects of the global economic downturn were still being felt by the company long after the economic recession had ceased. The global economic downturn has forced businesses to think beyond the ordinary horizon and to constantly look at long-term innovative ways of growing the business, in order to minimise potential shutdowns. The economic downturn necessitated investments in Research and Development for businesses to come up with refined strategies that are responsive to increasing sales, revenues and brand reputation in this economic unstable world. Turnaround strategy is of vital importance for the survival and future of Foskor. It has rescued Foskor from being a loss-making to a profit-making organization. Foskor is the sole producer and supplier of phosphoric acid and granular fertiliser in South Africa. The whole of South African agricultural sector depend on Foskor to supply fertiliser. When the economic downturn hit South Africa, many businesses were adversely affected, Foskor was not immune to this economic disease thus the uplift of Foskor and implementation of a turnaround strategy was a dire need for the country.). The Finance Director's report for 2017 highlighted that company exports declined by 45% whilst

domestic demand shrunk by 38%.The company's woes were compounded by two other adverse external environmental problems namely the entrance of new competitors producing similar products at a much cheaper price than Foskor's products and the sustained weakening of the rand which made import of its raw materials to be more expensive (Foskor, 2016). The ultimate result of the problems that confronted Foskor since 2010 to the present was a significant rise in the operational costs against dwindling revenue inflows The global economic downturn has forced businesses to think beyond the ordinary horizon and to constantly look at long-term innovative ways of growing the business, in order to minimise potential shutdowns. The economic downturn necessitated investments in Research and Development for businesses to come up with refined strategies that are responsive to increasing sales, revenues and brand reputation in this economic unstable world. Turnaround strategy is of vital importance for the survival and future of Foskor. It has rescued Foskor from being a loss-making to a profit-making organization. Foskor is the sole producer and supplier of phosphoric acid and granular fertiliser in South Africa. The whole of South African agricultural sector depend on Foskor to supply fertiliser. When the economic downturn hit South Africa, many businesses were adversely affected, Foskor was not immune to this economic disease thus the uplift of Foskor and implementation of a turnaround strategy was a dire need for the country. It posits that the challenges related to growing competition for products, growing labour demand for salary increases, inflationary pressures and weakening of the Rand will be confronting Foskor for the foreseeable future. The Chief Executive Officer of the company responded to the Finance Director's report for 2017 by arguing that a need for a turnaround strategy encompassing employee engagement principles had become more pertinent and urgent in order to steer the organisation away from imminent closure and achieve long term sustainability (Foskor, 2016). This case study seeks to explore the impact of the turnaround strategy on employee engagement particularly, middle level management employees at Foskor in Richard bay.

### **1.3 An overview of Turnaround Strategy and Foskor**

This section seeks to give an overview of what turnaround strategy is all about. It also clarifies the main aspects of turnaround strategy in the context of Foskor in Richards Bay. The concept of turnaround strategy is complex and not easy to define. In other words, there are different definitions of this concept. For example, Bowman & Singh, Harbir (2013) suggest that turnaround strategy refers to a plan of action adopted by a firm to arrest the decline in company performance

in order to revive the company's growth. It is notable that this definition focuses on the decline of performance as the trigger for a turnaround strategy while revival of growth is the intended strategic goal. In a different vein, Maheshwari (2011) defines a turnaround strategy as the implementation of a set of actions required to save an organisation from business failure and to return it to operational normality and financial solvency. In this regard, the set of actions, which are pivotal to help a business shift from business failure to normal operations in terms of financial performance, are pronounced as core to turnaround strategy. Maheshwari (2011) posits that the overall goal of turnaround strategy is to return an underperforming or distressed company to normal in terms of acceptable levels of profitability, solvency, liquidity and cash flow.

It is key to note that Manimala and Panickar (2011) define a turnaround strategy as a retrenchment strategy followed by an organisation when it feels that the decision made earlier is wrong and needs to be undone before it damages the profitability of the company. Simply put a turnaround strategy is backing out or retreating from the decision wrongly made earlier and transforming from a loss making company to a profit making company. From the above definitions of turnaround strategies, it is apparent that the thrust is to restore a company from a state of decline to a state of sustainability using a whole range of strategies summarised below.

Schendel, Patten and Riggs (2012) posit the view that turnaround strategies often precede years of earnings decline, economic down turns and operational problems such as falling product demand, labour strife, production bottlenecks, leadership problems on the one hand and strategic factors such as obsolete products(out of demand products) and intense competition. Schendel et al., (2012) state that operational downturns caused by operating problems such production bottlenecks, labour strife tend to be followed by operating which among other things includes new cost controls, plant modernisation whilst operational downturns caused by strategic factors such as obsolete products, intense competition tend to be followed by strategic cures in the form of introducing new products, redefining the business and so on. Hofer (2010) concurs with the turnaround classifications by Schendel et al., (2012) and classify turnarounds into those which falls under operations and those which are strategic. Hofer (2010) further clarified that operational turnaround strategy often involves increasing market share or profits whilst strategic turnaround strategy involves reconfiguring or redefining the business. Hofer (2010)'s analysis of ten cases on

12 poorly performing firms in the United Kingdom, led to the discovery that the appropriateness of a strategic or operating turnaround depends on whether the firm's "illness" stems from poor strategy or poor operations. The findings by Hofer (2010) established a framework for choosing among different operating turnaround strategies according to the firm's closeness to breakeven. Firms operating to breakeven tended to turn around successfully if they pursued cost-cutting strategies and that firms operating far below breakeven required more ambitious revenue-increasing or asset reduction strategies. Schendel et al (2012) stressed the distinction between strategic “doing different things” and operating turnarounds “doing things differently. In the light of the above, it is cardinal to decipher strategic and operational dimensions in any turnaround strategy, and how these affect employees. A summary of Schendel et al (2012) and Hofer (2010)’s concepts of business turnarounds strategies is provided below in Table 1.1.

**Table 1.1: Distinction between Operation and Strategic turnaround strategies**

Operational Strategy	Turnaround Strategy
<ul style="list-style-type: none"> <li>• Doing different things through employee engagement</li> <li>• Revenue Increasing strategies</li> <li>• Cost cutting strategies</li> <li>• New emphasis on functional areas</li> <li>• More emphasis on efficiency and employee engagement</li> <li>• Pant expenditures</li> <li>• Employee Engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Doing different things</li> <li>• Diversification and employee engagement</li> <li>• Vertical integration</li> <li>• Divestment</li> <li>• Asset-reduction strategies</li> </ul>

**Source: Schendel et al. (2012 & Hofer, 2010)**

In light of the above, the study focused on both operational and strategic turnaround strategies as basis for rescuing Foskor from the declining performance. This is adopted as a way to get a holistic view of turnaround strategy and its impact on employee engagement.

At Foskor, the turnaround strategy implemented from 2016, was a response to global and domestic economic downturn. When the economic downturn hit South Africa, many businesses were adversely affected, including Foskor (Foskor, 2016). The economic downturn necessitated

investments in Research and Development for businesses to come up with refined strategies that are responsive to increasing sales, revenues and brand reputation in this economic unstable world. Turnaround strategy was of vital importance for the survival and future of Foskor. At the beginning of year 2016, the CEO of Foskor Mr Ufikile Khumalo announced that the reduction in global market prices and the company's operational encounters resulted in Foskor having poor financial performance. As a result of the decline in performance, an impairment of assets of R520 million had to be incorporated into the financial results as the impact of the future cash flows resulted in a lower valuation of the company compared to the value of its assets (Foskor, 2016). As a consequence of the continued decline in commodity prices, the company had to relook at the strategy to ensure its future sustainability. After considering all cost saving options, the company restructured, with the resultant reduction of 100 permanent employees through retrenchment.

The company's immediate priority for 2017 was to improve the Acid plant performance, return to profitability and improve financial sustainability. To achieve this objective, the company continued to focus on (1) cost optimisation, (2) revenue growth, (3) improving operational reliability and conversion efficiencies of the acid plant, (4) maximizing production and (5) improving working capital management.

#### **1.4 Motivation for the Study**

As alluded to earlier on, the turnaround strategy at Foskor started in 2016, affecting people and organisation performance in different ways. Since its inception, no study has been conducted to specifically focus on employees as human resources in terms of how they were engaged in the turnaround processes and implementation. Employee engagement is important in the successful implementation of any strategy. This study was motivated by the need to find out the impact of turnaround strategies on employee engagement at Foskor. In this regard, different levels of employees in an organisation may have their views on how a particular turnaround strategy influences employee engagement. The study was motivated by need to get the views of middle managers on how the turnaround strategy impacted employee engagement. Middle managers serve as link between senior managers and low-level employees to have a variety of views on how employees felt or thought about the turnaround strategy and its implementation in an organisation.

The findings of this study have the potential to inform whose findings management on non-managerial employee feel about the turnaround strategy and how this has affected their employee behavior and performance. Furthermore, the findings from this study also have the potential to stimulate further academic interest and debate that may result in further research and the generation of more additional knowledge on the impact of turnaround programs on employee engagement.

### **1.5 Focus of the study**

The study focused on the case of Foskor as a company, which grappled to implement their turnaround strategy, which impacted on employee engagement in various ways. The study focused on views of middle managers to explore how employees were engaged in and impacted by business turnaround processes and activities at Foskor. In other words middle managers at Foskor have got intimate knowledge not just about the content, process and activities which constituted the turnaround strategy or strategies, but also how people responded and engaged with the strategy , and the desired and undesired outcomes at individual team and organizational levels. Furthermore, the study focused on Foskor in Richards Bay by virtue of the fact that it recently engaged in turnaround processes because of the operational, technical and financial challenges that confronted the company.

### **1.6 Problem Statement**

Without effective employee engagement in turnaround strategy, it is very difficult for any organisation to shift from a loss-making entity to a profitable one (Morrow, Sirmon, Hitt & Holcomb, 2014). While studies on organizational decline and turnaround have expanded dramatically over the years, it is notable that research on this phenomenon remains empirically and theoretically fragmented. Recent studies have actually embraced managerial cognition, strategic leadership, and stakeholder management, identified simultaneous and complex resource-based actions, but not delved much into employee engagement as a vehicle for turnaround implementation (Gupta, 2017).

Purcell (2015) noted that employees who are more engaged with their work are highly likely to behave positively and in more cooperative ways towards attaining organisational objectives to the benefit of both the firm and themselves. Globally, employee engagement has gained greater

prominence and most companies are investing heavily in fostering and influencing positive affective states to develop among their employees so as to have improved productivity and performance (Nutt & Backoff, 2016). The same recognition of employee engagement has been extended by turnaround strategists in order to foster greater employee commitment and performance within their organisations as they shift from loss-making to profitability (Nutt & Backoff, 2016).

The Chief Executive Officer of Foskor stated that employee engagement is essential in terms of enhancing the success of business turnaround programs. Unfortunately the CEO lamented that employee engagement does not seem to be given the prominence it deserves in Foskor's turnaround strategies. According to Gallup (2013)'s study of 142 countries on the State of the Global workplace, only 13 % of employees worldwide reported that they are engaged while a total of 63% are not engaged and another 24% are disengaged.

Extant research on turnaround have focused on the nature or composition of the strategy itself, variety of outcomes of turnaround strategies, processes of turnaround strategies and models of turnaround strategies (Purcell, 2015). Employee engagement as emotional commitment suggest that engaged employees actually care about their work and their company (Podsakoff et al., 2013). In this way it has been argued that there are potential individual and organisational benefits of employee engagement. Engaged employees do not work just for a paycheck, or just for the next promotion, but work on behalf of the organization's goals (Podsakoff et al., 2013). However, it is not yet known how turnaround strategies premised on cost compression and adversarial competitive approaches will deliver positive benefits to employees. Commonly, employees have been conceived in terms of retrenchment and resources to be exploited for the success of any turnaround strategy (Purcell, 2015). Contrary to the theory and research on employee engagement in the western countries, less consideration has been given to the importance of employee engagement in African countries wherein its need is felt more (Gupta, 2017).

To be precise, the notion that employee engagement in a turnaround strategy is always a win-win case, which brings about positives to employees is questionable. Kaufman (2013) views this assertion as having a strong managerial orientation which effectively ignores the dark side of

employee engagement in a business turnaround process which seek to reduce costs and increase discretionary effort to improve performance.

In the light of this, it is unclear if any engagement happened or how employees were engaged at Foskor. The impact the turnaround strategy had on various employees at Foskor is also not clear. It is likely that management at Foskor will not understand the impact of turnaround strategies on employee engagement if there is no scholarly research to explore this issue. This poses a danger that employee engagement might not be given due consideration during future business turnaround programs at Foskor. There is a need for an exploratory study to explore the positive and negative impact of turnaround strategy on employee engagement which may inform future planning and implementation of turnaround strategies.

### **1.7 Research Objectives**

As the study focused on the impact of turnaround strategies on employee engagement at Foskor, the following were the research objectives:

- To assess the impact of turnaround strategy on engagement of middle managers at Foskor in Richards Bay in South Africa
- To explore the level of middle management engagement on turnaround strategy at Foskor Richards Bay in South Africa
- To propose strategies of employee engagement on turnaround strategy at Foskor in South Africa.

### **1.8 Research questions**

The main research question in this study was: What was the impact of turnaround strategy on engagement of middle managers at Foskor in Richards Bay?

To be more specific, the above research question was further sub-divided into the following:

- In what way were middle managers engaged or not in the turnaround strategy at Foskor in Richards Bay?
- How effective was the engagement of middle management in implementing the turnaround strategy at Foskor Richards Bay?
- What strategies of employee engagement may be recommended for turnaround at Foskor Richards Bay?

## **1.9 Limitations of the Study**

There are two main limitations to this study. First, the study has privileged the views of middle managers only when the impact of turnaround affects the engagement of different employees in different ways based on their level of seniority and also occupation in an organisation. By focusing on views of middle managers only, this study has excluded views of low-level employees but also top managers. There is a need to accentuate that this study presents a partial rather than holistic perspective of the impact of turnaround strategy on employee engagement as if has focused only on one of the several level of employees at Foskor.

Second, this study has only used interviews as a source of data. In this case, the use of other methods of data collections such as observation would have added more insights into the impact of turnaround strategies on employee engagement. Although, internal documents could have added more insights to the study, they have not been used to protect commercial secrets and private information from the company. Ultimately, these limitations may affect the generalizability of the findings from this study.

## **1.10 Research Methodology**

This study used an exploratory research design in order to gain deep insights or detailed understanding into the impact of turnaround strategies on employee engagement. Since there had not yet been a study to investigate the impact of turnaround strategies on employee engagement at Foskor, an exploratory research design was found appropriate. An exploratory research is a preliminary investigation into a hypothetical or theoretical idea in order to discover something new (De Vaus, 2014:81). An exploratory research design attempts to get an understanding of impact of turnaround strategies on employee engagement at Foskor that has not been previously investigated in order to make sense out of it. According to Wilson (2010:21) an exploratory research has two dimensions that is it looks at a new angle of a topic or it explores something from a theoretical perspective. Purposive sampling was utilised to select middle managers as participants in this research. Semi-structured face to face interviewing was employed as a data collection strategy whilst interviewee answers were tape recorded and transcribed onto data sheets for final analysis.

Data for this research was analysed using thematic analysis whereby dominant ideas were classified and categorized into themes reflecting the impact of turnaround strategy on engagement of middle managers at Foskor, and the effectiveness of middle management engagement on turnaround strategy at Foskor in Richards Bay.

## **1.11 Chapter Outline**

The dissertation comprises six chapters organised as follows:

### **Chapter One : Introduction**

This chapter includes the introduction, research context and background, the motivation of the study, focus of the work, the aim of the study, research objectives and an explanation of the significance of the study. It has also provided a brief overview of the research methodology used.

### **Chapter Two : Literature Review**

This chapter provides the theoretical background to the research and it discusses the impact of turnaround strategy on engagement, effectiveness of management engagement on turnaround strategy, determinants of a turnaround strategy, benefits of employee engagement in a turnaround strategy as well as relationship between turnaround strategy and employee engagement.

### **Chapter Three: Research Methodology**

This chapter outlines the research methods and plan used in this study to pursue the specified objectives. The chapter presents the research paradigm, research design, population and sampling techniques study. The chapter further discusses the data collection methods and research instruments, measures to ensure trustworthiness of the research, data analysis procedures, limitations of the study and ethical considerations.

## **Chapter Four: Research Findings**

This chapter presented the findings from the study by focusing on themes reflecting the impact of turnaround strategy on employee engagement at Foskor in Richards Bay. It is important to present the findings from a study to enable management or leadership make informed decisions with reference to an organisational problem.

## **Chapter Five: Discussion**

This chapter discusses the key findings in relation to existing literature. By discussing the key findings, the study will be communicating what took place during the study, whilst generating new theory and providing a basis for suggestions to readers and decision-makers.

## **Chapter six: Conclusion**

This last chapter presents the summaries, conclusions and recommendations based on the findings. It is imperative to make appropriate suggestions for the current and future studies.

### **1.12 Summary**

This chapter has presented the background to the study and elaborated on a variety of introductory issues such as the research problem, research objectives, and research questions among others. The research methodology and limitations of the study are also discussed in this chapter together with an outline of the various chapters. It was paramount to articulate the problem and motivation for undertaking the study in this introductory chapter, thereby, creating a foundation on which the research plan was grounded. The next chapter presents the literature review in this study

## CHAPTER TWO: LITERATURE REVIEW

*"Strategy is the boundless work of the business. In conditions of life or death, it is the Tao of survival or extinction. Its study cannot be deserted." SUN TZU, The art of war*

### **2.1 Introduction**

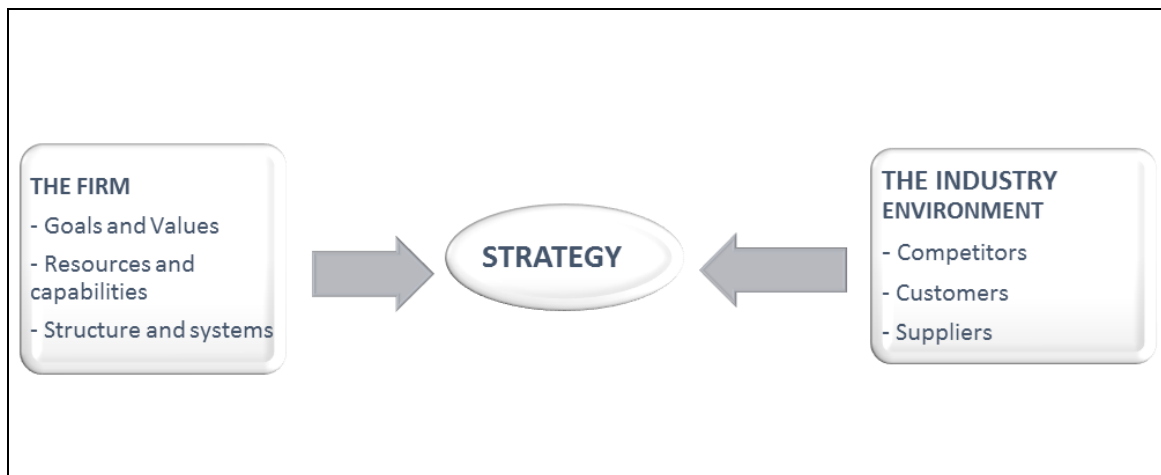
The aim of this chapter is to critically review key concepts and scholarly works relevant to turnaround strategy and employee engagement. In pursuing this aim, the chapter defines strategy and discusses the various types of strategies employed by organisations during the implementation of turnaround strategies. The chapter begins by looking at the origins and historical background of business strategy. Furthermore, the chapter defines and discusses turnaround and employee engagement from the perspectives of various scholars. Lastly, the chapter concludes by developing the notion of how employee engagement could be enhanced during a turnaround strategy.

### **2.2 A brief history of business strategy**

There are commonalities in why organisations need business strategies and why armies need military strategies. The main reasons for both are to give direction and purpose; to deploy resources in the most effective and efficient manner and to coordinate decisions made by different leaders. Most business strategy concepts and theories emanate from military or at least follow the same methodology.

Grant (2010) states that strategy is a term that comes from the Greek "strategia", meaning "generalship." In the military, strategy often refers to directing troops into position before the enemy is actually engaged. In military sense, strategy refers to the deployment of troops. Once the enemy has been engaged, attention shifts to tactics. In military, the employment of troops is central. With the substitution of troops to resources and the transfer of the concept of strategy to the business world, corporate strategy begins to take form.

Grant (2010) cites that strategy is the overall plan for deploying resources to establish a favorable position. He further stated that a tactic is a plan for a specific action, tactics are concerned with the maneuvers necessary to win battles, and strategy is concerned with winning the war. Strategic decisions, whether in military or in business spaces, share three common characteristics: They are important, strategies involve a significant commitment of resources and are not easily reversible. In the business world, strategy serves as a link between the firm and the environment as shown in Figure 2.1



**Figure 2.1 Basic framework of strategy**

**Source: Grant (2010:79)**

### **2.3 Definition of Strategy**

The concept of strategy is elusive such that it has many definitions by different scholars. For example, Hitt and Hokinson (2014) defines strategy as a plan of action designed to achieve a long-term or overall aim. Ehlers and Lazenby (2016) defines strategy as a detailed plan for achieving organizational success and specifies the means by which an organisation sets out to achieve its desired objectives. According to Pearce and Robinson (2014) a company's strategy refers to management action plan for running the business and conducting operations. Strategy is an action that managers take to attain one or more of the organisation's goals. Frey (2016) posited that strategy can also be defined as a general direction set for the company and its various components to achieve a desired state in the future and further explained that strategy results from the detailed strategic planning process". Thompson, Strickland (2016) espoused that strategy is all about integrating organizational activities and utilising and allocating the scarce resources within the

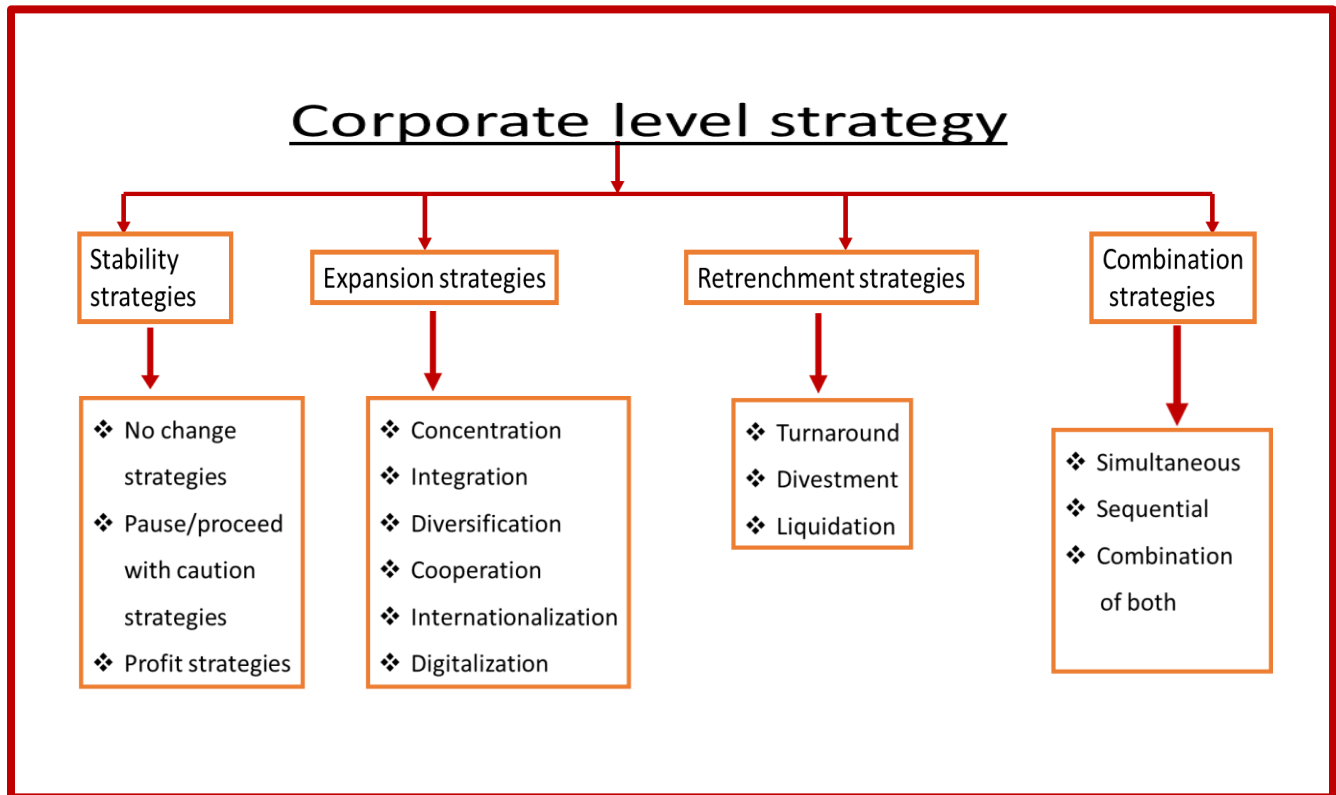
organizational environment so as to meet the present objectives. Strategy can also be defined as knowledge of the goals, the uncertainty of events and the need to take into consideration the likely or actual behavior of others (Burgelman, 2013). Strategy is the blueprint of decisions in an organization that shows its objectives and goals, reduces the key policies, and plans for achieving these goals, and defines the business the company is to carry on, the type of economic and human organisation it wants to be and the contribution it plans to make to its shareholders, customers and society at large (Hough, Thompson Jr., Strickland, III & Gamble, 2015). A company's strategy consists of the competitive moves and business approaches that managers are employing to grow the business, attract and please customers, compete successfully, conduct operations, achieve the targeted levels of organizational performance (Hough et al., 2015).

Strategy deals with long term developments rather than routine operations, that is, it deals with probability of innovations or new products, new methods of productions, or new markets to be developed in future. Strategy is created to take into account the probable behavior of customers and competitors. Strategies dealing with employees will predict the employee behavior.

From the aforementioned it is clear that strategy is a plan of action set by management detailing how organizational objectives are to be achieved in the long term and involves providing guidance and general direction on how scarce resources will be allocated to grow the business, motivate employees, attract and please customers, compete successfully, conduct operations, and achieve the targeted levels of organisational performance (Hitt & Hokinson, 2014; Pearce & Robinson, 2014; Hough et al., 2015; Ehlers & Lazenby, 2016; Frey, 2016 and Thompson & Strickland, 2016).

## **2.4 Types of Strategies**

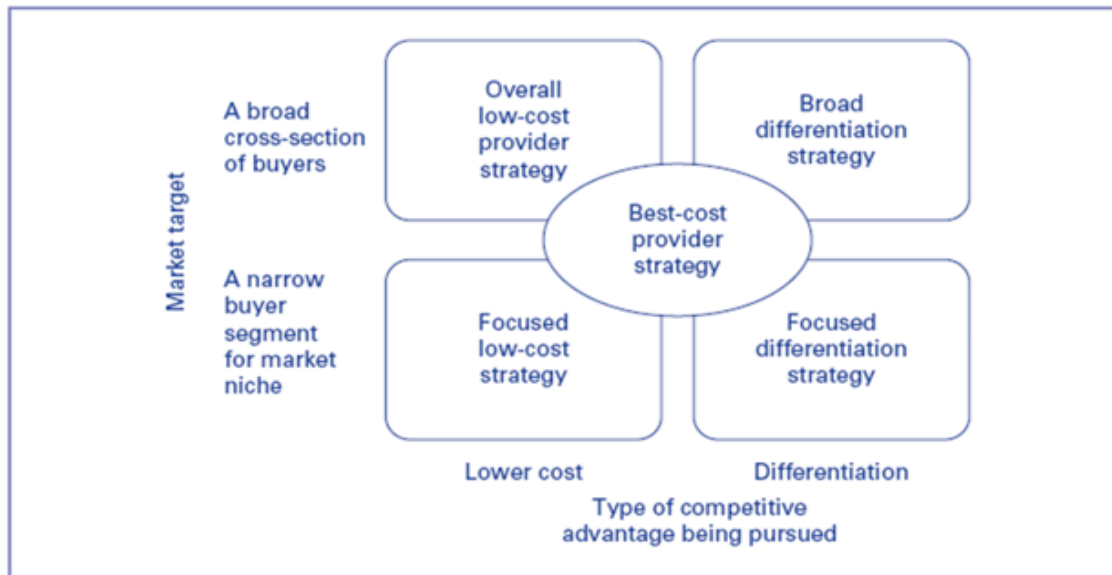
The hierarchy of strategy suggests levels of strategy, namely corporate, business and operational strategies. Corporate level strategies relate to the overall direction, scale and scope of an organisation. Figure 2.2 below summarises the types of corporate level strategies that senior management pursues, including retrenchment strategies which contributes to the turnaround of companies.



**Figure 2.2 Corporate Level Strategies**

**Source: Hough et al. (2015:123)**

Another level of strategies is the business level strategy, which relates to implementation of competitive strategies and achieving competitive advantage to support the corporate-level strategy (Hough et al., 2015). In other words, business-level-strategies focus on how to maintain competitive in particular markets (Hough et al., 2015). As business strategies are also referred to as competitive strategies, they relate to products and services that an organisation needs to develop and position itself in a particular market to achieve competitive advantage and long term survival (Hill, 2014). Clear identification of market target (e.g. niche, broad), but also the need to determine the type of competitive advantage being pursued are vital in competing in a particular market (see Figure 2.3). The Figure 2.3 summarises the generic strategies used by strategists to turnaround the fortunes of ailing companies.



**Figure 2.3 : Generic Competitive Strategies**

**Source: Hill (2014:278)**

In understanding the business or competitive strategy to adopt during turnaround programme, it is significant to elaborate that different strategies focus on different issues. Thus, a low cost strategy seeks to achieve an overall low cost compared to competitors to appeal to customers. To pursue cost leadership, strategic managers need to devote enormous efforts to incorporate all the latest information, materials management, and manufacturing technology into their operations to find new ways to reduce costs. A low-cost approach requires ongoing strategic thinking to make sure the business model is aligned with changing environmental opportunities and threats (Nutt & Backoff, 2016). The cost leader has an advantage over industry competitors because it has a lower cost structure. Its lower costs also mean that it will be less affected than its competitors by increases in the price of inputs if there are powerful suppliers and less affected by the lower prices it can charge if powerful buyers exist (Hitt & Hokinson, 2014). Cost leadership strategies usually require a large market share, the cost leader purchases in relatively large quantities, increasing its bargaining power over suppliers, just as Walmart does (Hitt & Hokinson, 2014). If substitute products begin to come onto the market, the cost leader can reduce its price to compete with them and retain its market share. Finally, the leader's cost advantage constitutes a barrier to entry because other companies are unable to enter the industry and match the leader's low costs or prices. The cost leader is therefore relatively safe as long as it can maintain its low-cost advantage. The

principal dangers of the cost-leadership approach arise when competitors are able to develop new strategies that lower their cost structure and beat the cost leader at its own game. For instance, if technological change makes experience-curve economies obsolete, new companies may apply lower-cost technologies that give them a cost advantage. Differentiation strategies seek ways of being different from rivals as elaborated in Table 2.1 below.

Table 2.1 summarises the type of strategies businesses employs to gain competitive advantage in business turnaround strategy. The table below summarises the generic strategies used by strategists to turnaround the fortunes of ailing companies.

**Table 2.1 Types of generic competitive strategies**

<b>Low-Cost Provider</b>	Striving to achieve lower overall costs than rivals on products that attract a broad spectrum of buyers.
<b>Broad Differentiation</b>	Differentiating the firm's product offering from rivals' with attributes that appeal to a broad spectrum of buyers.
<b>Focused Low-Cost</b>	Concentrating on a narrow price-sensitive buyer segment and on costs to offer a lower-priced product.
<b>Focused Differentiation</b>	Concentrating on a narrow buyer segment by meeting specific tastes and requirements of niche members
<b>Best-Cost Provider</b>	Giving customers more value for the money by offering upscale product attributes at a lower cost than rivals

**Source: Hill (2014:276)**

To create a successful business model, managers must choose a set of business-level strategies that work together to give a company a competitive advantage over its rivals; that is, they must optimize competitive positioning. In order to craft a successful business model, a company must first define its business, which entails decisions about customer needs, or what is to be satisfied, customer groups, or who is to be satisfied; and distinctive competencies, or how customer needs are to be

satisfied. The decisions managers make about these three issues determine which set of strategies they formulate and implement to put a company's business model into action and create value for customers. Some of the strategies are discussed below:

#### *2.4.1 Best Cost-Provider Strategy*

To counter threats from new entrants and from competitors that a company faces best cost leadership strategy can be the answer (Thompson & Strickland, 2016). Best-cost strategies aim at giving customers more value for the money and by so doing attracting customers away from competitors (Thompson & Strickland, 2016). The objective of a best cost provider is to deliver superior value to buyers by satisfying their expectations on key quality /service /features/ performance attributes and beating their expectations on price (given that rivals are charging for much the same attributes) (Hitt and Hokinson, 2014). A company achieves best-cost status from an ability to incorporate attractive features at a lower cost than rivals. Hill., Jones and Schilling, (2014) state that to become a best-cost provider a company needs resources and capabilities to achieve good-to-excellent quality, incorporate appealing features, match product performance, and provide good-to-excellent customer service-all at a lower cost than rivals .From a competitive positioning standpoint, best-cost strategies are a hybrid, balancing a strategic emphasis on low cost against a strategic emphasis on differentiation (superior value). Hill et al., (2014) further explained that the competitive advantage of a best-provider is lower costs than rivals in incorporating well-to excellent attributes, putting the company in a position to underprice rivals whose products have similar appealing attributes.

A best -cost provider strategy can be quite powerful in markets where a substantial number of buyers prefer midrange products rather than the cheap, basic products of low-cost producers or the expensive products of top-of-line differentiators (Nutt & Backoff, 2016). Unless a company has the requisite human resources, monetary resources, know-how and capabilities to incorporate upscale product or service attributes at a lower cost than rivals and this strategy is ill-advised.

#### *2.4.2 Pricing strategies*

Companies penetrate the global market using a pricing strategy in order to ward off competition from rivals. Pricing strategies encompasses a cut in production cost which translate into a lower

selling price that gives a company a competitive advantage on both the domestic and the world market (Freeman, 2016). This might come about through a realisation that international customers are heterogeneous and has various purchasing power, therefore production costs had to be as lower as possible to make as many customers as possible to be able to afford its products as they will be competitively priced (Freeman, 2016). A firm can enter the market through lower pricing which some marketers call below the market pricing to make it possible for the poor to afford their products and services.

#### *2.4.3 Acquisitions and mergers strategies*

Acquisition strategies, for example, allow a firm to have complete control of the acquired companies. Further the acquisitions and mergers strategy helps a company in eliminating competition, which will result in higher market share and increased profitability. Hitt, Ireland and Hoskisson (2013) points out that when the operations of two companies are combined via mergers or acquisitions, the new company's competitiveness can be enhanced in any of the several ways—lower costs, stronger technological skills, more or better competitive capabilities, a more attractive line-up of products and services, wider geographical coverage and or greater financial resources with which to invest in research and development, add capacity and expand into new areas. Hitt et al. (2013) further state that mergers and acquisitions help to create a more efficient operation out of the combined companies by closing high cost plants whilst eliminating surplus capacity global wise.

#### *2.4.4 Entering into strategic alliances with foreign providers*

Entering into strategic alliances is another strategy that companies often engages in. A strategic alliance is an agreement in which the directors of companies share their organisation's resources and know-how with a foreign organisation and the two organisations share the rewards and risks of starting a new venture. Pearce and Robinson (2014) pointed out that entering into strategic partnerships with foreign companies are often necessary to win approval from the host country's government especially in the more conservative Middle East countries. The competitive attraction of alliances is to bundle competencies and resources that are more valuable in a joint effort than when kept separate. Pearce and Robinson (2014) argue that strategic partnerships make more sense

in that they help in filling gaps in technical expertise and or knowledge of local markets (buying habits and product preferences of consumers, local customs and so forth).

#### *2.4.5 Growth Strategy through Product and Service Differentiation*

Product and service differentiation is one of the growth strategies adopted by companies to attract more customers and market share, thereby increasing sales and profits (Williams, 2012). Differentiation is growth strategy that involves gaining competitive advantage in the market by making distinct changes in goods or services to make them stand out from others in the market with the ultimate objective of attracting more customers and gaining market share. A company obtains a competitive advantage when it creates, makes and sells a product in a way that better satisfies customer needs than its rivals do (Williams, 2012). Differentiation strategies are based on providing buyers with something that is different or unique, that makes the company's product or service distinct from that of its rivals and is meant to make customers perceive a company's products or services to be of higher quality, special appeal in some perceived way.

The four building blocks of competitive advantage come into play when a company adopts a differentiation strategy whereby managers devise strategies to differentiate a product by innovation, excellent quality, or responsiveness to customers (Stock & Lambert, 2010). Cohen (2011) explained that a differentiation strategy is the development of a product or service that offers unique and differentiating attributes which are valued by customers and perceive to be better than or different from the products of the competition. The value added by the uniqueness of the product may allow the firm to charge a more expansive price for it (premium price). The extra price is supposed to cover the costs incurred in developing and offering the product. Consumers are willing to pay more for this unique product for which they cannot find any substitute, that's also why companies charge extra cost but still allows companies like to expand globally (Stock & Lambert, 2010).

According to Cohen (2011) one big advantage behind the differentiation strategy is that it allows firms to insulate themselves partially from competitive rivalry in the industry. Finally, differentiation processes provides substantial loyalty barriers that firms contemplating entry must overcome. Highly distinctive or unique products make it difficult for new entrants to compete with

the reputation and skills that existing firms already possess. Differentiation and brand loyalty also create a barrier to entry for other companies seeking to enter the industry (Williams, 2012). A new company must find a way to make its own product distinctive to be able to compete, which involves an expensive investment in building some kind of distinctive competence. Finally, substitute products are a threat only if a competitor can develop a product that satisfies a similar customer need as the differentiator's product, thus causing customers to switch to the new product (Williams, 2012). The main problems with a differentiation strategy center on how well strategic managers can maintain a product's perceived difference or distinctness to customers and hence maintain premium pricing. In the 2000s, it has become clear that it is easier than ever for agile competitors to imitate and copy successful differentiators (Stock & Lambert, 2010).

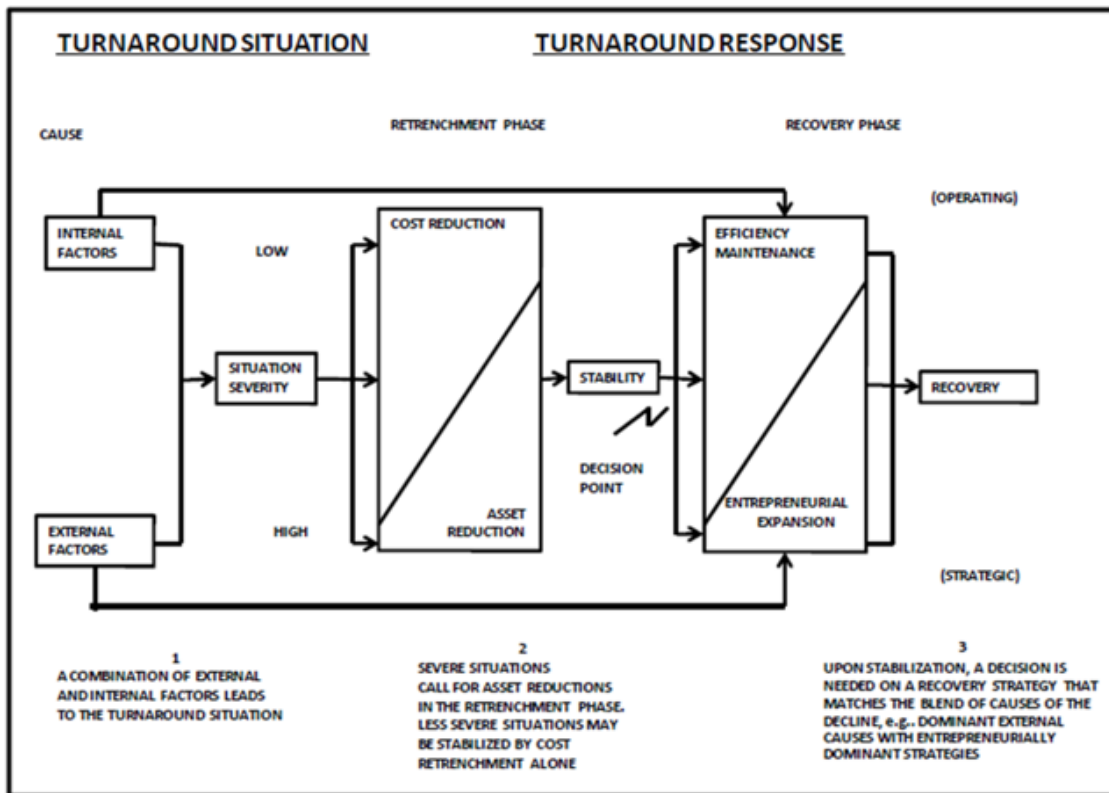
#### *2.4.6 Focused Cost Leadership strategy*

A cost leader is not always a large, national company that targets the average customer, but it is a company that thrives on reducing its cost structure with reference to production costs. Sometimes a company can pursue a focused cost leadership business model based on combining the cost leadership and focused business-level strategies to compete for customers in just one or a few market segments (Daley, 2012). Focused cost leaders concentrate on a narrow market segment, which may be defined geographically, by type of customer, or by segment of the product line whilst optimally using the information resources to win consumers' perceptions towards the firm's products and or services (Daley, 2012).

### **2.5 Defining the concept of Turnaround Strategy**

As highlighted earlier on, the concept of turnaround is complex and not easy to define. Bowman, Singh and Harbir (2013) define turnaround strategy as referring to a plan of action adopted by firms to arrest the decline in company performance in order to revive the company's growth. It is key to underscore that the primary goal of turnaround strategy is to arrest the decline in company performance. Maheshwari (2011) defines a turnaround strategy as the implementation of a set of actions required to save an organisation from business failure and to return it to operational normality and financial solvency. Maheshwari (2011) opines that the overall goal of turnaround strategy is to return an underperforming or distressed company to normal in terms of acceptable levels of profitability, solvency, liquidity and cash flow.

Simply put, a turnaround strategy is backing out or retreating from the decision wrongly made earlier and transforming from a loss-making company to a profit-making company (Manimala & Panickar, 2011). According to Pearce and Robinson (2014) a turnaround strategy is a corporate action that is taken (performed) to deal with issues of a loss-making (sick) company like increasing losses, lower return on capital employed, and continuous decrease in the value of its shares. In a different vein, the turnaround framework distinguished the turnaround situation and turnaround situation in which identifying the cause, retrenchment and recovery are key issues. This two-stage model of turnaround has been criticized in two ways for its narrow scope and deterministic nature. For example, retrenchment is not always indispensable to the turnaround process. Furthermore, turnaround is not always sequential, beginning with retrenchment and followed by strategic recovery actions. Figure 2.4 shows an idealized overview of the turnaround process as envisioned by Robbins and Pearce (2012:291).



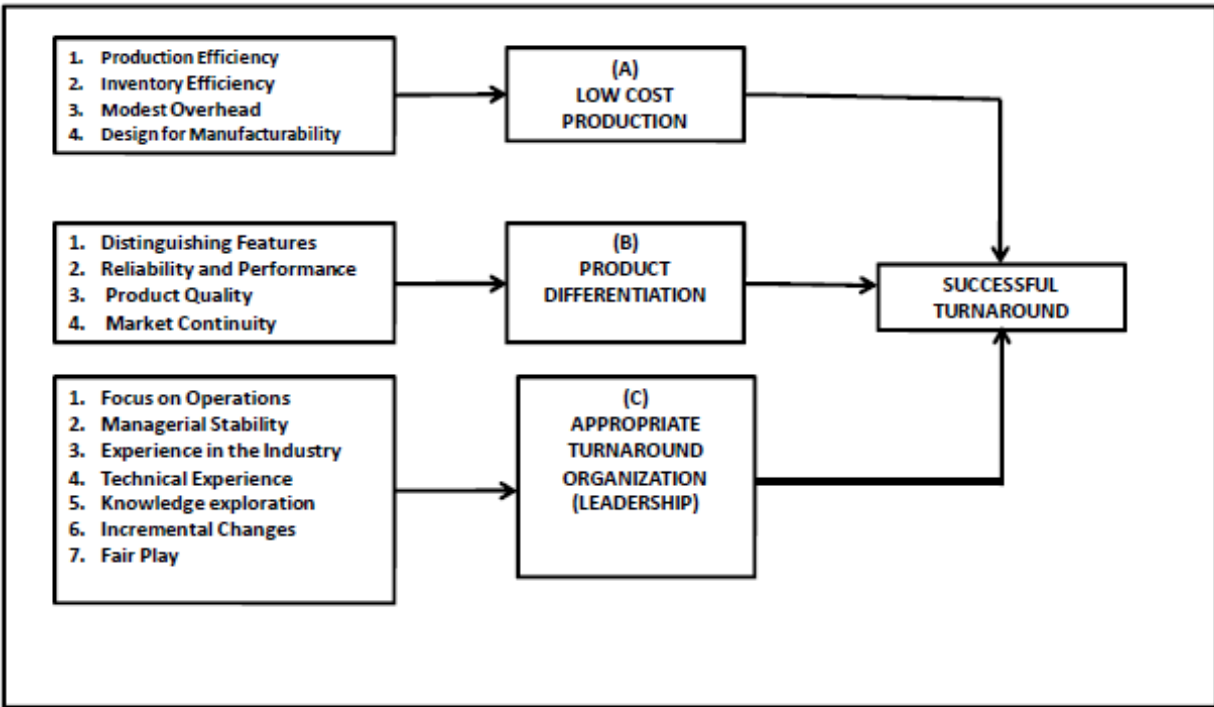
**Figure 2.4: A model of the Turnaround Process**

**Source: Robbins & Pearce (2012:291)**

This study adopts the view that a turnaround strategy is undertaken to convert, change or transform a loss-making company into a profit-making company, to make the company profitable again, to turn the company from a negative point to a positive one and is meant to reverse the position from loss to profit, from declining sales to increasing sales, from weakness to strength, and from an instability to stability (Manimala & Panickar, 2011; Maheshwari, 2011; Harbir, 2013; Pearce & Robinson, 2014). This is helpful as it provides clear guidance on some of the shifts that needs to occur if the turnaround strategy is implemented effectively and efficiently. Zimmerman (1986:113) summarised a turnaround as the following:

- a multifaceted process which has minimum requirements
- a referent organisation
- a new and additive view of the environment
- a systematic approach to the process of examining the environment
- the critical clarification and articulation of values
- old values are preserved as new values are added
- traditional morality and values influence turnarounds

Zimmerman (1989:117) structured a turnaround process that deals with the planning of efficiencies, and he concluded that a moderate overhead structure is required. The focus is clearly on production efficiency and operational issues, as indicated by the lower left-hand column in Figure 4.3. The process concludes with a “successful turnaround”. The Zimmerman (1989) model concentrates on operational inefficiencies in the business and if these inefficiencies are addressed, the model caters for one outcome – a successful turnaround.



**Figure 4.3 The successful turnaround process (Zimmerman, 1989:117)**

## 2.6 Determinants of a Turnaround Strategy

The management of a turnaround process requires strong leadership which can include corporate restructuring and redundancies, an investigation of root causes of failure and long-term programs to revitalize the organization. A successful turnaround depends on developing an appropriate turnaround prescription and effective implementation (Zimmerman, 1989). The key determinant to success lies in ensuring that the organisation focuses on achieving immediate results, with senior management adopting a short-term, result-oriented leadership style that creates momentum and a catalyst for change some things needed to implement the process of turnaround and without fulfilling these basic requirements, no distressed business can be totally revived.

Schoenberg, Collier and Bowman (2013) posited that one of the determinants of a turnaround strategy is the existence of a strong core. Schoenberg et al., (2013) defined a string core as referring to a company having a strong background anchored by availability of reliable employees and enough goodwill. Such a company can be revived through efforts and turnaround strategies. Schoenberg et al. (2013) identified availability of short-term financing as an important determinant for making a turnaround strategy successful. Thus a company must have access to sufficient short-

term financing in order to rise up again and work towards its own revival. The idea is to have enough cash flow to bring back the business on its feet again. Morrow, Sirmon, Hitt and Holcomb (2014) stated that resources and skills are necessary determinants of any turnaround strategy. Morrow et al. (2014) assert that a company must also have access to both intangible and tangible resources as well as skills. Without the proper resources, knowledge, expertise and skills, it will be impossible for a business to bounce back again, in spite of having the cash flow and solid base (Morrow et al., 2014). Without skills and resources, the corporate turnaround can prove to be a failure.

## **2.7 Employee Engagement**

There are over 50 definitions of employee engagement (Vance, 2012). Organisations around the globe are striving to build a culture of engagement, yet the various definitions often cloud their efforts. Rewards and recognitions, learning and development, health and fitness, perks and benefits are all categories that commonly use employee engagement to describe their initiatives (Vance, 2012).

Kruse (n.d) Forbes Contributor and New York Times Best Selling Author defines employee engagement as the emotional commitment the employee has to the organization and its goals. Podsakoff, Mackenzie, Paine and Bachrach (2013) define employee engagement as the art of getting people to believe what you want them to believe. Robinson, Perryman and Hayday (2014) view employee engagement as an emotional connection an employee feels toward one's employment organisation, which tends to influence one's behaviours and level of effort in work related activities. This study subscribes to views that employee engagement has emotional aspects which relate to connections or feelings towards an organisation. Shaw (2012) defines employee engagement as a business management concept that describes the level of enthusiasm and dedication a worker feels toward one's job. Shaw (2012) posits that engaged employees care about their work and about the performance of the company and feel that their efforts make a difference. Shuck (2015) defines employee engagement as an emergent working condition having positive cognitive, emotional, and behavioral state directed toward organisational outcomes. Coulter (2013) provided a summative definition that captures the essential elements of employee engagement by referring employee engagement as an emotional state where employees feel

passionate, energetic, and committed toward their work manifested through employees fully investing their best selves—their hearts, spirits, minds, and hands—towards the work that they do.

Employee engagement in the Human Resources (HR) domain, refers to processes and practices that involve liaising with employees for better performance. Employee engagement involves career planning and development, identifying training needs and conducting performance appraisals. Employees' development is a continuous process of training, communication, assessment and feedback with the goal of instilling and enhancing desirable behavior in organisational employees. Effective employee development is progressive, building on lessons learned and maximizing individual potential. The HR should provide developmental feedback so that employees can improve their performance something that will give a company competitive advantage. Good companies also need to be able to understand what drives employees and take action on the results in order to have the great impact on increasing engagement

Drawing from the aforementioned, this study is guided by the notion that employee engagement has four things, which are common in the variety of definitions. These are (1) employee emotional commitment, (2) emotional connection towards an organisation, (3) enthusiasm and dedication on the part of an employee and (4) positive cognitive, affective behaviours all directed towards achieving superior performance outcomes for organisations they work for (Kruse, n.d; Podsakoff et al., 2013; Coulter, 2013; Robinson et al., 2014; Shaw, 2012 ; Shuck, 2015).

## **2.8 Advantages and Benefits of Employee Engagement**

Employee engagement is the emotional commitment the employee has to the organization and its goals. This emotional commitment means engaged employees actually care about their work and their company (Podsakoff et al., 2013). In this way it has been argued that there are potential individual and organisational benefits of employee engagement. Engaged employees do not work just for a paycheck, or just for the next promotion, but work on behalf of the organization's goals (Podsakoff et al., 2013). Engaged employees lead to better business outcomes (Shaw, 2012). In fact, according to Towers Perrin research companies with engaged workers have 6% higher net profit margins (Vance, 2012). According to Kenexa research, engaged companies have five times higher shareholder returns over five years (Vance, 2012). Robinson et al. (2014) explained the

benefits of employee engagement through a profit chain. Robinson et al. (2014) posited that engaged employees lead to higher service, quality, and productivity, which leads to higher customer satisfaction, which leads to increased sales (repeat business and referrals), which leads to higher levels of profit, which leads to higher shareholder returns (that is: stock price);

Purcell (2015) notes that employees who are more engaged with their work are highly likely to behave positively and in more cooperative ways towards attaining organisational objectives to the benefit of both the firm and employees. Sarti (2014) asserts that engaged employees not only outperforms their peers by showing heightened interest in the work they do but almost always go the extra mile beyond expectations of their managers. Truss, Shantz, Soane, Alfes and Delbridge (2013) posit that engaged employees see their work as more meaningful and fulfilling and appear to experience increased job satisfaction.

## **2.9 Turnaround Strategy and Employee Engagement**

Dutton, Ashford, O'Neill and Lawrence (2014) state that organisational turnaround strategies and employee engagement are complementary with each other. Jenkins and Delbridge (2013) concurred with Dutton et al., (2014) by further expressing that all turnaround strategies requires some form of employee engagement in order to be successful. Schaufeli (2014) expresses the notion that employee engagement is an inherent component of turnaround strategies. The following section discusses the various facets of turnaround strategies and the roles of management in engaging employees.

### *2.9.1 Turnaround Strategy and Enhancement of Employee Commitment*

Turnaround strategies are premised on the philosophy that organisational success stems from the ability of the leadership to extract a greater degree of willing employee commitment to corporate objectives, rather than merely competing on price or product quality. The implication is that turnaround strategies in organisations needs to make employees highly committed to their jobs by raising levels of employee engagement. Turnaround strategies therefore needs to help promote employees to use their discretions in performing their jobs (Rees, Alfes & Gatenby, 2013). Against this backdrop turnaround strategists needs to align the interests of their employees to managerial

goals and aspirations, predicated on the assumption that this will in turn boost organisational performance.

### *2.9.2 Turnaround Strategies and Enhancement of Goal achievement*

Truss et al., (2013) posit that a business turnaround strategy needs to design a workplace approach that ensures that employees are committed to their organisation's goals and values, are motivated to contribute to organisational growth whilst at the same time enhancing employees' sense of own well-being. The main limitation of the literature presented by Rees et al., (2013) and by Truss et al., (2013) is the fixation with the notion that employee engagement in a turnaround business process is always a 'win-win' situation without acknowledging the impact on employees (Jenkins & Delbridge, 2013). Some researchers such as Kaufman (2013) criticized the notion that employee engagement in a turnaround strategy always brings about positives to employees. Kaufman (2013) views this assertion as having a strong managerialist orientation which effectively ignores dark side of engagement for employees, that is, the negative impact on employees that accrues when management participating in a business turnaround process seek to increase discretionary effort to improve performance. According to George (2011) the internal and external organisational environmental contexts for engagement are still largely underdeveloped, for example it is not yet known how turnaround strategies premised on cost compression and adversarial competitive approaches will deliver positive benefits to employees. Kaufmann (2010) argues that the concept of employee engagement in a turnaround strategy as being management centric, and also that it underestimates potential conflicts of interest and is methodologically fraught with mis-specification.

### *2.9.3 Strategic Role of a Turnaround Strategist in Fostering Employee Engagement*

The CIPD (2014a) suggests that turnaround strategists can promote employee engagement through promoting effective communications so that employees are kept well informed about the organisation's purpose for embarking on a turnaround mission. The CIPD (2014a) further asserts that promoting effective communications reinforces the organisation's commitment to solve problems bedeviling the organisation. Macey et al., (2014) posited that management involved in a business turnaround can positively and cognitively impact on employee's job affection by giving their employees meaningful voice which also extends to facilitating upwards feedback, conducting

respectful, adult-to-adult conversations and responding to employee views. Francis, Ramdhony, Reddington and Staines (2013) espouse the view that role modelling is an essential principle that needs to be displayed in order to make employees see that the turnaround strategist or managers participating in a turnaround process are committed to the organisation and uphold the values of employee engagement in how they act. Jenkins and Delbridge (2013) assert the need for management involved in turnaround programs to always exercise fairness and justice when dealing with employee problems and supporting employee well-being.

#### *2.9.4 The role of the leadership in enhancing employee engagement in a turnaround program*

Certainly it seems that employee engagement should only ever be one consideration in the design of HRM policies and practices. However, many commentators seem to agree on the importance of leadership in providing an effective strategic narrative (Breevaart, Bakker, Hetland, Demerouti, Olsen & Espevik, 2014; Sparrow, 2014). Soane (2014:149) states that ‘leaders play a pivotal role in creating the environment within which employees can engage with their work’ and they ‘make the difference between work as a mundane grind, devoid of meaning and purpose and work as an enriching and fulfilling experience that provides an essential source of identity which infuses all aspects of being’. Looking in more detail, some studies suggested that different styles or approaches to leadership might facilitate different engagement outcomes. For example, Sarti (2014) established that participative leadership styles are related to dedication and vigor dimensions of engagement and an authoritative leadership style is related to absorption and vigor. A participative leadership style is one in which leaders involve subordinates in decision-making and act to clarify and coordinate roles (Sarti, 2014), while in contrast, authoritative leaders tend to focus on routines and setting clear performance expectations for subordinates.

#### *2.9.5 Communication during the Turnaround Process*

Employee voice and communication is considered as a vital feature of cultivating employee engagement. Employers need to ensure that they offer meaningful opportunities for engagement – communication between senior managers and frontline employees are important for giving employees a sense of voice. Opportunities for engagement need to be in the category of meaningful communication between leaders and employees, with opportunities to ask questions, raise concerns and offer suggestions (Dromey, 2014). To be most effective in terms of ‘voice’ as an

enabler for a successful turnaround program, employers need to ensure that they engage employees in a genuine way which promotes dialogue and involvement rather than simply one-way communication. The increasing use of email as a means of communication with employees in this context is a concern as it offers very limited opportunities for genuine interaction during a turnaround program (Dromey, 2014).

Employees who perceive themselves to have opportunities to effectively communicate their concerns to management are likely to elicit more positive attitudes and higher levels of performance. If employees perceive their work environment to be one in which they can share their opinions, ideas and concerns, they will in turn be more likely to demonstrate higher levels of engagement (Rees et al., 2013). Communication and voice are an essential component of maintaining employee engagement in a change programme (Elving, 2015).

## **2.10 Human Resource Management Practices that influences Employee Engagement during a Business Turnaround Program**

The following management practices influences employee engagement during a business turnaround process.

- Career pathing
- Performance appraisal system
- Job evaluation and job analysis
- Training and development

This section briefly discusses performance management systems, job analysis, compensation management, and personal development issues in relation to turnaround strategy and implementation.

### *2.10.1 Performance Management Systems*

Thompson, Strickland and Gamble (2012) emphasise that a business turnaround strategist needs to implement a performance based pay and continuously preach that performance can and must be improved, because competitors are not resting on their laurels and customers are always looking for something better. This helps increase employee engagement during and after a business

turnaround program. The use of incentives and rewards is the single most powerful tool management has to win strong employee commitment to diligent, competent strategy execution and operating excellence. This helps to improve productivity, spur growth and improve growth. Decisions on salary increases, incentive compensation, promotions and the ways and means of awarding praise and recognition are potent attention –getting, commitment-generating devices.

Strategy driven performance targets need to be established for every unit, every manager, every team and performance appraisals administered by the human resources department. Performance reward system would require to be administered with scrupulous care and fairness (Thompson et al, 2009:354). Strategy supportive motivational practices and reward systems are powerful management tools for gaining employee commitment. This gives a company undergoing decline, a competitive advantage over rivals and help it to stay ahead of the competition and survive. Performance appraisal and feedback, serves two different purposes in HRM. First, performance appraisal can give managers the information they need to make good human resources decisions about how to train, motivate, and reward organisational members. On the basis of performance appraisals, managers distribute pay to employees, which is part of the fourth component of an HRM system. By rewarding high-performing organisational members with pay raises, bonuses, and the like, managers increase the likelihood that an organisation’s most valued human resources will be motivated to continue their high levels of contribution to the organisation. Moreover, if pay is linked to performance, high performing employees are more likely to stay with the organisation and managers are more likely to fill positions that become vacant with highly talented individuals.

### *2.10.2 Job Analysis*

Job analysis is a second important activity that managers need to undertake prior to recruitment and selection (Thompson, 2009: 323). Job analysis is the process of identifying (i) the tasks, duties, and responsibilities that make up a job (the *job description*) and (ii) the knowledge, skills, and abilities needed to perform the job (the *job specifications*). For each job in an organisation, a job analysis needs to be done. Job analysis can be done in a number of ways, including observing current employees as they perform the job or interviewing them. Often managers rely on questionnaires compiled by jobholders and their managers (Thompson, 2009:323). The questionnaires ask about the skills and abilities needed to perform the job, job tasks and the amount

of time spent on them, responsibilities, supervisory activities, equipment used, reports prepared, and decisions made. Job analysis is key to identify skills and abilities vital for successful turnaround of an organisation.

### *2.10.3 Compensation Management*

The objective of compensation management systems is to identify the best ways to attract, motivate, and retain new and existing workforce segments. Further it will give the HR representative to be in a position to assess strategic scenarios to determine how changes in business strategy might affect the workforce and to determine what skills and what compensation models are appropriate to attract and retain staff (Thompson, 2009:323).

### *2.10.4 Personal Development Plans and Employee Engagement in a Turnaround Process*

Turnaround strategies should increase employee engagement through personal development plans (PDPs) (Breevaart et al., 2014). Personal development plans put more emphasis on personal development, individual abilities, and achieving goals creates sharper employees, better managers, and superior service (Breevaart et al., 2014). Personal development plans (PDPs) provide a powerful, flexible way to link employees' professional and personal development with the development of one's business (Breevaart et al., 2014). There is a strong relationship between employee engagement, performance reviews and personal development plans and the success of a business turnaround program. The logic being that personal development plans follows from a performance review process. Some outcomes from a performance review process will lead management to identify performance deficits or areas that a particular employee has got which will then lead to a manager recommending or designing a personal development plan (Purcell, 2015).

Breevaart et al. (2014) define a personal development plan as a short, unambiguous written document that maps out how a person can develop skills and progress in their job. Anupama (2012) explains that using personal development plans, management can engage its employee's abilities, commitment and knowledge to maximise their potential and that of the business hence helping to turnaround the fortunes of a company. Personal development plans look at an employees' long-term development, rather than short-term training needs (Purcell, 2015). A personal development

plan (PDP) is a form of self-managed learning that is owned by the individual and enables a strategic approach to setting learning and development goals. It provides people with the opportunity to benefit in terms of receiving feedback, planning their careers and receiving support from their line manager for their professional and personal development. For the organisation PDPs provide a mechanism for managing and developing people effectively, enhancing quality of working life and supporting the provision of quality services on a value for money basis. Webb (2013). This enhances the effectiveness of the workforce in that the potential of the workforce is enhanced and ultimately maximised.

Personal Development Planning (PDP) will enhance the effectiveness of the workforce because it is a continuous development process that enables people to make the best use of their skills and helps advance both the individual's plans and the strategic goals of the organisation. It also provides the framework to focus on development needs which may result from change in work roles, or from organisational or legislative change, or from challenges involved in managing people or working in teams.

The main focus is on staff development – which must be agreed between the staff member and the line manager. This means that personal development is in line with what the person needs – to do a better job or become more effective in a certain area of work. During a business turnaround process a personal development plan needs to be an open and transparent approach to development of an individual and consequently of an organisation (Jenkins & Delbridge, 2013). It is not simply a case of “he who shouts loudest gets the biggest slice of the budget for training and development”. As the plan is discussed and agreed by the line manager, the organisational objectives are fully taken into account. A PDP will help enhance an employee's effectiveness because it is by its nature a form of self-managed learning which requires individuals to take responsibility for their own development and follow-through. The spin-off is that people are more motivated to learn what they have helped to identify as a learning need. Through this learning process PDP provides the bedrock to staff empowerment & effectiveness (Jenkins & Delbridge, 2013).

## **2.11 Insights from Global and local Turnaround Strategies and component of employee engagement**

This section focuses on cases of turnaround strategy to illuminate the complexity of employee engagement when the performance of an organisation is in decline. Employee engagement in an organisation's turnaround is complex as it involves a variety of aspects such as culture building, employee empowerment, intense communication, participative decision making, performance management, incentives, showing extra ordinary commitment to employees, valuing employees, employment of bottom up approaches and so on (Gebauer & Lowman, 2014).

In this regard, the Campbell Soup Company is a classic example of a global case of a company that successfully underwent a turnaround program which included employee engagement as one of its strategies (Waghorn, 2014). The turnaround strategies involved employing cost-cutting measures, bringing on board smart innovations, increased marketing and advertising and, especially, a concerted effort to reinvigorate the workforce through employee engagement (Gebauer & Lowman, 2014). To make the turnaround program at Campbell Soup a success, Conant the CEO turnaround strategist was well obsessed with keeping employee engagement front and center and keeping up energy around it (Gebauer & Lowman, 2014). Employee Engagement at Campbell Soup involved culture building, employee empowerment, intense communication, participative decision making, performance management, incentives, showing extra ordinary commitment to employees, valuing employees, employment of bottom up approaches and so on (Gebauer & Lowman, 2014). The turnaround strategy also involved revitalization of Campbell Soup's whole culture and massive recognition and celebration of employee success (Waghorn, 2014). The massive focus on employee engagement at Campbell Soup led to a dramatic turnaround in the firm's performance. Conant's use of employee engagement has been so successful that it is held up as a model in the book, Closing the 'Engagement Gap--How Great Companies Unlock Employee Potential for Superior Results', by Julie Gebauer and Don Lowman.

In South Africa, it is noteworthy that South African Airways (SAA)'s turnaround strategy also involved serious employee engagement as one of the cornerstones of the strategy. Though the turnaround strategy is still undergoing implementation due to its long term nature, the fortunes of SAA are beginning to be realized. Customer service quality is becoming marginally better, while

overall company performance is improving. In terms of operations, the turnaround strategy for SAA also focused on strengthening the balance sheet, cost compression, better revenue management, and cash management. In the provision of customer service, the focus was on attractive value proposition, network optimisation (routes, brands, partnerships and alliances), customer service excellence and prompt recovery accompanied by an emphasis on performance excellence through staff engagement, improved governance, and performance management and benchmarking.

In the case of the turnaround of South African Post Office (SAPO), a variety of organisational elements can also be identified as part of the turnaround strategy. Thus, SAPO came up with a turnaround strategy that involved among other initiatives registering Postbank with the Companies and Intellectual Property Commission so as to make it a viable corporate, lobbying the government to make Postbank to be the agency chosen by the Social Security Agency of SA to pay social grants, simplifying bureaucracy at the Johannesburg International Mailing Centre, developing public-private partnerships, modernising and securing the IT systems. However, critics assert that there is lukewarm approach to employee engagement. There is very little involvement of employees in the governance of the organisation. Without meaningful employee engagement, there are fears SAPO will not rise to become the giant that it must become.

## **2.14 Summary**

This chapter has reviewed concepts, models and previous studies relevant to turnaround strategy and employee engagement. In short, the chapter has defined strategy and discussed the various types of strategies employed by organisations during the implementation of turnaround strategies. Additionally, that employee engagement is a key aspect of turnaround strategy which is capable of influencing outcomes. The next chapter discusses the research methodology used to explore how the turnaround strategy affected employee engagement at Foskor in Richards Bay, South Africa.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

The aim of this chapter is to discuss the research plan used in this deductive qualitative study to answer the key research question related to how turnaround strategies adopted by Foskor Limited impacted on employee engagement, particularly middle-level managers. The chapter presents the research paradigm, research design, population and sampling techniques used in this study. The chapter further discusses the data collection methods and research instruments, measures to ensure trustworthiness of the research, data analysis procedures, limitations of the study and ethical considerations, before presenting a summary.

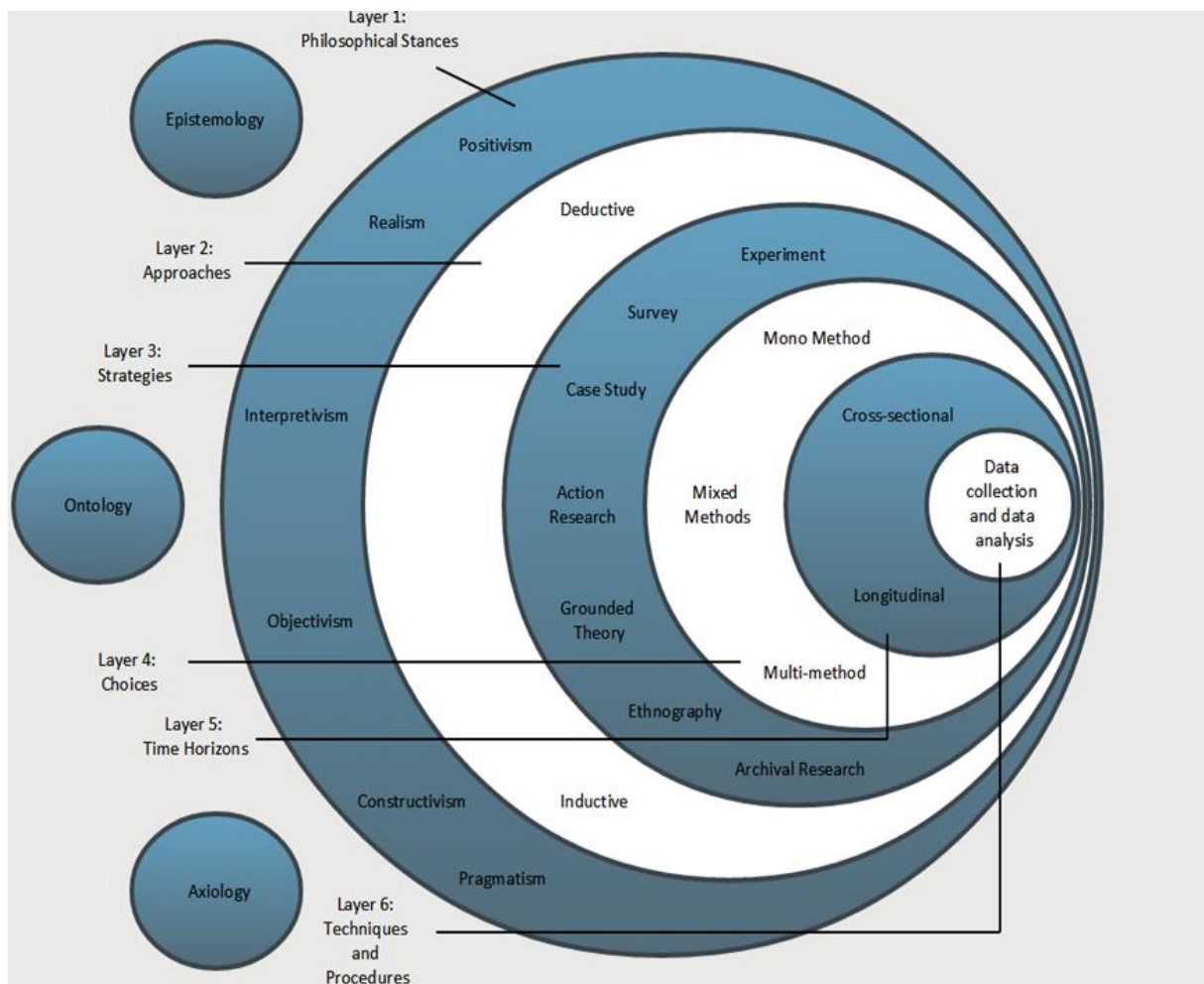
### **3.2 Research Paradigm**

There are two main broad classifications of research paradigms namely positivist and constructivist. A research paradigm is a worldview that shares a set of beliefs values and assumptions that a community of researchers shares about an aspect (Johnson & Christensen, 2010). The positivist research paradigm is connected with quantitative research and is premised on the belief that there is one single or universal truth about any issue (De Vos, 2015). On the other hand, a constructivist research paradigm is premised on the belief that there is nothing like a universal truth but rather multiple realities to any topic (De Vos, 2015). Constructivist is argumentative in practice and attempts to seek detailed information about a phenomenon (Coffey & Atkinson, 2014). This qualitative research adopted a constructivist research paradigm because it made it possible to discern that there are multiple effects/realities of turnaround strategies on the performance of Foskor Limited.

### **3.3 Research Design**

The research design provides the structure of the research and links all of the elements of the research together (Babbie & Mouton, 2011). The research design provides the researcher the opportunity to carefully consider the research and to plan the way in which researchers approach the research in terms of guiding how the data will be collected and analysed (Babbie & Mouton, 2011). This research adopted a case study research strategy. According to Welman et al (2012) a case study research strategy involves an in-depth study of an individual, group or an institution in

order to obtain an understanding of phenomena occurring within the particular individual, group or institution. They have a weakness in that the research findings from case studies cannot be generalised to a broad spectrum of individuals, groups or institutions. Thus the usefulness of the findings is confined to the individual, group or institution studied, in this case Foskor and any similar context. Due to the fact that the intention of this study is to come up with findings peculiar to the turnaround strategies adopted by Foskor case study research design was found suitable and was adopted in this study. The research onion displayed on Figure 3.1 below provides guidance as to how the research process was conducted.



**Figure 3.1: The Research Onion**

**Source: Saunders, Lewis and Thornhill (2013:176)**

In conducting a study, it is important to realise that there are different levels or layers of considerations in the research onion as the study progresses.

- Collection and Analysis

### *3.3.1 Research Philosophy*

A research philosophy is a belief about the way in which data about a phenomenon should be gathered, analysed and used (Babbie & Mouton, 2011:25). There are two main research philosophies associated with quantitative and qualitative research methodologies. The quantitative research is normally associated with a positivist research philosophy whilst a qualitative research is associated with interpretivist research philosophy (Babbie & Mouton, 2011:25). This concurs with Saunders, Lewis and Thornhill (2013) who assert a research philosophy plays a significant role of producing results from data collected.

Johnson and Christensen (2010) stated that in positivist philosophy, the researcher acts as an objective analyst whose main role is to evaluate the collected data and produce an appropriate result in order to achieve research aims and objectives. Quantitative research philosophies look at a cause and effect relationship using numerical values to analyse and interpret data Saunders *et al.* (2013).

An interpretivist research philosophy attempts to investigate and understand reality from different perspectives by using the tools of inquiry and observation (Creswell, 2013). Interpretivists often believe that there is no single reality in life but there are multiple realities that can arise from the viewpoints of different researchers (Mason, 2011). Since the research was not premised on an existent theory, a positivist research philosophy was discarded and was not adopted for use in this study. Therefore, this research adopted an interpretivist research philosophy in order to gain a detailed understanding of the impact of turnaround strategy on employee engagement at Foskor in Richards Bay in South Africa.

### *3.3.2 Research Approach*

Level two of the research onion implores upon researchers to examine various research approaches. There are two broad classifications of research approaches namely deductive and inductive. A deductive research approach has its foundations in positivism and is concerned with

discerning the true reality of a situation and is concerned with identifying and eliminating falsehoods or disproving certain propositions and bringing out the objective truth (Welman, Kruger & Mitchel, 2011). The inductive approach is concerned with exploring new phenomena, bringing in additional insights or additional knowledge to what is already known. An inductive approach is generally a qualitative process and results in more detailed understanding of a given research phenomena than does a deductive approach. This research adopted an inductive approach so as to help understand the impact of turnaround strategies on employee engagement, especially the middle managers a Foskor.

### *3.3.3 Research Methodology Choice*

Researchers can choose between three main research methodologies which are qualitative, quantitative, or mixed methods in addressing the research questions. Qualitative research methodologies are conducted in a natural setting but are mainly focused on getting detailed insights into human lived experiences, views, attitudes, perceptions (Edwards & Holland, 2013). Quantitative research generally seeks to get insights into a cause and effect relationship between variables and it generally quantifies and analyses research findings in numerical forms (Edwards & Holland, 2013). The third research method is the mixed methods which combines both quantitative and qualitative research methodologies into one thereby employing the strengths of each methodology to get the best findings.

This study used a qualitative approach to gain deep insight into the impact of turnaround strategies specifically on employee engagement in a particular organisation. Denzin and Lincoln (2012:13) argued that qualitative research methodology is highly flexible compared to the rigid quantitative research because it allows the researcher to change the data progressively so that a deeper understanding of the subject matter can be achieved.

### *3.3.4 Research Strategies*

This layer in the research onion focuses on strategies used to collect data. There are three objectives for a research project: exploring, describing and explaining topics being investigated. As such, a research can be classed as exploratory, descriptive or explanatory (Saunders *et al.*, 2013). In this

exploratory study, the focus was to ascertain how the turnaround strategy impacted on employee engagement by getting middle managers' viewpoints.

### **a) Interviews**

Interviews are the most commonly used research strategies in qualitative and quantitative research designs (Wilson, 2010). Interviews involve gathering seeking information from respondents through mainly structured, semi structured and unstructured ways. An interview is the verbal conversation between two people with the objective of collecting relevant information for the purpose of research. Interviews are particularly useful for getting the story behind a participant's experiences (Mason, 2012). The interviewer can pursue in-depth information around the topic. Depending on the need and design, interviews can be unstructured, structured, and semi-structured with individuals, or may be focus-group interviews.

#### **(i) Unstructured Interviews**

Unstructured interviews involve asking relatively open-ended questions of research participants in order to discover their precepts on the topic of interest (Babbie & Mouton, 2011). Patton (2012) defines unstructured interviews as those interviews in which neither the question nor the answer categories are predetermined. Patton (2012) further described unstructured interviews as a way to understand the complex behaviour of people without imposing any a priori categorization, which might limit the field of inquiry.

#### **(ii) Structured interviews**

In a structured interview respondents are given a structured questionnaire with guided responses (McMillan & Schumacher, 2016). This has the limitation of restricting respondents' choice of responses. Semi structured interviews involves the use of an interview guide with a combination of both structured and unstructured questions. This allows for the researcher to probe respondents further on some areas that needs detailed information. The third type of interviewing is the unstructured form which asks respondents questions as and when they prop up from the researcher as new themes or dimensions emerge. Though unstructured the interviews can be, the researcher often asks questions related to the research topic but takes into account the characteristics of the respondent like the level of education, income level or family background. The method is useful when the researcher wishes to explore the full breadth of a topic (McMillan & Schumacher, 2016).

### **(iii) Semi-structured interviews**

Semi-structured interviews were adopted as the sole research strategy for this research. The semi-structured interviews largely comprised of open ended questions. Methodology is associated with phenomenological research philosophy (Patton, 2012). Bryman and Bell (2011) explain that semi-structured interviews implies the use of closed and open –ended questions, generally interviews include qualities of both organised and unstructured interviews. The rationale for choosing semi-structured interviews lay in the fact they also allowed research informants the freedom to express their views in their own terms, hence making it possible to get detailed information about the research. Furthermore structured interviews were shunned because they do not allow respondents to provide detailed information about the research objectives (Sekaran & Bougie, 2009).

#### *3.3.5 Time horizon*

There are two types of time horizon in research: cross-sectional studies and longitudinal studies. Saunders *et al.* (2009) define the cross- sectional time horizon as the study of a specific issue at given point in time while the longitudinal time horizon is defined as the study of a phenomenon over different time periods (Saunders *et al.*, 2012). Due to time and cost considerations ,this research adopted a cross-sectional study which involved gathering data at a specific point in time as opposed or almost at the same time period from respondents who were having certain characteristics or experiences or knowledge about the effect of turnaround strategies at Foskor at a given time.

#### *3.3.6 Target Population*

Mason (2012) defines a target population as referring to a group of people to whom the person conducting the research want the research results to apply. Pascoe (2014) pointed out that a population refers to an entire collection of units or of individuals in specific area where the research will be conducted. Kothari (2012:56) characterised a target population as referring to the whole gathering unit or individuals that the researcher is engaged with. The target population of this research comprised 21 middle- managerial employees at Foskor. This is the total number of people that has certain characteristics targeted to be available in the participants of this research Black (2011:89). In addition, this population of middle level managers is tasked with turning around the

performance of Foskor. The managers have a responsibility of implementing and evaluating the effectiveness of turnaround strategies.

### *3.3.7 Sampling*

Trochim (2012:52) states that sampling includes to make difference and to select a small number of things or respondents on the total of an aggregate population for research purposes. Pascoe (2014:132) asserts that there are two broad classifications of sampling: probability and non-probability sampling. According to Gray and Guppy (2014:104) sampling is a process of choosing a selected number of units or items or number of people for examination with the ultimate objective being that the selected sample of items, people, units or objects becomes true representatives of the entire population. Gray and Guppy (2014:105) describe probability sampling as a methodology that choose sampling units in a random way, that is, research participants are chosen randomly meaning every unit, object or person within the target population has an equal chance of being selected to participate in the research. The element of random selection of sample elements by chance eliminates bias, hence promoting objectivity and representativeness of the research findings. There are various types of probability sampling methods namely:

- Random Sampling
- Systematic Sampling
- Stratified Systematic Sampling
- Stratified Random Sampling (Mason, 2012:83).

Non-probability sampling involves choosing research participants using non-random methods like choosing any potential respondent close or convenient to the researcher or targeting certain units or people with a certain characteristics. This illustrates that in non-random sampling the respondents are selected at the discretion of the researcher. The researcher uses personal practical experience and skills to select respondents for interview. The advantages of non-probability sampling method lie in the fact that they are a cheaper method of selecting research participants and they also save time. However Mason (2012:83) points out that they are unrepresentative. There are three main types of non-probability sampling:

- Convenience sampling
- Purposive sampling
- Snowball sampling

Stratified purposive sampling was employed in this study which focused exclusively on the views of middle managers at Foskor. According to Bougie (2015), stratified sampling involves a process of stratification for the selection of subjects from each stratum. In this study seven middle level managers across seven functions of the organization were selected using purposive sampling

The criteria used to select the 7 middle level managers included:

- Experience of the implementation of the turnaround at Foskor to be able to express their views on it
- easily accessible,
- and those that are willing and able to share their views on the turnaround
- Middle manager according to the organogram at Foskor

For the purposes of this research, purposive sampling was employed. Creswell et al. (2013:17) explained that purposive sampling is a technique that is used to identify and select respondents who have both intimate and intricate knowledge about a topic or issue to participate in an interview. Purposive sampling effectively isolates people who do not have the required knowledge and expertise about a research topic in a study. Of the 7 middle managers that were selected, four were male while three were female. The age of the participants was between 35 years to 50 years, an average of 40 years. The experiences of the participant at Foskor ranged from 5 years to 25 years, averaging to 10 years . The interviews were held on the 11<sup>th</sup> ,12<sup>th</sup> and 13<sup>th</sup> December 2018 at Foskor in Richards Bay.

Purposive sampling is employed in cases where the researcher identifies people with rich information that he or she is interested in and is guaranteed of getting satisfactory and important data that satisfies the research questions. The benefits of purposive sampling are related to savings in money and time by focusing only on the relevant people (Creswell et al, 20113:17). The researcher was mindful of the disadvantages associated with purposive sampling, mainly the question of the availability of persons with the requisite knowledge who may not be readily available at the required time (Schulze, 2010:9).This was mitigated by making advance appointments with the respondents or making alternative arrangements to meet the respondents

after hours. Purposive sampling strategy was useful in this study to get views of middle managers on how the turnaround strategy impacted employees at Foskor in Richards Bay, South Africa.

### *3.3.8 Data Collection Instrument and Procedure*

According to Edwards and Holland (2013), the two main types of research instruments used in research are interview guides and the questionnaires. This research developed and used an interview guide. Edwards and Holland (2013) define an interview guide as a list of open ended questions that are needed to be covered during the interview. The majority of questions in the interview are presented openly finished in order to get what is a needed point by point detail from reaction, despite the fact that the quantity of closed questions is limited primarily to the demographic section (Bryman & Bell, 2011). Most of the questions utilised in semi-organised interviews were derived from the interview guide. The semi-structured interview guide provided a clear set of instructions for guiding the research informant (Bryman & Bell, 2011).

### *3.3.9 Pre-Testing of Interview Guide*

Bhattacharjee (2013) postulates that a pilot study is a more important process considered in research. Pre-testing helps to recognise probable or potential issues in a research process which needs to be corrected or given careful attention. A pilot study can easily detect if the questions enclosed in an interview guide are clear to participants and provide the relevant and useful information. The pilot study involved interviewing (two) 2 respondents from managerial-level of employees who were interviewed using an interview guide. In line with assertions by Miles and Huberman (2010) the idea behind pre-interviewing the two managers were meant to detect any potential adverse reactions or discomforts so that refinements or corrections can be undertaken before the actual conduct of the interviews. However, there were no adverse reactions from the respondents and no further refinements were made to the interview guide. In line with recommendations from Bhattacharjee (2013) the respondents who participated in the pilot study were not included in the final interviews.

### *3.3.10 Administering the Semi-Structured Interviews*

Face to Face interviewing was adopted in this study. This involved meeting respondents personally (face to face) and interviewing them using the interview guide. Face to face administration of the interview guides was advantageous due to the fact that respondents had an opportunity to ask

questions and seeking clarifications on issues related to the interview guide. Informed consent from respondents was obtained through explaining the research purpose and making respondents to sign Appendix B document (see Appendix B). Permission to tape record conversations with respondents was also sought and these were transcribed in word format. A total of 7 interviews were conducted. Data collection stopped after data saturation.

### *3.3.11 Method of Data Analysis*

The data collected was analysed using thematic analysis method that made it possible to gain a fuller picture of the impact of turnaround strategies on employee engagement at Foskor, focusing on middle managers. The researcher employed thematic content analysis to analyze the data. Braun and Clarke (2006: 79) define thematic content analysis as “a method of identifying, analyzing and reporting themes or patterns within data”. The purpose of thematic content analysis is to search through data to identify any recurrent patterns (Bryman, 2012). Thomas (2008), cited in Royce (2011:165), outlines four steps in qualitative data analysis which are as follows:

1. The conversations, interviews or responses are transcribed and written down.
2. The source material is carefully read, and key segments of text are highlighted.
3. Themes or categories and subcategories are coded (identified).
4. Patterns which make sense of the most important themes or categories are sought. The researcher explains the significance of the themes or categories to the research participants.

<b>Process</b>	<b>No.</b>	<b>Criteria</b>
Transcription	1	The data have been transcribed to an appropriate level of detail, and the transcripts have been checked against the tapes for „accuracy“.
Coding	2	Each data item has been given equal attention in the coding process.
	3	Themes have not been generated from a few vivid examples (an anecdotal approach), but instead the coding process has been thorough, inclusive and comprehensive.
	4	All relevant extracts for all each theme have been collated.
	5	Themes have been checked against each other and back to the original data set.
	6	Themes are internally coherent, consistent, and distinctive.
Analysis	7	Data have been analysed – interpreted, made sense of - rather than just paraphrased or described.
	8	Analysis and data match each other – the extracts illustrate the analytic claims.
	9	Analysis tells a convincing and well-organised story about the data and topic.
	10	A good balance between analytic narrative and illustrative extracts is provided.
Overall	11	Enough time has been allocated to complete all phases of the analysis adequately, without rushing a phase or giving it a once-over-lightly.
Written report	12	The assumptions about, and specific approach to, thematic analysis is clearly explicated.

	13	There is a good fit between what you claim you do, and what you show you have done – i.e., described method and reported analysis are consistent.
	14	The language and concepts used in the report are consistent with the epistemological position of the analysis.
	15	The researcher is positioned as active in the research process; themes do not just „emerge“.

**Table 3.1: 15 Point Checklist of Criteria for good thematic analysis**

Adapted from: Braun and Clarke (2006:35)

Informed by steps of Braun, and Clarke (2006), the researcher in this study read the interview scripts several times to be familiar with the data so that themes were identified. Data was categorized and coded into themes and sub-themes regarding the impact of turnaround strategy on employee engagement at Foskor. Thereafter, the themes were reviewed and related to each other but also the entire data to finally name and define themes which are presented as findings of this study. Themes are also presented using frequency counts primarily to enhance clarity as the sample was very small. As such, this should not suggest in any way that the study adopted quantitative research philosophy.

### **3.4 Research Quality**

According to Shenton (2004), for a qualitative study to be deemed trustworthy, four criteria should be met: credibility, transferability, dependability and confirmability.

#### *3.4.1 Credibility*

Credibility refers to the degree to which the research is valuable, consistent and convincing. This is achieved through utilising the triangulation method and member check. Triangulation is defined as “the use of more than one method or source of data in the study of social phenomenon so that

findings may be cross-checked” (Bryman, 2012). The researcher used member check as participants were given a chance to comment on the transcribed data (Bryman, 2012).

### *3.4.2 Transferability*

Transferability refers to the extent that research findings are transferable to a different situation or population than that of the initial study (De Vos et al., 2005). Transferability can be achieved when researchers provide detailed explanations of context of the research undertaken, such that the readers can assess whether or not the outcomes can be transferred (Shenton, 2004). In this study, the researcher has provided full details on methods, roles, settings, and participants for readers to transfer findings to similar contexts. This type information can assist any reader in assessing the relevance of the findings in relation to their own unique conditions (Barnes et al 2012).

### *3.4.3 Dependability*

Dependability is concerned with consistency of the data, which indicates whether the findings would be consistent if the study were repeated with the same subjects in similar context. The researcher kept the audio tapes, field work notes and transcripts of the data collected to show that proper procedure had been followed. In this study, the researcher has also presented complete details of the research process or audit trail to ensure dependability.

### *3.4.4 Confirmability*

Is the degree to which the research findings are upheld by the information gathered Denzin & Lincoln, (2011). According to Shenton (2016) the concept of confirmability is the qualitative investigator’s comparable concern to objectivity. Confirmability helps to ensure as far as possible that the research’s findings are the result of the experiences and ideas of the informants, rather than the characteristics and preferences of the researcher. This research ensured conformability by triangulation so as to reduce effect of researcher bias and also by admitting to one’s beliefs and assumptions.

Further, it helps the researcher not to influence the findings with his values. In order to increase confirmability of the findings, the researcher used the following procedure:

- Interruption were avoided as far as possible during the interviews

- The interviews were recorded on a voice recorder and in the form of notes, to ensure that key points were not missed.
- The research report has used direct quotations of what was actually said by participants in their own choice of word by word to express the impact of turnaround strategy on employee engagement.

### **3.5 Ethical Considerations**

According to Welman *et al.* (2014:224) carrying out a research require researchers to be ethically considerate to avoid violating respondents rights and safety. There are several ethical considerations which must be taken account of .The main ethical considerations that needs to be respected when carrying out research are those related to respecting confidentiality, protecting anonymity of respondents, protecting respondents from harm, seeking informed consent from respondents and obtaining permission to conduct study from the respective organization. Each of these ethical considerations were key in this study and undertaken as detailed below.

#### *3.5.1 Voluntary participation*

Voluntary participation means that participants were never forced to take part in the study. Participants were informed that participation in the study was completely voluntary and that they could withdraw from the study at any time without prejudice. The participant information sheet (Appendix A) was given to participants prior to the interviews.

#### *3.5.2 Informed consent*

According to Babbie (2014), researchers are expected to obtain consent from all those who are directly involved in the research, before collecting data. The aim of informed consent is to get approval that is voluntary and also based on full understanding of the study. Before conducting the research, each participant signed a consent form to indicate their voluntary participation in this study. These consent forms included all the necessary explanations pertaining to the research aims and objectives as well as respondent rights and obligations so that the respondents were participating from an informed decision.

### *3.5.3 No harm to the participants*

Precautionary measures were taken to ensure that research participants were protected from any potential harm and danger during the interviewing process. Some of the precautionary measures included conducting the interviews during the day, and at places that the research participants chose.

### *3.5.4 Anonymity and confidentiality*

Information obtained from respondents was kept confidential and kept at secure places that have restricted access. In order to guarantee anonymity participants' personal and contact details were not required to be inserted in the in the interview documents.

### *3.5.5 Deception*

The researcher ensured that all participants were aware that the research was part of her academic studies. The researcher also considered debriefing (Babbie, 2014). This was done after every interview. The participants were provided with the researcher' and her supervisor's contact details in the eventuality that they needed more clarity or information regarding the study.

### *3.5.6 Ethics clearance*

The researcher obtained ethics clearance from the Human Research Ethics Committee (non-medical) of the University of KwaZulu-Natal before commencing with the study.

## **3.6 Summary**

In this chapter, the research plan for this study was discussed using the research onion. Various concepts and elements of the research plan, as shown in the research onion, showed the interconnectedness that exists amongst each and how researchers use research designs to develop a coherent research process. The research methodology chosen was discussed in detailed to reflect how this qualitative research was conducted to explore the impact of turnaround strategies on the performance of Foskor. Lastly the ethical considerations were addressed in this chapter. Results of the study are presented in the next chapter.

## CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS OF FINDINGS

### 4.1 Introduction

This chapter presents the findings of the study. As alluded to earlier on, the study has three objectives. This first and main objective of this study sought to assess the impact of turnaround strategy on employee engagement at Foskor in Richards Bay, South Africa. The results pertaining to the objective of assessing the impact of turnaround strategy on employee engagement by middle managers at Foskor resulted in several themes being identified. This chapter will further present themes identified on the effectiveness of middle management engagement on turnaround strategy at Foskor Richards's bay. Firstly, the study present results regarding the impact of turnaround strategy on employee engagement at Foskor. Subsequently, the chapter presents results focusing on the effectiveness of middle management engagement in implementing the turnaround strategy at Foskor.

### 4.2 Impact of turnaround strategy on employee engagement

The findings on the impact of turnaround strategy on employee engagement reflect a variety of themes of loss of employee enthusiasm and desire to go an extra mile; declining employee commitment due to poor turnaround process; perpetuating the mindset of a minimalist performer; dwindling sense of belonging and unhealthy subordinate-boss relationship displayed in Table 4.1.

Focus of themes	Frequency
Loss of employee enthusiasm and desire to go an extra mile	7
Declining employee commitment due to poor turnaround process	5
Perpetuating the mindset of a minimalist performer	3
Dwindling sense of belonging	5
Unhealthy subordinate-boss relationship	5

**Table 4.1 Impact of Turnaround Strategy on Employee Engagement**

#### **4.2.1 Loss of employee enthusiasm and desire to go an extra mile**

One of the themes that emerged from respondents regarding the impact of turnaround strategy on employee engagement depict loss of enthusiasm among middle level managers at Foskor. A total of seven middle managers expressed lack of enthusiasm as one of the outcomes of the turnaround strategy at Foskor. In particular, the loss of enthusiasm was about their work, the turnaround strategy and how it was implemented but also their organisation in general. Middle managers cited several reasons that led to loss of enthusiasm such as not being consulted, engaged and empowered to participate in the decision making processes related to the turnaround activities. Other middle managers reflected on how he was not afforded an opportunity to contribute ideas, made to feel useless while senior management were asking him to do things he considered were not in touch with reality on the ground In particular, this is what one of the middle managers had to say about lack of psychological safety work and enjoyment in doing their day-to-day work:

*“Personally I lost enthusiasm about the turnaround and the organisation in general because I was not consulted about the goings on. In fact I was by passed in almost the entire strategy making process and all what I was asked to do was to be given orders as to what to do without being afforded the opportunity to contribute ideas. The painful thing was that the strategies that I was being made to implement were not in sync with the situation and it was blatantly clear that senior management were out of touch with the realities on the ground. The way things were done was like I am useless, I have no valuable contributions to make, so eventually I lost the steam, my enthusiasm for the job just died away and the desire to go the extra mile is no longer in me. I am not safe as I contribute nothing (E1).*

In a slightly different vein, another middle manager pointed out how they were actually cut-off from any input and reduced to implementers of other senior management ideas. While an engaged employee is an active participant in their work and want to be doing it and getting the work done. The excerpt below reflect the feeling of middle level managers who felt devalued due to lack of consultation, and consequently lost the zeal to perform beyond set standards.

*“Eish I lost the zeal to perform beyond set standards or even to work extra hours, in fact my enthusiasm for the job and for the organisation went dramatically down, the way things were done was that we are nothing in the organisation, no consultation was done, the top guys just treated as if we did not exist as middle managers because we were virtually cut off from making any input, and they were these top managers behaving as if they know it all, in fact everything was set before us to just implement” (E2).*

It is notable that middle level managers were not happy with the “know-it-all” conduct of some top managers but also the way their positions were not appreciated in the turnaround process, decisions and activities. Middle level managers were dis-engaged employees not contented with where they were at in the company and their path role in the turnaround process and activities being done at Foskor. Most of the middle level managers cited the loss of enthusiasm as emanating from not being empowered and involved in key decision making regarding human resources during the turnaround process. Discontentment among middle level managers was exacerbated by top management’s failure to consult in the turnaround process. This change management event in the company created resentment and resistance to change. This finding is corroborated by one of the middle managers as follows:

*“the way senior management acted on me was so humiliating because I felt disempowered within the organisation. For example I had my finest staff retrenched whilst some mediocre performers were left. I was not even asked for my input regarding who should be retrenched and who should remain. Though cost cuts were necessary in the circumstances, my input regarding who was supposed to go and who was supposed to remain was supposed to be sought but I just came to work to be told so and so will no longer work for us, imagine this is disrespect of the highest order, how can someone from top management who does not even know the performance of my staff decides unilaterally names of people to go and to remain, my powers and input were not valued so I don’t have enough enthusiasm at all” (E3).*

Results in this study reveal how middle managers illuminated were also not involved in cost-cutting decisions in their departments, compelling them not to feel like doing anything exceptional in the organisation. While engaged employees work and act positively within their role to further the success of their company, middle managers at Foskor felt excluded from decision-making processes and not eager to perform in any exceptional way.

*“First of all they did not adequately engage us in terms of participating in making turnaround decisions more so on which costs in our departments to forego and which ones to retain, they made unilateral instruction to say from this day this and that will no longer be provided. People were not happy. We know best the costs and activities which do not add value and which activities adds value but this was not done, so I don’t feel like doing anything exceptional in this job because it is clear I am not appreciated in this organisation” (E5).*

#### **4.2.2 Declining employee commitment due to poor turnaround process**

A total of five middle managers pointed out that the turnaround strategy and process that was undertaken by Foskor negatively impacted on their commitment to work. The decline in the willingness of middle managers to subsume their own effort and benefits and lack of loyalty was compounded by a negative and demoralizing tone of the words used by senior managers to issue instructions on turnaround activities.

*“The attitude was that of disdain and our presence as middle managers was blatantly not acknowledged, worse still there were lots of changes that impacted negatively on our ability to communicate internally and externally and worse lots of incentives were withdrawn unilaterally which is highly demotivational.... We are knowledgeable of which cost could be reduced without triggering unhappiness among staff, but were not part of decision making processes (E5)”.*

Middle managers complained of how division of loyalty emanated not only from lack of consultation on what to remove to cut costs or withdrawal of privileges and traditional bonuses; but also the tension arising from the pressure to achieve more with little. One of the middle

managers highlighted how lack of understanding of how to benefit from improved levels of engagement was due to failure to understand what motivated employees to achieve more with little resources.

*“I used to like to work for this organisation and was very motivated and committed but it seems there was a deliberate effort to target my department because that’s where most of the cost cuts were effected. We are supposed to produce more units than before..... how can that be, really?, My other staff was taken away, there were lots of budgetary cuts from telephone communications, staff to inputs even tea leaves and sugar were affected, there is not going to be our traditional bonuses (E6)”*.

Low commitment among managers was also triggered by negative talk and anxiety perpetuating job insecurity, especially among middle-level managers.

*“though commitment is subjective, I can say my commitment to work still remains because I want the best for this organisation, the turnaround concept in itself was not bad, but what may have been bad was how it was operationalized. The vision for embarking on a turnaround was not that compelling enough, imagine the vision was centered on creating a leaner and efficient staff establishment, this is scary because it threatens job security since u don’t know whether you will be a casualty or not, worse there was a lot of negative talk about us, middle managers (E7)”*.

#### **4.2.3 Perpetuating the mindset of a minimalist performer**

A total of three middle managers reported how the implementation of the turnaround strategy promoted a new mindset set of aiming for threshold performance rather than going the extra mile to exceed performance targets. Most middle managers were simply doing the minimum by focusing on what’s important to survive as an employee without freedom and initiative. This minimalist mindset among middle managers was not productive and was fueled by lack of genuine appreciation of employee contribution by top management as highlighted below:

*“my performance has been negatively affected, I just ensure that I meet minimum standards of performance but before the turnaround process, I would work extra hard to exceed set targets but now I have changed my mind because there is no genuine thank you from the top management” (E3).*

Interestingly, the few middle managers who worked to meet their targets were actually also not happy and lamented the lack of alternative employment where they could work harder.

*“I still perform like before but my mind is no longer psychologically enthusiastic about the job. I have no choice but to work and meet whatever targets I am given because they put in place a performance appraisal in place to measure our performance, since I still need the job and have not found an alternative I have no choice but to perform to achieve set targets. Being here these days is being forced to become an average worker” (E4).*

#### **4.2.4 Dwindling sense of belonging**

A total of six middle managers expressed how they did no longer have the sense of belonging and emotional connection with the company as a result of the turnaround process. While middle managers felt that they were not emotionally connected to their workplaces and are less likely to put in discretionary effort, they did not jeopardize their teams' performance. In particular, one of the middle managers reflected on the mental state of not belonging as follows:

*“The conduct of the turnaround process taught me that I am not valued in the organisation so I don't feel valued so I don't feel a sense of belonging anymore. I am not from here but I simply work here, I have no choice” (E5).*

Similar sentiments reflecting lack of the experience of personal and meaningful involvement in a system that middle managers did not feel that they were an integral part of the turnaround process and Foskor as a company were highlighted in this way.

*“I don’t feel that I belong to the organisation because it’s clear if you are not in senior management you are as good as nothing” (E6).*

#### **4.2.5 Unhealthy subordinate-boss relationship**

Predominantly, results in this study reveal that the subordinate –supervisor relations were often bad, and in need of repair because of a variety of reasons related to the turnaround process. Bitterness expressed by five of the middle managers was partly due to the way things were imposed in departments, lack of support from bosses during the turnaround and lack of apologies for wrong things done to people. One of the middle managers lamented about poor relationship with his boss because of poor treatment and impositions.

*“I no longer relate well with my boss because of the fact that he imposed things on me during turnaround and did not engage me as a learned colleague” (E2).*

It is notable that some middle managers who had bad relationships with their bosses during the turnaround process were rebuilding a professional and positive interaction.

*“Though I felt bad about how things went on during the turnaround process, I have since made amends with my Boss and the relationship is professional and positive (E4)”*

On the other hand, there were also few middle managers who had a mundane and professional working relationship as the turnaround process revealed people`s worth and real opinion of others.

*“I just have a professional relationship with the supervisor characterised by receiving orders, instructions followed by implementation and provision of feedback, beyond that I do not find myself engaging the boss on any other matter because the events connected with the turnaround process showed me that the boss had a poor attitude....low value of me in the organisation” (E5).*

Focusing on interpersonal interaction, some middle managers enjoyed positive boss-subordinate relationship as they felt their immediate bosses were very sympathetic but powerless to support them.

*“I have a positive relationship with my boss no matter the incidences that happened during the turnaround, in fact my boss was not directly involved in meddling in the affairs of my department but rather had the chief strategist who took a frontline role, otherwise my boss in particular sympathized with the sad turn of events in my department but had little power to stop them, that’s why I am not bitter about my immediate boss, (E6)”*

Overall, middle managers endured bitter and poisoned relationships with their bosses, exacerbated by the way things were imposed on departments, lack of support from bosses during the turnaround, arrogant attitudes displayed by bosses, lack of apologies, and overt failure to engage subordinates on various decisions regarding cost-cutting (for example: telecommunication expenses, retrenchment, removal of sugar), removal of privileges and traditional bonuses without meaningful engagement.

#### **4.3 • How effective was the engagement of middle management in implementing the turnaround strategy at Foskor Richards Bay?**

Overall, results reflect that engagement of middle managers in implementing the turnaround strategy at Foskor was not effective in terms of the process which lacked meaningful engagement to give employees a voice and sense that they were part of the turnaround process. However, the turnaround strategy was effective in terms of the initial interactive communication but also clarity of organisation-wide turnaround goals. Nonetheless, this was undermined by lack of engagement of middle managers, especially during the formulation of turnaround strategy. The Table 4.2 reflects themes on the effectiveness of employee engagement in implementing the turnaround strategy at Foskor.

Themes	Frequency
Initial interactive communication	5
Engagement for clarity of organization-wide turnaround goals	7
Overlooked middle management engagement during formulation of turnaround strategy	5

Table 4.2: Themes on degree of effective engagement of middle managers in the turnaround strategy

#### 4.3.1 Initial interactive communication

Five of the participants in this study revealed that the initial communication of the turnaround strategy and its goal was predominantly through a one –off, face-to-face interactive company meetings by staff from the head office. These were interactive and successful in communicating the turnaround goals and reasons to employees at once. One of the middle managers explained how he knew about the turnaround strategy at Foskor as follows:

*“I came to know that there is a turnaround strategy that is going to be in place in a management meeting for all heads of department. The reasons of the turnaround strategy were mentioned and the goals to be achieved were mentioned (E1)”.*

Another middle manager concurred that he had heard of the goals of the turnaround in a meeting as evidenced by the following statement

*“I heard of the goals in a Manco meeting addressed by senior management from head office. We asked questions about the strategy” (E2).*

Notably, some of the middle managers were absent from the meeting because of ill-health and family bereavement that they first heard about the turnaround strategy through a briefing from their colleagues. One of the middle managers had this to say:

*“the goals of the turnaround were initially communicated in a meeting and subsequently in a company newsletter”(E3).*

It is notable that subsequent communication to reinforce the turnaround strategy was primarily through newsletter and performance appraisals.

#### **4.3.2 Engagement for clarity of organisation-wide turnaround goal**

The results of this study reveal that the engagement of middle managers was very effective in ensuring that there was clear and easy understanding of the organisation-wide turnaround strategy. All the participants in this study confirmed that top management engaged them about the impending turnaround strategy, processes and goals in company management meetings with the exception of those who were absent on personal grounds. When asked whether they indeed understood the goals, most respondents were of the opinion that they understood the broad goals. One of the middle managers who expressed contentment in terms of understanding of the organisation-wide turnaround goals through interactive questions had this to say;

*“I understood the overall goals, they were clear enough to me because I asked several questions and clarifications were given but as for specific departmental action plans and measurable targets, these came on at a later stage and we were told this is it and it must be done” (E5).*

Other middle managers maintained that although interactive vehicles were used to initially engage them on the turnaround strategy, the outcome was not positive as they had a variety of misgivings. While acknowledging that there was engagement through a meeting with senior management, some middle managers lamented that clarity of goals was not fully achieved as follows:

*“yes it’s true that senior management communicated to us in meetings about the goals of the turnaround strategy, however my misgivings are based on the fact these goals were a kind of being broad based ....not specific enough for our level as middle managers. How could we get measured on these broad goals (E6).*

Another middle manager expressed similar concerns on lack of specific focus and clarity at departmental levels as follows:

*“my understanding of goals is that they need to be broken down into specifics where each departmental manager is given quantitative and time based targets, this was not done as far as my recollection is concerned, I remember very well goals such*

*as cutting costs, my problem was which costs specifically, then came the surprises when costs were being cut unilaterally without our buy-in” (E5).*

The choice of language used created a barrier to clear understanding of turnaround goals such that some middle managers ended up with the vague impression of cost reduction to primarily beat competition.

*“the goals were not clearly understood especially by me, because the chief strategist used high level technical language which I found difficult to understand, but I managed to come up with a vague impression that the organisation endeavored to reduce costs and beat the competition” (E4).*

Although there were interactive efforts to communicate turnaround strategy and goals in ways that could enhance understanding, these were undermined by the focus on organization wide goals which lacked clarity at the level of individual departments and their sub-elements. This lack of clarity in terms of what each goal meant for each respective departments caused confusion and lack of understanding among middle managers as follows:

*“the goals were clear to me but the challenge was that they were not function specific to our respective departments but spoke about the whole organisation as a whole, this later on posed implementation problems...what to do, when and why”*

#### **4.3.3 Overlooked middle management engagement in turnaround strategy formulation**

Five of the middle managers were clear that the engagement of middle managers in the implementation of the turnaround strategy was predominantly top-down, characterized by lack of meaningful involvement to collectively formulate not only the turnaround strategy but also the action plans as these affected both the employee and the organisation. This finding is corroborated by the following interview excerpts:

*“Middle managers did not participate in the formulation of the goals, it was difficult to understand the goals in specific terms but was easy to understand the general thrust and direction that the company’s turnaround program wanted the company*

*to go. Sometimes it is hard to implement things formulated elsewhere and imposed on you (E3).*

Other middle managers felt that they were not an integral part of the turnaround strategy and the organisation as they were emotionally and intellectually not involved in many aspects of the company. The sentiments below reflect the magnitude and effect of exclusionary practices during the formation of the strategy

*“engagement of middle managers was poor, programs were simply imposed, there was virtually no effort on the part of the senior management to engage middle managers to seek their ideas and input to form the turnaround”(E5).*

As engaged employees don't wait to be told to do something and assess a work situation and take action (or recommend an action to their supervisors), it is notable that middle managers at Foskor were passive and not active as they were overlooked or ignored.

*“there was virtually little engagement of middle managers in as far as roping in the formulation of goals or in the decision making process to make them active in the whole turnaround process”(E4)*

Another middle manager echoed the complaint regarding the top-down, exclusionary approach and its demotivating effects as follows:

*“Middle managers were disregarded, they were ignored and they were just given directives from the top to do certain things without being initially consulted. We are no longer active” (E3)*

*It is notable that instead of creating active, enthusiastic and involved middle managers, the turnaround process at Foskor created middle managers who felt overlooked, waiting to be told what to do rather than take initiative or expand his or her skill sets to learn new things as his job and company goals evolve.*

*“There was virtually no effort on the part of the senior managers to motivate middle managers to actively participate in the making of decisions and their implementation. As the company changed, I was not interested in anything because of how I was made to feel valueless” (E4).*

The sentiment of being demotivated, unhappy and less absorbed in their work as a result of being overlooked in the formulation of strategy were also commonly expressed as follows:

*“Middle managers were disenfranchised when they discovered that they were overlooked in most of the decision making processes and certain actions, interventions, measures and programs were run in their departments without their knowledge because they were rarely consulted or empowered to do anything meaningful during the turnaround, that’s why lots of them are extremely unhappy”*

The findings from the interview excerpts above demonstrates that middle managers at Foskor were not involved in the formulation of the turnaround strategy but also action plans. This demonstrates that senior management disregarded their middle managers, failed to show appreciation of the role and value of the middle managers in the turnaround strategy formulation and implementation process. The result shows that the engagement of middle managers in the turnaround strategy was poor characterized by middle managers who were not active players in formulation of the strategy and its action plan, but simply watched processes unfolding without their input as passive actors.

#### **4.2 Summary**

This chapter has provided findings that reflect on the impact of the turnaround strategy of Foskor on employee engagement by middle managers. The impact of turnaround strategy on employee engagement reflect a variety of themes which embrace loss of employee enthusiasm and desire to go an extra mile; declining employee commitment due to poor turnaround process; perpetuation of the mindset of a minimalist performer; dwindling sense of belonging and unhealthy subordinate-boss relationships at Foskor in Richards Bay. This study has revealed that engagement of middle management reflect employee responses to key workplace elements which changed as part of the turnaround strategy at Foskor. The chapter has also showed that the turnaround strategy was effective in terms of the initial interactive communication but also clarity of organisation-wide turnaround goals. Nonetheless, this was undermined by lack of engagement of middle level managers, especially during the formulation of turnaround strategy and exclusive emphasis on organisational-level goals of the turnaround strategy.

## CHAPTER FIVE: DISCUSSION OF FINDINGS

### 5.1 Introduction

The aim of this chapter is to discuss key findings of this study which reflect the impact of turnaround strategy on engagement of middle managers and the effectiveness of middle management engagement on turnaround strategy at Foskor Richards Bay. These findings are discussed in relation to existing literature and studies the turnaround strategies and employees' engagement practices.

### 5.2 Summary of findings

There are four notable findings in this study, which reveal the impact of turnaround strategy on employee engagement at Foskor. First, it is interesting that turnaround process, decisions and activities undertaken by Foskor changed the way employees behaved from being more engaged to being less engaged or disengaged. For example, the themes of how turnaround strategy impacted on middle managers include (1) loss of employee enthusiasm and desire to go an extra mile; (2) declining employee commitment due to poor turnaround process implementation; (3) dwindling sense of belonging and (4) unhealthy subordinate-boss relationship. The findings do not resonate with notion of employee engagement by Kahn (1990:694) who echoes that employees' engagement refers:

*“to the individuals` involvement and satisfaction with as well as enthusiasm of a person`s preferred self in task behaviours that promote connection to work and others, personal presence (physical, cognitive and emotional), and active, full role performance”*

As turnaround strategy necessitates reduction of resources, it is a challenge to create engaged employees at this time especially if retrenchment is part of the options. Kaufman (2013) views assertion that strong managerialist orientation which effectively ignores dark side of engagement for employees is negative and characterized by a turnaround process which seeks to increase discretionary effort to improve performance on one's hand while reducing resources and creating unhappiness among employees.

It is salient that managers also take into consideration of what motivates employees to go an extra mile before deciding what costs to cut during a turnaround process. Employees with engaging behaviours become not only physically involved in tasks, cognitively vigilant, but are also empathetically connected to others in the organisation. It is salient to underscore that a turnaround model tends to focus on response factors such as managerial cognition (awareness of decline, attribution of decline, perception of severity), strategic leadership (ability and composition of top team management, CEO fit, composition and vigilance of Board of Directors) and stakeholder management (e.g. ownership, creditors, suppliers, customers, employees, and Government). With the recognition of employees as a key aspect of a turnaround process, it is pivotal that turnaround strategies also consider workplace elements, which affect employees during turnaround. Psychological safety, active participation in work without being carefully watched, hand-held, or badgered; consistent and timely internal communication, employee voice and careful use of the power of appreciation are some of the workplace elements which require attention during turnaround. Truss et al. (2013) assert that the fixation with the notion that employee engagement in a turnaround business process is always a 'win-win' situation is misleading, as employees experience loss in various ways- loss of benefits, staff and other privileges.

Managing stakeholder demands, especially when the firm may need more resources and commitment from employees, becomes even more important. Thus, identifying and influencing the stakeholders critical to a firm's survival during organisational decline are essential to the success of any turnaround attempt. Stakeholders have the potential to significantly affect turnaround actions and subsequent survival of the firm. Today an engaged employee is someone who is recognized as an asset to an organisation, someone who just doesn't like his job but will go the extra mile. Given the above, it is a good strategy for an organisation pursuing a business turnaround strategy to design a workplace approach that ensures that employees are committed to their organisation's goals and values, are motivated to contribute to organisational growth whilst at the same time enhancing employees' sense of own well-being. Effective communication between senior executives and middle level managers during the turnaround program may help to address interpersonal challenges of poor boss-employee relationships, loss of emotional commitment, and lack of psychological safety (Elving, 2015). To assertions by Elving (2015) who

pointed out that communication and awarding voice to subordinates are an essential component of maintaining employee engagement in a change programme.

This study has also revealed two keys ways through which an organisation may fail to get organisation-wide buy-in during the implementation of a turnaround strategy. First, the way an organisation implements cost reduction when in decline should not alienate employees and stop their organizational citizenship behavior which is pivotal for organizational survival and success in times of decline. While the old and most influential models of turnaround by Robbin and Pearce (1992) highlight the necessity of costs reduction and asset reduction as a way to stabilize an organisation, it is also notable that the way cost reduction and asset reduction are implemented matters to employees. In this study, unilateral and top-down efforts to reduce costs were implemented without consultation of middle managers which created unhappiness, loss of sense of belonging and feeling of being overlooked. Employees who feel lack of psychological meaningfulness are less likely to contribute to organizational success. Keating and Heslin (2015) are clear that psychological meaningful is experienced when people feel worthwhile, useful and valuable.

It is therefore advisable that effective and meaningful internal consultation with employees be considered pivotal if employee engagement is to be increased during turnaround strategy implementation. Poor implementation of cost cutting measures may impede organisation-wide buy-in and commitment of everyone towards the successful implementation and achievement of the objectives of a turnaround program. An organisation may also fail to get buy-in for turnaround strategy primarily because of focusing much on the strategic goals which may not be easy to understand by lower-level employees. Without making the goals of turnaround strategy relevant, clear and understandable to stakeholders at different levels in an organisation, it is difficult to have a successful turnaround. It is naïve to think that senior managers alone with a “know-it- all” attitude who considers lower-level employees as valueless may garner organisation-wide support. At Foskor, middle managers were reduced to passive actors in a key process of turning around the company which actually required their full support as engaged employees. Having an employee completely involved is not simply about job satisfaction, whether a worker likes her job, but goes

much further into the psychology of the employee and the culture of the organization where she or she works.

Second, the study also highlighted how middle managers were overlooked especially during the stage of formulating not only the strategy but also action plans which were subsequently imposed on them for implementation. This study has demonstrated this as one of the reason for loss of enthusiasm and commitment in managerial employees to embark on organisation citizenship behavior. This finding negates views expressed by Dromey (2014) who posited that employee voice and communication is a vital feature of cultivating employee engagement such that employers need to ensure that they offer meaningful opportunities for engagement whereby communication between senior managers and frontline employees are important. Because of not being involved meaningfully in the formulation of goals and action plan, middle managers lost their valuable staff they were supposed to retain had they been consulted and some poor performing staff were retained against their will. Podsakoff et al. (2013) and Coulter (2013) both noted that a good turnaround strategy implementation process should positively impact on employee emotional commitment, emotional connection towards an organisation, enthusiasm and dedication on the part of an employee and positive cognitive, affective behaviours all directed towards achieving superior performance outcomes for organisations they work for.

Breevaart (2014) castigates tendencies such as these whereby leaders make unilateral decisions and impose things on their subordinates as bad management. Breevaart (2014) made a point that in a change program the leaders must consult and encourage participation among subordinates in order to harness all the views and reach a joint consensus on a way forward. By consulting and incorporating subordinates in the turnaround program Anupama (2012) explains that management can tap on and benefit from its employee's unique abilities, commitment and knowledge to maximise their potential and that of the business hence helping to turnaround the fortunes of a company. Breevaart (2014) posits that a participatory leadership style in a change program is essential for employee commitment and a sense of belonging than an authoritarian style which thrives on imposing things.

Third, the study has revealed that poor interactions of stakeholders such as executives and middle managers do not only undermine employee engagement, but also lead to the development and reinforcement of the mindset of a minimalist performer among middle managers. Keating and Heslin (2015) echo the view that mindsets are the mental framework that guide how people think, feel, and act in a context. It is very important that top managers are aware of the various behaviours (e.g. lack of genuine appreciation of employee contribution by top management; lack of employee engagement; top-down style of management) which prompt middle managers to change from the mindset of the engaged employees to minimalist performers. These are characterised by simply doing the minimum as the focus is on what's important to survive as an employee in a particular organisation. Instead of creating employees with a minimalist mindset, it is salient that top manager seek to interact with employee in positive ways to generate organizational citizenship behavior as an asset to help survival and recovery during a turnaround in an organisation. In this regard, organisation citizenship behaviour relates to individual behaviour which is discretionary as it is not directly or explicitly recognised by the formal reward system but promotes the effective functioning of the organisation.

The finding that turnaround process and activities created and perpetuated the mindset of not putting extra effort as an employee at Foskor undermines the benefit of collective efficiency, which arise from meaningful and productive interaction among all employees in an organisation. Yasmeen, Farooq and Asghar (2013) recognised that failure to meaningfully involve employees in decision making is a recipe for disaster when there is need for variety of contributions to address organizational challenges during a turnaround.

Lastly, the results of this study reveal a variety of ways in which the turnaround strategy was less effective by ignoring the human dimension of the process. The nature and quality of interpersonal interactions between top-managers and middle managers, withdrawal of incentives and privileges without consultations, the narrow focus on top managers as the only active players while middle managers were merely passive implementers of directives reveal how this organisation missed the opportunity of using employee engagement as a powerful vehicle to achieve a successful turnaround. Furthermore, while the vehicle of internal communication regarding the turnaround strategy were interactive, they failed to ensure clarity of goals and expectations of middle managers

who are at the coalface of translating strategy into day-to-day actions. This serves as a caution to turnaround strategies which are premised on the philosophy that organisational success stems from the ability of the leadership to impose decisions and directives on employees and expect to get greater degree of willing employee commitment to corporate objectives in return. The implication is that turnaround strategies in organisations needs to make employees highly committed to their jobs by raising levels of employee engagement. Needless to mention why Sharipah and Syed (2011) argue that the creation of a working culture where innovative ideas and special efforts by employees are acknowledged and rewarded is necessary for inculcating a sense of belonging and ownership that can result in successful achievement of organisational turnaround programs. To be able to allow for effective participation of employees in decision making to the extent that employees contributions affect the outcomes of those decision making processes, there is need for both managers and employees to actively develop conducive working relations through breaking down organisational silos. To this end, the effective participation of employees in decision making processes allows for the creation of dialogue between the managers and the employees that makes room for the realisation of the employees' creativity, innovation and suggestions for organisational success. The finding on lack of engagement and consultation by senior management with middle managers is also contrary to assertions by Dromey (2014) who states that effective and successful turnaround programs emanate from employers ensuring that they engage all employees in a genuine way which promotes dialogue and involvement of everyone, rather than simply one-way communication

Nel, Werner, Poisant, Sono, Du Plessis, Ngalo, Van Hoek and Botha (2013) pointed out that employees are likely to perform poorly if they develop a perception that management does not value their contribution to the organisation. The feeling by employees that management underrates them often reduces employee energy and passion to work harder because they see no meaningful reward either monetarily or non-monetarily. Githiri (2015) concurred with assertions by Nel et al. (2013) by pointing out that one of the greatest mistake that management can make is to disrespect and underrate employee's and dignity and value as this has the effect of killing employee enthusiasm to contribute more to the organisation.

The finding that there was serious communication deficiencies between senior management and middle managers is key in influencing the outcomes of the turnaround process. This findings

demonstrates that senior management worked against the spirit of employee engagement by not being transparent and not communicating in an effective manner.

The fact that the turnaround program was conducted without consulting, engaging middle managers and in a manner that was instructive and derogatory to their functional duties and powers shows that the management acted contrary to Macey et al. (2014)'s advice. According to Macey et al. (2014) management involved in a business turnaround can positively and cognitively impact on employee's job affection by giving their employees meaningful voice which also extends to facilitating upwards feedback, conducting respectful, adult-to-adult conversations and responding to subordinates' views. Given the above, the turnaround program at Foskor was less effective as it resulted in most middle managers having an unpleasant relationship with their superiors, becoming less emotionally and psychologically connected and committed to the organisation than before.

### **5.3 Summary**

In this chapter, the key results of the study have been discussed in relation to literature on employee engagement, turnaround models and organizational citizenship to reveal how the turnaround process at Foskor was less effective and negatively impacted on employee engagement. The key findings reflect that turnaround process, decisions and activities undertaken by Foskor changed the way employees behaved from being more engaged to being less engaged or disengaged. It is argued that turnaround strategy implementation needs to seriously take into account workplace elements and psychology of safety at work if employee engagement is to be a useful vehicle. Turnaround strategy needs meaningful involvement and commitment of not only few people, but rather the entire organisation of engaged employee to succeed. Chapter six will discuss summary ,conclusions and recommendations. It will give a summary of the objectives of the study have been accomplished.

## **CHAPTER SIX: SUMMARY, CONCLUSIONS AND RECOMMENTATIONS**

### **6.1 Introduction**

Having presented and discussed the findings of this qualitative study, the aim of this chapter is to conclude the study. In this regard, the chapter provides a summary of the study and key results to indicate how the objectives of this study have been accomplished. As a reminder, it is pivotal to state that this study has three objectives, namely: assess the impact of turnaround strategy on engagement of middle managers at Foskor in Richards Bay in South Africa; to explore the effectiveness of middle management engagement on turnaround strategy at Foskor Richards Bay in South Africa; and to recommend strategies of employee engagement on turnaround strategy at Foskor in South Africa. Thereafter, the chapter will highlight areas for future research. Lastly, the conclusion of the entire study will be presented.

### **6.2 Overview of the study and summary of findings**

The main objective of the study as highlighted in chapter 1 section 1.5 was to assess the impact of turnaround strategy on engagement of middle managers at Foskor. Another objective was to explore the effectiveness of turnaround strategy on middle management engagement at Foskor Richards Bay. Subsequently, it was also the objective of this study to provide recommendations on strategies to employee engagement on turnaround strategy at Foskor the effectiveness of turnaround strategy on middle management engagement at Foskor Richards Bay.

Non-probability purposive sampling technique was used to ensure that only those participants at middle managerial level were selected in this study to share their experiences through semi-structured, in-depth and face-to-face interviews. As the number of interviews was limited, data was analysed manually using open coding and constant comparison to generate themes which reflected both the impact of turnaround strategy on engagement of middle managers and the effectiveness of turnaround strategy on middle management engagement at Foskor Richards Bay.

Firstly, key results show that the turnaround strategy at Foskor had a variety of impacts on employee engagement including loss of employee enthusiasm and desire to go an extra mile; declining employee commitment due to poor turnaround process; perpetuating the mindset of a minimalist performer; dwindling sense of belonging and unhealthy subordinate-boss relationship.

Secondly, results reflect that engagement of middle managers in implementing the turnaround strategy at Foskor was not effective in terms of the process which lacked meaningful engagement to give employees a voice and sense that they were part of the turnaround process. The only effective aspect of the turnaround strategy was in terms of the initial interactive communication which allowed employees to meaningfully engage with top management to understand the clarity of the set goals. However, despite the use of an interactive vehicle of communication, clarity was only limited to organisation-wide turnaround goals as employees failed to contextualize the goals at their level and department. The lack of engagement of middle managers, especially during the formulation of turnaround strategy is a key aspect in reflecting the ineffective employee engagement at Foskor during the turnaround strategy. In the light of the above, top management failed to balance the interests of different levels and categories of employee to garner organisation-wide buy-in and support for the turnaround.

### **6.3 Recommendations and insights**

Drawing from findings in this study, the following are the recommendations:

- (a) Senior management should be inclusive enough when they are formulating goals and strategies especially for a turnaround programs. This can help to harness into subordinates's inherent capabilities, innovative and creative ideas which top management might be lacking.
- (b) Senior management must engage and consult with middle managers as a way to show respect and to increase subordinate enthusiasm and commitment.
- (c) More open lines of communication need to be open and various modes of communication apart from meetings (e.g. one-on-one communication, written and audio visual etc) be used to communicate key messages, increase the flow of information, and reduce misunderstandings and conflict within the organisation.
- (d) Management should open lines of communication to improve accessibility by employees to management to share and exchange views and ideas for the better performance of employees and the organisation.
- (d) Management should give timeous and frequent performance feedback to employees.
- (e) There is need to create and promote a culture of employee engagement characterised by psychological safety of employees, organisational citizenship behaviours, power of appreciation

culture of trust and employee voice during a turnaround in order to work as a team and achieve success.

Having provided recommendations drawn from the findings in this study, it is appropriate to assert that the study has addressed all the three objective set in chapter one.

Given the above summary of the research, the following are insights from the study:

- Senior managers at the company did not include middle level managers in the formulation of turnaround goals. There was imposition of goals and lots of unilateralism in terms of goal formulation.
- Senior managers at the company did not include middle level managers in the formulation of turnaround strategies. There was no attempt by senior management to exercise participatory decision making and inclusiveness in the strategy formulation and implementation process.
- There was little engagement of middle managers whose roles were only relegated to that implementing directives from the top and that middle managers were overlooked/ignored during the turnaround formulation and implantation process resulting in loss of enthusiasm and commitment on the part of the latter.
- The unilateral and one sided goal and strategy formulation resulted in little buy in from middle level management since they did not have a say in the turnaround process.
- The exclusionary manner in which senior management treated middle level managers led to loss of enthusiasm, commitment and care for the organisation.
- Middle level managers lost their valuable hard working staff during the turnaround process and left with underperforming employees
- The lack of proper engagement, consultation, respect and proper empowerment eventually led to a decline in the performance of Middle managers during and after the turnaround.

Employees who were previously engaged- enthusiastic, committed and active in their work- changed to be employees who were just achieving the minimum performance. They lost the enthusiasm and emotional connection with their organisation to go the extra miles as they used to do before.

#### **6.4 Limitations of the study**

- There are two main limitations to this study. First, the study has privileged the views of middle managers only when the impact of turnaround affects the engagement of different employees in different ways based on their level of seniority and also occupation in an organisation. By focusing on views of middle managers only, this study has excluded views of low-level employees but also top managers. There is a need to accentuate that this study presents a partial rather than holistic perspective of the impact of turnaround strategy on employee engagement as if has focused only on one of the several level of employees at Foskor.
- Second, this study has only used interviews as a source of data. In this case, the use of other methods of data collections such as observation would have added more insights into the impact of turnaround strategies on employee engagement. Although, internal documents could have added more insights to the study, they have not been used to protect commercial secrets and private information from the company. Ultimately, these limitations may affect the generalizability of the findings from this study.

#### **6.5 Areas of future study**

It is suggested that future studies could consider the following topics and issues:

- A comparative examination of the impact of turnaround programs on employee engagement in two or more organisations may be insightful to explore the various aspects of employment engagement and elements of the workplace which are positively or negatively affected by turnaround processes and strategy implementation
- Use of stakeholder theory to shed light on how organisations resolve differences in objectives of key stakeholders for firms which are in decline and attempting a turnaround. This is critical as stakeholders such as employers and employees may not have unitary interests. Future research on decline and turnaround viewed through the lens of stakeholder theory may also shed significant light on the factors that motivate stakeholder involvement

in the turnaround process, and the power struggles that occur between stakeholders with divergent interests.

- Focus on lower-level employees without any managerial responsibilities to understand how strategic and operational priorities of a turnaround strategy impact employee engagement at this level. This would be interesting as the current study has focused on managers as such adopted a managerial view of employee engagement and turnaround strategy.
- The use of other methods of data collections such as observation and surveys would have added more insights into the study.

## **6.6 Summary**

The current exploratory study has explored the impact of turnaround strategy on the employee engagement of middle managers at Foskor. This qualitative study gathered data from middle managers who were purposively selected as they had experienced the turnaround strategy. The results of this study are not generalizable but rather transferable to similar context. It is hoped that the findings will be helpful not only to Foskor but also other managers and stakeholders who may be faced with the challenge of implementing a turnaround strategy.

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## Appendix 1: Interview questions

### IMPACT OF TURNAROUND STRATEGY ON EMPLOYEE ENGAGEMENT

1. The turnaround strategy started in 2016, in what way did this strategy affect your enthusiasm as an employee? Please provide an example.
2. Why has your enthusiasm changed ? Explain
3. Tell me how did the turnaround strategy affect your willingness' to go an extra mile?
4. To what extent has the turnaround strategy made you want to make a difference or not care about work?
5. In what ways has your performance been affected positively/negatively by the turnaround strategy? Please provide an example.
6. Why has your performance changed in that way?
7. Do you feel emotionally connected to this organisation or not? Please give me an example.
8. How has the relationship between you and your team/boss changed during the period of implementing the turnaround strategy?
9. Generally, how do you feel about the organisation? Please provide an example.

### EFFECTIVE ENGAGEMENT OF MIDDLE MANAGERS IN THE TURNAROUND STRATEGY

1. How well do you understand the goals of the turnaround strategy?
2. How did you know about these goals?
3. To what extent were you involved in formulating/implementing the different actions?
4. Overall, how effective was the engagement of middle managers in the turnaround strategy?

### RECOMMENDATION

1. What suggestion do you have to employee engagement strategies for middle level managers regarding turnaround strategy at Foskor Richards Bay?
2. Why are these suggestions good? Explain.

## Appendix 2: Consent Letter

<b>Informed Consent Letter 3C</b>
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**UNIVERSITY OF KWAZULU-NATAL  
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

Dear Respondent,

**MBA Research Project**

**Researcher:** Ms. Princess B Mncube (0728076305)

**Supervisor:** Dr. M Kanyangale (031 260 7934)

**Research Office:** Ms. P Ximba (031-2603587)

My name is Princess Bongekile Mncube , a final year MBA student at the University of KwaZulu Natal Graduate School of Business and Leadership. You are invited to participate in a research project titled Impact of Turnaround Strategy on Employee Engagement at Foskor in Richards Bay. The aim of this study is to conduct a basic research where knowledge will be generated to understand the Impact of Turnaround Strategy on Employee Engagement at Foskor in Richards Bay.

Through your participation I hope to understand the Impact of Turnaround Strategy on Employee Engagement and how effective the engagement of middle managers in the turnaround strategy was at Foskor. The results from the focus group are intended to contribute towards learning and gaining insights into the Impact of Turnaround Strategy on Employee Engagement.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about attending the interview or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The Interview should take you about 45 minutes to an hour to complete. I hope you will take the time to complete this survey.

Sincerely

Investigator's signature\_\_\_\_\_ Date\_\_\_\_\_

**This page is to be retained by participant**

**UNIVERSITY OF KWAZULU-NATAL  
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

**MBA Research Project**

**Researcher:** Ms. Princess B Mncube (0728076305)

**Supervisor:** Dr. M Kanyangale (031 260 7934)

**Research Office:** Ms. P Ximba (031 2603587)

**CONSENT**

**I..... (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.**

**I understand that I am at liberty to withdraw from the project at any time, should I so desire.**

**SIGNATURE OF PARTICIPANT**

**DATE**

.....

UNIVERSITY OF KWAZULU-NATAL

THE IMPACT OF TURNAROUND STRATEGY ON EMPLOYEE  
ENGAGEMENT; THE CASE OF FOSKOR IN RICHARDS BAY, SOUTH AFRICA

By

Mncube Princess Bongekile

Student Number: 216073425

A Dissertation Submitted in Partial Fulfilment of the Requirements for the Degree of  
Master of Business Administration

in the

College of Law and Management Studies

Graduate School of Business and Leadership

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