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**RETAINING CRITICAL SKILLS AND TALENTED EMPLOYEES
DURING AND AFTER ORGANISATIONAL DOWNSIZING.**

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A research project submitted to the Gordon Institute of Business
Science, University of Pretoria, in partial fulfilment of the requirements
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ABSTRACT

Downsizing has become a common business practice as organisations attempt to maintain competitiveness and productivity especially with globalisation. Downsizing has negative effects on both affected employees and survivors and if not well managed could lead to survivor syndrome. Survivor syndrome creates negativity among survivors which results in low morale, motivation and lack of trust. These feelings increase the likelihood of survivors seeking alternative employment and subsequently leaving the organisation. The loss of staff especially critical skills and talented employees has direct impact on the organisation's bottom line given the knowledge that is lost with the employee's departure. Downsizing results in leaner structures which makes the organisation vulnerable when it loses critical skills and talented employees. This research report investigates how an organisation can retain their critical skills and talented employees during and after organisational downsizing. The research is a case study based on the downsizing process implemented in De Beers Consolidated Mines in 2005.

The findings of the research indicate evidence of survivor syndrome in the organisation after the downsizing which led to the high employee turnover in 2006/7 years. The report makes recommendations based on a model which the organisation could implement to retain their critical skills and talented employees during and after downsizing.



DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Science Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University.

Mary Bomela

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Chapter 1: Introduction to the Research Problem

1.1. Introduction and Definitions

The subject of downsizing is controversial. Some critics see lay offs as nothing less than the abandonment of workers by greedy and heartless corporate executives in their quest for profit, while others see them as a necessary response to the dynamic changes occurring in the business environment (Beylerian and Kleiner, 2003). Reductions in the workforce, however, remain increasingly prevalent as organisations attempt to improve their efficiency and effectiveness (Tourish, Paulsen and Bordia, 2004); downsizing has thus become a common tool used by organisations in their struggle for profitability in a highly competitive corporate world (Cangemi and Miller, 2004). Downsizing is defined as “an internal reduction in the number of people in an organisation” (Tourish *et al*, 2004, p. 487)

One of the side effects of downsizing is known as survivor syndrome and it remains a challenge for many organisations. Baruch and Hind (2000) argue that the term "survivor syndrome" can be used to describe the set of shared reactions and behaviours of people who have survived an adverse event --- in this case, employees who have survived downsizing in an organisation. Vinten and Lane (2002) loosely define the word "survivor" in relation to downsizing as those who kept their jobs. The survivor syndrome negatively impacts on both the survivor and the organisation in that it leads to a loss of productivity. It is characterised by feelings of anxiety and guilt for surviving the cut, as well as by the fear of further lay offs (Appelbaum and Donia, 2000). It can also create negativity among survivors

and resulting in low morale and motivation, as well as a decrease in trust (Sahdev, 2003). It is therefore important for management to recognise and work alongside those employees who have survived the downsizing (Appelbaum and Donia, 2001).

Most organisations acknowledge that the rules of the game have changed, but few have worked out how to respond to these changes apart from reducing headcount (Beylerian and Kleiner, 2003). There is no doubt that downsizing has a negative impact on the organisation's culture and morale, and this may contribute to the unplanned exit of talented employees (Frank, Finnegan and Taylor, 2004).

Staff turnover is expensive and this is particularly true when key employees leave the organisation, that is, key employees which the organisation needs to achieve its business objectives. The direct expenses associated with employees voluntarily leaving an organisation are easily quantifiable and are generally included in the cost of turnover. For most organisations, however, the indirect costs of turnover have more serious implications for business success. The two main areas which directly affect team and organisational productivity are lost organisational knowledge and lower employee morale (Frank *et al.* 2004). Skills retention and employee engagement are thus key operational and strategic issues (Glen, 2006) that management needs to keep high on its agenda, especially during periods of downsizing.

1.2. Context of the Research Problem

“It has been stated that organisations which are not performing well, are experiencing financial losses and cash flow difficulties are more likely to engage in downsizing” (Tzafrir, Mano-Negrin, Harel and Rom-Nagy, 2006, p.125). De Beers Consolidated Mines (DBCM, a wholly owned subsidiary of De Beers Group) has been going through a restructuring and downsizing exercise since 2005 in an effort to turn its loss making and marginal mines in South Africa into profitable operations. The company has employed both push and pull strategies as referred to by Beylerian and Kleiner (2003). One push strategy they have used has been to offer incentives to employees to resign voluntarily at the discretion of management --- these incentives include both voluntary early retirement and voluntary termination packages. The push strategy they have used has been to terminate the services of the redundant employees who did not resign voluntarily.

This restructuring process led to more job losses than anticipated, and the company lost expertise and company-specific skills and knowledge as survivors voluntarily left the company after the downsizing process. Many employees who survived the downsizing resigned even after being reassured that their jobs were secure. This exposed the company to serious risk, because expertise and highly-skilled people are required to turn a lean organisation around. The organisation found itself with vacancies that had to be filled with people who had no corporate memory.

Downsizing has many negative outcomes, such as the loss of skills, learning and innovation (Sahdev, 2003). In the case of DBCM, many talented and experienced employees left the organisation soon after the downsizing process had been implemented as they were knowledge workers who were fairly mobile. This employee loss also extended to the semi-skilled categories (e.g. artisans), which was unexpected, because such categories of employees had rarely left the organisation voluntarily in the past. Downsizing is often experienced as a violation of the psychological contract, which makes survivors more susceptible to voluntary turnover than employees in a more stable environment (Spreitzer and Mishra, 2002). According to the head of human resources, the organisation experienced its highest voluntary (resignations) staff turnover in 2006 with 13% of staff, compared to 4% per annum in previous years, leaving the organisation voluntarily; the organisation continued to lose people into the first two quarters of 2007.

1.3. Definition of the Research Problem

From the above it would appear that there is a need for a model or for organisations to develop strategies that will assist them to retain key and talented employees after the downsizing process in order to achieve their stated business objectives. The success or failure of a downsized organisation depends largely on those who remain behind; it is thus critical for the organisation to retain its key and talented employees. The challenge is how to retain these employees during and after the downsizing process, how to minimise survivor syndrome and how to overcome the perceived breach of the psychological contract.

The objective of the research is to analyse the problems that led to the large exodus of talented employees after the organisation's downsizing process and recommend measures that may be implemented in the future should similar circumstances arise. This research will contribute to the discussion of the implications of downsizing interventions and measures managers can implement to minimise voluntary critical skills turnover subsequent to downsizing.

1.4. Scope of the Research

Although the research is based on an in-depth study of one South African organisation, it is believed that the findings and recommendations could be applicable to other organisations facing the same dilemma.

The next chapter offers a review of the literature on downsizing. It also looks at the impact of downsizing on survivors, the impact of the psychological contract employees have with the organisation, how the impact can be minimised and key skills retention strategies.

Chapter 2: Literature Review

2.1 Introduction

This chapter explores the concept and literature on downsizing and its effects on employees and the organisation. The chapter first defines the concept of downsizing and the reasons why organisations downsize. This is followed by a review of some literature and research conducted in this area. The review includes the impact of downsizing on survivors, the perceived breach of the employee psychological contract, and issues related to the retention of key and talented employees. The chapter concludes with strategies proposed in the literature to minimise the negative impact of downsizing on survivors, how to restore the psychological contract and employee retention strategies.

2.2 The definition and reasons for downsizing

Downsizing is defined as a systematic reduction of a workforce through a set of activities by which an organisation aims to improve efficiency and performance. It tends to be a reactionary and defensive mechanism used when an organisation is faced with financial difficulties (Tzafrir *et al.* 2006, p. 125). A number of reasons can lead to the decision to downsize. These reasons often include general business or industry downturns, efforts to improve efficiency, technological changes and automation, competitive pressures (including that from foreign competition) and the deregulation of previously regulated industries, and the belief that the best staff is a lean staff (Allan, 1997).

Downsizing is a process which aims to make an organisation more efficient and cost effective. In other words, it aims to eliminate nonvalue-added work processes and people. It can be disastrous if the organisation does not take care of its human resources in the process. Downsizing affects all individuals and the organisation as a whole (Fong and Kleiner, 2004).

2.3 Impact of downsizing on employees and the organisation

Brockner and Greenberg (1990) in Thornhill, Saunders and Stead (1997) refer to the following two types of survivor responses to a downsizing situation. An unsympathetic reaction often includes the belief that the downsizing was justified and may focus particularly on those selected for redundancy. As a result, survivors may distance themselves from the leavers and work even harder to prove themselves to the organisation. A sympathetic response, in contrast, may include the reaction that the leavers have been unfairly treated and this may result in negative attitudes towards the organisation and reduced employee commitment.

The negative results of downsizing include the following:

- **Uncertainty**

Both survivors and victims experience some level of uncertainty and survivors might feel just as traumatised as the victims of the downsizing process. This uncertainty continues even after the announcement of who will retain their jobs, because the anxiety is moved from the issue of termination to that of

reorganisation and the employee's place within the organisation (Tourish *et al.* 2004).

- Perception of poor communication

Research conducted by Tourish *et al.* (2004) indicates that there is a tendency for senior management to receive more information about organisational and job changes during a downsizing process than the other employees. This becomes a problem, because middle management has a crucial role to play in the effective implementation of a change programme in the organisation. Although most people have a great need for information when faced with uncertainty, the problem is that no amount of information is enough during such a period. Many survivors identify more readily with and pay more attention to the needs of those who are leaving rather than accessing information related to their future employment in the organisation.

- Trust in the organisation

Those who survive the downsizing process may begin to distrust senior management. Although survivors may still trust their immediate colleagues, relationships at all levels in the organisation are often damaged by downsizing. The negative attitudes of those leaving may become contagious (Tourish *et al.* 2004).

- Perception of reduced career opportunities

A study conducted by Bozionelos (2001) found that employees believe that downsizing reduces promotion prospects and job satisfaction.

- Increased workload and stress

Survivors may experience occupational stress as a result of downsizing. Occupational stress may be defined as the feelings a survivor might experience if the demands of his or her job exceed his or her ability to cope (Devine, Reay, Stainton and Collins-Nakai, 2003). The leaner, restructured organisation may increase individual responsibility, workload and stress which, in turn, can have damaging effects on employee morale (Bozionelos, 2001). Employees may feel pressure to maintain or improve their performance; they may also suffer from low morale which could have a negative impact on their productivity. Work overload, if not managed correctly, can cause excessive stress, fatigue, accidents, exhaustion, depression, and so on (Fong and Kleiner, 2004).

- Job insecurity

Job insecurity is not only concerned with the potential loss of employment, but also with the uncertainty regarding job and career issues --- this may include one's level of responsibility and promotional opportunities (Ito and Brotheridge, 2007). Given the consequences of job insecurity, organisations should be prepared for increased voluntary turnover among knowledge workers who look to jump at the first sign of uncertainty rather than being pushed (King, 2000).

- **Survivor syndrome**

The survivors of downsizing, as the survivors of any traumatic event, often experience a range of negative emotions known as survivor syndrome (Appelbaum and Donia, 2000).

2.4 Survivor syndrome

According to Baruch and Hind (2000), the term "survivor syndrome" was first introduced to management studies by Brockner in 1992 to describe the impact of redundancies on those employees who survived where others had had their employment relationships terminated. The biggest impact of workforce reduction is on the surviving employees who see their friends and colleagues being forced out of the organisation (Simone and Kleiner, 2004).

Survivors experience a range of negative and sometimes destructive emotions following a downsizing. These emotions, which include guilt, a sense of being cheated and perceptions of job insecurity (Allen, Freeman, Russel, Reizenstein and Rentz 2001) are detrimental to the employee and the organisation; they lead to low levels of motivation and commitment, which inevitably impact on the organisation's performance and productivity (Appelbaum and Donia, 2000).

2.5 Breach of the psychological contract

DelCampo (2007) refers to Rousseau (1995) who defines the psychological contract as the individual's belief about the mutual obligations inherent in the psychological contract between the employer and employee. The contract largely informal, is subject to interpretation and evolves over the term of the employment relationship between the individual and the organisation (Lemire and Rouillard, 2005).

A breach is essentially the identification of perceived unmet obligations; it may be short-term, in which case the individual will be able to return to his or her stable psychological contract state or it may develop into full violation (Pate, Martin and McGoldrick, 2003).

Employees in organisations undergoing significant restructuring are much more likely than employees in more stable organisations to feel that their psychological contracts have been breached (Turnley and Feldman, 1998). A breach may occur as a result of direct or indirect actions and the degree of reaction may differ according to the type of trigger and the extent to which the organisation is held accountable. A violation of the psychological contract negatively affects employee attitudes and behaviours - employees become disillusioned and disenchanted, and the breach prompts behaviours that undermine organisational effectiveness and efficiency.

A violation of the psychological contract weakens commitment to the organisation and increases efforts by staff to seek out new employment (Lemire and Rouillard, 2005). Turnley and Feldman (1998) argue that some employees may be so angered by the violation that they choose to leave the organisation and seek alternative employment while others may stay, attempt to address their unhappiness and salvage the employment relationship. Those who remain, however, may withdraw emotionally, display less loyalty and be less willing to engage in beneficial organisational citizenship behaviours.

The extent to which the company's actions can be explained by wider macro economic factors appears to be important. An employee will generally moderate his or her response to a breach if the organisation's downsizing process is seen as a reaction to changes in economic circumstances. Pate (2006) argues, however, that a different reaction will ensue if the downsizing is attributed to poor management or the fault of the company.

King's (2000) research into the role of the psychological contract and employee reactions to job insecurity found the following:

- Respondents with higher levels of job insecurity tend to report lower levels of organisational loyalty, have more loyalty to their personal careers as opposed to the particular organisation for which they work, put less effort into producing quality work and engage less in organisationally beneficial behaviours.

- Respondents with higher levels of job insecurity also tend to engage more in job searching behaviour.

Contrary to much of the literature on the subject, research conducted by Pate *et al.* (2003) reveals a poor correlation between psychological contract violation and behavioural change. A possible reason is the power disparity between the employer and employee. In times of high job insecurity, employees may be less inclined to display negative behaviour in terms of the psychological contract because of a fear of redundancy. In this study, employees indicated that the amount of effort they put into their jobs was based on their pride in their job and a sense of “not letting your colleagues down”. According to Pate *et al.* (2003), negative feelings towards an employer do not necessarily impact on an employee's ability to do his or her job. It follows that employees view the “job” and the “organisation” as distinct entities; violation of the psychological contract need not, therefore, necessarily result in organisational misbehaviour.

The psychological contract is thus an important tool which managers should use to understand the nature and direction of their relationships with their employees. The effective management of the psychological contract can thus result in increased job performance, lower staff turnover and higher job satisfaction for both the employee and the employer (DelCampo, 2007).

2.6 Retention

Employee retention can be defined as the effort by an employer to keep desirable staff in the organisation so as to meet the stipulated business objectives. The word "turnover" is generally used to describe the unplanned loss of key employees who leave the organisation voluntarily (Frank, Finnegan and Taylor, 2004). Organisations rely on the quality and efficiency of the human and intellectual capital at their disposal, particularly in the case of key employees. The retention of key staff thus remains a potentially valid and important strategic choice. Rapid changes in the business environment may bring about complex alterations to the psychological contract between the employee and the employer (Lee, 2001).

Spreitzer and Mishra (2002), in building on the voluntary turnover model developed by Mitchell and Lee in 2001, suggest that the experience that survivors have during the organisational downsizing will determine their willingness to remain with the company in the years following the downsizing.

Nothing affects retention and engagement more than the loss of trust and, consequently, the erosion of loyalty. The major contributor to the decline in trust is the high number of lay offs (Frank *et al.* 2004). Seeing cherished co-workers being laid off and not knowing when the axe is going to fall again has a profound impact on trust and loyalty. Factors found to most influence commitment are fairness, trust care and concern for employees --- elements which are influenced by direct bosses

or leaders. Many researchers claim that employees will stay if they have a good and open relationship with their immediate boss.

2.7 Mitigating the negative effects of downsizing

Emotions play an important role in downsizing and may be the most difficult obstacle for management to overcome. It is important for the organisation to boost morale, minimise distrust, aid renewal and fuel increased productivity of the surviving employees. Leadership is critical at this point and top management should be visible and should communicate openly. Management also needs to reassure survivors that their jobs and futures are secure within the organisation (Simone and Kleiner, 2004).

It seems possible for the organisation to avoid survivor syndrome after downsizing. Contrary to many studies, Baruch and Hind (2000) did not detect the existence of the survivor syndrome in their study of an organisation that had undergone a downsizing exercise. They attribute this to a process which was both fair and open. The approach emphasised employee participation at the decision-making stages, coupled with practical solutions to identified problems, and open communication with employees, coupled with a clear and fair selection process that was conducted quickly.

Authors such as Labib and Appelbaum (1994) believe that the structure and implementation of the downsizing plan often have a greater impact on surviving

employees than the job losses themselves. They define the downsizing plan as the overall plan of how the organisation is going to implement the “smaller but better” structure to help it achieve its organisational goals; this overall plan includes both the termination and survivor plans. Managers can, therefore, not assume that the good intentions which may underlie particular downsizing exercises will be enough to ensure widespread understanding, support and compliance (Tourish *et al.* 2004).

There is a growing body of literature which examines the psychological effects of downsizing on survivors. A number of models have also been developed to address the so-called survivor syndrome. Labib and Appelbaum (1994) propose a process model to be used when developing and implementing a downsizing plan; the objective of this model is to ensure that strategic and human resources are seen as equally important in the downsizing process. The model focuses on survivor needs, which must be determined concurrently with the design of the restructuring plan, so that a survivor support plan can be developed that will enable the employees of the restructured organisation to work towards the new strategic goals. The survivor support plan should be put into operation while the termination plan is still being developed --- this will help to prepare the employees psychologically for the implementation of the termination plan. This model recommends that both the downsizing and survivor support plans be evaluated six months after the downsizing process and that corrective measures be put in place where they were not successful.

Building on the earlier work of Labib and Appelbaum (1994), Appelbaum and Donia (2001) developed the realistic downsizing preview (hereinafter referred to as the RDP) model as a way to address survivor syndrome. The RDP focuses on strategic issues, that is, issues which affect all employees, issues of specific concern to terminated employees and issues which are especially relevant to surviving employees. Communication is a critical component of the RDP and specific attention should, therefore, be given to the provision of information during and after the downsizing process. The manager has a critical role to play in ensuring the wellbeing of all employees. Managers should, therefore, be well trained and empathetic, and should be able to assist employees to adjust to the new organisational culture, and contribute to higher productivity and morale.

Suspicion, misunderstanding and hostility may be inevitable whatever the context of the downsizing (Tourish *et al.* 2004) and thus the importance of implementing a well structured plan to deliver the emotional stability of survivors.

There are some strong indications that careful attention to the downsizing process may help to alleviate the negative effects of the process:

- Job counselling and training programmes for survivors may enhance the utilisation of human resources, decrease perceptions about breaches of the psychological contract, and minimise internal strains and organisational conflict (Tzafrir *et al.*, 2006).
- Career development. Downsizing necessitates career development and planning for the survivors (Bozionelos, 2001). Career paths and opportunities

need to be clarified and new psychological contracts established (Appelbaum and Donia, 2001). The problem is, however, the increased degree of responsibility, workload and stress and, hence, the reduced time and psychophysical energy available to dedicate to career development (Bozionelos, 2001).

- Providing experience-based development initiatives is vital in today's highly competitive environment. Examples of such initiatives include participation in stretch roles, participation in split roles, lateral moves, participation in key organisational projects and secondments (Glen, 2006).
- It is also important for the new employer-employee relationship to be redefined in line with the new organisation's goals. Employees need to understand the vision and direction of the new organisation, as well as where they fit into the organisational structure (Appelbaum and Donia, 2001)

It is vital for companies to streamline and eliminate as many nonvalue-added activities as possible. The most important corporate goal should thus be to ensure that employees are focused on achieving the company's objectives. Career discussions are invaluable during this time and the emphasis should be on training and encouraging the surviving employees to excel, so that they regain their confidence and self-worth (Simone and Kleiner, 2004). The success in adequately justifying the breach of the psychological contract may strengthen employee commitment to the organisation and decrease staff turnover (Lemire and Rouillard, 2005).

Situational factors which might lessen the intensity of an employee's response to the violation of the psychological contract include the following:

- Survivors who feel that there is a high degree of procedural justice in terms of lay off procedures are less likely to perceive their psychological contracts as having been violated. They are less likely to resign or to look for new jobs and are more likely to remain committed to the organisation and defend it to outsiders.
- Survivors who feel that there is a low likelihood of future violations are less likely to perceive their psychological contracts as having been violated.
- The quality of an employee's working relationships with his or her supervisors and co-workers also lessens the intensity of a reaction to a psychological contract violation (Turnley and Feldman, 1998).

2.8 Managerial implications

Turnley and Feldman (1998) suggest the following measures for organisations going through a downsizing exercise. Firstly, organisations operating in highly uncertain and changing environments need to be cautious about making promises which they may not be able to live up to, such as obligations of long-term relational psychological contracts. In such cases, it is advisable for the organisation to stick more closely to “transactional” elements of the psychological contract which they can better control. Secondly, the organisation can help to minimise severe reactions to the violation of the psychological contract by carefully and honestly explaining any external forces which cause them to “alter the deal” --- employees

are less likely to react negatively when they believe the violations were due to legitimate, external events outside the organisation's control. Thirdly, employees will react less negatively when the violation of the psychological contract is seen as a once-off event and not the beginning of an endless stream of broken promises and unmet obligations. It is thus important for the organisation to clearly communicate the scope of the changed psychological contract and the time frame within which the violations will be remedied if at all possible. Fourthly, although the fairness of the lay off procedure might not completely eliminate a negative reaction to the violation of the psychological contract, it will certainly soften the severity of the response. Fifthly, restructuring organisations need to pay special attention to the perceived breach of psychological contract related to decreased autonomy and job discretion (responsibility and power). Finally, strong team cohesiveness goes a long way to healing the breach when a psychological contract has been violated.

2.9 Summary

It is a paradox that employees can become demotivated by keeping their jobs. After a downsizing exercise, the surviving employees may distrust the organisation which can lead to reduced commitment and feelings of insecurity about the future. Furthermore, survivors may feel that their psychological contracts have been violated and that their workloads have increased because of reduced staffing. An organisation that has gone through a downsizing exercise must have a specific plan in place which deals with career development in the new organisation which potentially has reduced career opportunities. Employee perceptions of inadequate

development opportunities in a context of reduced career options and increased insecurity can only further undermine their already damaged morale and motivation (Bozionelos, 2001).

The study by Cross and Travaglione (2004) found that those employees who voluntarily accepted severance packages were lower in commitment and loyalty and were the most dissatisfied with their jobs prior to the downsizing process. They had the highest desire and intention to leave the company in future. Voluntary severance packages provides an opportunity for dissatisfied employees to leave the organisation. The success of the downsizing process thus lies in the company retrenching those employees least beneficial to the organisation. The study by Cross and Travaglione (2004) also found that the two variables that most contribute to the prediction of turnover intention are affective commitment (affectively committed employees remain with an organisation because they want to) and job satisfaction in those employees who remain after the downsizing.

Chapter 3: Research Propositions

Downsizing has become a common business practice around the world. It is clear from chapter 2 that a lot of research has been done on the subject and on the impact of downsizing on surviving employees. The consequences of downsizing have been found to include uncertainty and an increase in the number of employees leaving the organisation. The objective, as defined in chapter 1, is to analyse the problems that led to the large exodus of critical skills and talented employees after the organisation's downsizing process and recommend measures that may be implemented in the future should similar circumstances arise.

This report aims to understand how organisations can downsize whilst still retaining the critical skills required to turn the leaner organisation around and create future sustainable growth. Based on the literature review, the following propositions provide reasons for the loss of critical skills and talented employees during and after the downsizing process:

Proposition 1	During downsizing, organisations do not communicate the downsizing plan and the implementation strategy clearly to employees. This leads to employees not understanding or agreeing with the reasons given for the downsizing.
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Proposition 2	Survivors do not believe that the process of identifying redundant employees during a downsizing exercise is fair and consistent. Survivors also believe that terminated employees are treated unfairly.
Proposition 3	Downsizing in organisations makes survivors feel insecure about the future of their jobs.
Proposition 4	Organisations tend to concentrate on terminated employees and provide no support programmes or counselling for survivors after completion of the downsizing process.
Proposition 5	The workload of survivors generally increases after the departure of the terminated employees. The organisation expects them to continue performing at their best or even better. The survivors, however, are not adequately prepared to take over their new roles.
Proposition 6	New working relationships are not redefined after the downsizing process. Survivors do not, therefore, understand their new roles and how they fit into the new organisation. A new psychological contract is not put in place immediately after the downsizing exercise.
Proposition 7	Survivors leave the organisation, because they do not see many career advancement prospects.

Chapter 4: Research Methodology

4.1 Introduction

This chapter introduces the methodology that was used in this research study. It describes the research method, the population and unit of analysis, the sample size and selection.

4.2 Research Method

This is a descriptive research study (Zikmund, 2003) which aims to describe the impact of downsizing on survivors and the reasons for voluntary turnover. A combination of the qualitative and quantitative methods was used to collect the data:

- Two surveys were conducted to collect the primary data necessary to answer the propositions made. The surveys took the form of self-administered, structured questionnaires.
- Secondary data, in the form of exit interviews conducted by the organisation prior to the departure of an employee, was collected from the various mining operations of the organisation. The advantage of secondary data is that it is easier to obtain than primary data (Zikmund, 2003) and will, in this case, provide comparative data.
- In-depth, semi-structured interviews were conducted with specific mine operations and human resources managers so as to obtain an understanding of the organisational perspective. These managers were seen as the “change

agents” involved in the change process. The interviews were structured around the topics suggested in the realistic downsizing preview model as proposed by Appelbaum and Donia (2001). These interviews were conducted to obtain an in-depth understanding of the downsizing process followed by the organisation; their personal experiences during the implementation of the process and what they believe went well and did not go well.

- In-depth and unstructured interviews were conducted with four human resources experts --- two internally and the other two externally from a companies that have gone through successful restructuring --- in order to gain an understanding of the retention strategies organisations could employ during downsizing exercises.
- The researcher's intention was to conduct focus group discussions with two groups of survivors comprising six to ten people each. Due to the sensitive nature of the topic, however, most of the employees were not willing to share their opinions in a group setting. The researcher then opted for ten one-on-one interviews with willing participants. The discussions were conducted to gain a deeper understanding of some of the issues raised by the survey respondents, specifically why survivors are still with the organisation and the reasons they give for others having left the organisation.

The above methodology was selected to obtain an in-depth understanding of the downsizing process implemented by the organisation, the impact thereof on the survivors, the factors which led to the high loss of skills and talent after the

downsizing period, and what the organisation could have been done to curtail the unwanted exits.

4.3 Population and unit of analysis

The population of relevance comprised full-time and skilled (i.e. Paterson band CU and above on the organisation's job and pay grading scale) employees and ex-employees who survived the downsizing process conducted at DBCM in 2005. The term "ex-employees" refers to those employees who resigned voluntarily from the organisation and who were not paid a severance or retrenchment package. The size of the population comprises an estimated 2100 full-time employees and 463 ex-employees (273 in 2006 and 190 to June 2007) as ascertained from the company's human resources records.

4.4 Sample size and selection

Non-sampling methods were used to select the sample, specifically convenience sampling and snowballing. These sampling methods were chosen, because of the willingness of the remaining employees and the available contact details available on those who had left the organisation. Convenience sampling was used to who would be interviewed --- this was necessary because the respondents needed to be available and willing to participate in the discussions. An effort was made to include diverse race groups and both genders to ensure a balanced view and to eliminate group-related issues as much as possible.

The secondary data comprised a sample of 150 exit forms obtained from the different mine operation of the organisation. Due to the physical location of the operations, the researcher relied on the human resources practitioners at each site to collect the data. The business unit leaders and HR managers interviewed were from the operations with the highest voluntary resignations, that is, Finsch Mine, Venetia Mine, Namaqualand Mine and the Corporate Head Quarters in Johannesburg. The BMR team lead and other team members representing various project streams were also interviewed.

4.5 Questionnaire Development

The first survey questionnaire was developed so as to gather information on the restructuring process and how it impacted on the survivors. The questions were based on the realistic downsizing preview (RDP) model developed by Appelbaum and Donia (2001), a model they believe can prevent survivor syndrome in the aftermath of a downsizing process, if implemented effectively before the downsizing begins. The questionnaire was developed online by the researcher using a commercial tool available on www.surveymonkey.com.

The researcher selected the Internet questionnaire because of the sensitive nature of the investigation it was possible to address the confidentiality concerns of the respondents. The online option guaranteed the anonymity of the respondents in that the respondents were not required to disclose their identity and the origin of the response could not be traced to the individual. To facilitate ease of completion,

the questionnaire was divided into five sections, each of which comprised between five and twenty relevant statements. The Likert scale was used to provide five options for each statement. Computer logic was built into the questionnaire, which meant that the respondents were required to complete all the compulsory questions before they were allowed to proceed to the following questions. This ensured that the respondents answered all the questions and also ensured the completeness of the responses.

The second survey was also developed using the same tool mentioned above based on the literature review done relating to employee retention. The rating scale was based also on the Likert scale for responses to specific statements given on the reasons the employees had chosen to return to the company.

For the telephonic interviews with the mine operations' managers and BMR team managers (Appendix 2 & 3), a set of guideline questions was designed and sent to each respondent beforehand in preparation for the interview. The one-hour telephonic interview was semi-structured and the prepared questions were used merely to guide the conversation. The interviews were not recorded and most of the respondents preferred to remain anonymous due to the fact that they do not believe that the entire process was successful.

4.6 Response Rate

Survey 1 - Questionnaires were sent by e-mail to 120 respondents (70 current employees and 50 ex-employees) on the following dates:



- 10 September 2007
- 14 September 2007
- 21 September 2007

The same e-mail was sent to all the respondents in the sample.

A total of 49 responses (27 current employees and 22 ex-employees) were received, resulting in a response rate of 41%. The respondents completed the questionnaire online via the link posted on the e-mail request. A questionnaire was also sent to ten targeted employees who had left DBCM after the BMR but have subsequently returned to the company. The aim of the questionnaire was to find out the reasons they had returned to the organisation. The employees were contacted by e-mail and all responded to the questionnaire.

4.7 Analysis

The frequency analysis method used to analyse the survey results as it was deemed to be the most appropriate. The responses to “strongly agree” and “agree” were grouped together to indicate agreement with the statement, whereas the responses to “disagree” and “strongly disagree” were grouped together to indicate disagreement with the statement. When there was no clear indication of whether the respondents agreed or disagreed with the statement, a more in-depth analysis, namely, a frequency analysis was done to establish whether there were differences between the responses of current and ex-employees. The interviews were transcribed and a content analysis was conducted to work out prominent and

common themes. The interview content analysis was grouped according to the group of interviewee i.e. managers, BMR team members, employees and HR specialists.

4.8 Influencing factors and limitations of the research

The main limitation of the research is that the findings cannot be generalised, because they are limited to one organisation. The use of non-statistical sampling methods to collect data means that the results of the sample cannot be seen to represent the sample in any way.

Another limitation of the study is that the reasons for leaving the company that are analysed do not include any economic and/or labour market determinants of the turnover decision. Factors such as other job opportunities available in the labour market and better pay will have an important influence on whether an employee leaves the organisation when he or she is not happy with the situation at the time. The intention of this research is not to analyse the complete model of employee turnover, but rather to analyse the effects of survivor responses to downsizing after the downsizing process.

Chapter 5: Results

5.1 Introduction

This chapter provides the results of the data collected by means of the various methods described in the previous chapter. The results are documented per method of collection. The primary data shows the reasons stated by the employees

as reasons for leaving the organisation, while the survey results indicate the reaction and experiences of the respondents on the downsizing process. The research interviews were conducted with management, project team members and human resources specialists. The interview findings have been clustered and analysed separately, namely, as project team members, management, human resources specialists and survivors who stayed with the organisation.

A brief background to the business model review process is given, whereafter the findings of the research are outlined.

5.2 Background to the business model review process

The burning platform

The discussion at the operations manager's meeting held in August 2004 centred on the profitability of the organisation, particularly the poor financial performance of the mine operations. The organisation was faced with the fact that five out of the seven mine operations were operating at a loss. The company's operating and external environment had changed and it was faced with increasing competition, declining global diamond prices, changes in legislation in the different operating countries, including South Africa, and the strengthening South African rand. Management realised that the financial stability of the company would deteriorate quickly if things were allowed to continue as they were; a major change was thus necessary (BMR project internal documentation

The question then became: "If the South African rand trading was trading at R5 to the US dollar, what would the company need to do to survive?" The concept of "Thrive at Five" was born. Six initiatives were proposed to address this challenge, one of which was the business model review (hereinafter referred to as the BMR). The objective of the BMR was to review the company's business model, its structures and operating processes so as to reduce losses and increase profitability.

Planning

Pre-feasibility phase (3 months research period --- September to December 2004)

The BMR steering committee was established. This committee consisted of the company's executive management and was mandated to meet on a monthly basis. A senior manager was appointed to head up the project on a full-time basis, which was sponsored by the managing director. The BMR project team was then assembled with five individuals seconded to the team on a full-time basis. The project and its objectives were thereafter officially presented to the employees.

A structured approach was followed in developing a project charter and plan. The project team was divided into three work streams: the "as is review", that is, a review of current company practices, the best practice review on other organisations and the stakeholder engagement management review to identify key stakeholder relationships that needed to be managed. The research also included a comparison of the company's structure and best practices of running a typical mining company. A number of company visits were undertaken to other mining

companies and also to companies in other industries known for best practices. A benchmarking exercise was conducted on company practices with the others and the team also evaluated all the business processes (i.e. from the top to the bottom).

Feasibility phase (Process and structure validation --- January and February 2005)

The business case for the company restructuring was put together and presented to the steering committee for approval. The team was expanded to include more members from the different disciplines and business units (12 members). The team developed a conceptual model with a well-defined project charter. This charter outlined key responsibility areas, objectives and timelines. The project plan was date driven according to tight deadlines.

The team then started investigating ideal structures and the associated costs, and identified all the inefficient processes to be removed from the business. Following the investigation, a hybrid staff structure was proposed for the business based on principles of: a centralised expert services division, allowing operational decisions to be made at each mine, aligning all the operational processes across the business, and considering the systems that would be required to support the lean structure. The S189 notices were issued to employees to meet the consultation process requirements of s189(2) of the Labour Relations Act 66 of 1995 (as amended) of South Africa. The Labour Relations Act 66 of 1995 (as amended) requires employers to consult employees over a 60-day period as soon as the decision to downsize or restructure is made.

Design (*Population of structures and consultation --- March to April 2005*)

The principles of design were agreed upfront. An employee structure would be implemented that would be able to support a core basic mine (termed mine X). Once mine X was designed, based on the results of the benchmarking exercise, customisation would then be allowed to fit the different mine processes or size. The employee structures were designed per discipline to the lowest level in the service departments and up to mid-management level for the technical departments in consultation with the relevant discipline heads in the company. The structure emphasised the separation of strategy formulation and implementation where the company strategy would be developed at the company corporate headquarters (CHQ) and mine operations would implement strategy. CHQ would concentrate on long-term planning (termed “Diamonds tomorrow”) and the mine operations on a shorter term 3-year planning horizon (termed “Diamonds today”).The organisational structure included a shared services centre for transactional activities (e.g. creditors and travel arrangements) and centres of excellence for sharing expertise across the business.

Engagement sessions were held with the employee representative bodies in the company followed by structured staff engagement sessions across all the mines where employees were given the opportunity to give input into the preliminary designed structures and to ask questions. The employee structures were refined, finalised and signed off by the steering committee and then unveiled to the organisation.

Implementation (*Selection and change management --- May to July 2005*)

The principle of selecting the “right person for the right job” was adopted for the implementation. All the jobs on the mines and CHQ structures were profiled and a comprehensive employee database was developed across the company. This database included each employee’s personal details, qualifications, experience and performance over the previous three years. The placement selection criteria was defined by the project team and signed off by the steering committee.

The first selection panel was conducted to appoint the senior management teams for the operations and discipline heads at CHQ. The individual managers were notified of the outcome of the panel selection process and the operations management teams were announced to all employees. The management teams were thereafter called to the centre for a briefing session on the process going forward. The selection panels, comprising of operations’ management teams for each discipline, then worked to place the right employee in the right job. The selection panels were facilitated by external consultants; a BMR project team representative for each discipline provided clarification on the job content. The process was also overseen by the organisation’s internal auditors to ensure that the correct procedures were followed.

Employees were notified individually of the outcome of the panel selection process. Some employees survived the process and were placed either in their old positions or moved to a new role or a different location in some cases. Redundant

employees were given an opportunity to apply for voluntary termination, these employees were also informed that they would be retrenched if they chose not to apply and the company was unable to provide alternative employment within a reasonable period of time. The company did however, commit to trying to find placements for all redundant employees. Each employee was thereafter issued with a formal letter confirming the outcome of the selection process. Both terminated employees and survivors were given a two-week opportunity to appeal the process and attend a hearing. Management then started putting plans in place to “release” the terminated employees.

Wrap-up (August 2005 and beyond)

The BMR project was wrapped up and the team disbanded. This allowed the individual project team members to go back to their normal assigned roles within the company. The BMR process was embedded and efforts made to try to get the mine operations back to business as usual mode. All the assigned employee moves were then put in motion and the terminated employees left the company. New operations’ scorecards were developed and aligned to the company strategy. RACI charts were also put in place to ensure segregation of duties and responsibilities between CHQ and the mine operations. A post-mortem review of the BMR process was conducted by the BMR team and all the lessons learnt were documented to close the project out. The company settled the outstanding claims with employees who had decided to take the legal route to resolve their disputes; the majority of the claims were settled out of court.

Staff communication

The project team had put together a comprehensive communication strategy and plan which was implemented continuously through the BMR process and it included:

- open employee engagement sessions
- video addresses by the company Managing Director, the executive management team and some of the BMR team members (These videos played a vital role in ensuring that consistent information was shared across the business. Most of the video addresses were used to open the employee engagement sessions; these sessions were planned to would take place on the same day and at approximately the same time across the entire business to avoid rumours and filtering of information by management.)
- employee briefs, individual employee letters and one-on-one individual employee sessions
- departmental sessions run by management
- using the company intranet to provide easy access to all the presentations and other information issued to employees
- a hotline and helpdesk which were established for employees to log their questions, queries and suggestions
- regular e-mails to staff in which some of the frequently asked questions were answered.

5.3 Results of data collected

5.3.1 Exit interview form results

Secondary data was collected from 150 exit interview forms requested from the mine operations and corporate head quarters. These exit interviews were conducted with employees leaving the organisation between January 2006 and June 2007. Table 5.1 below provides details of the respondents to the exit interview forms selected and table 5.2 provides information on some of the responses included on the exit interview forms. The data received from Cullinan Diamond Mines does not reflect whether the employee was actively seeking alternative employment or whether he or she had been headhunted by another organisation. The findings suggest that most of the respondents were actively seeking alternative employment and thus had clear intentions of leaving the organisation.

Table 5.1: Respondents' exit interview forms analysed		
The Employee		
Was actively seeking alternative employment	69.75%	83
Was headhunted by another organisation	30.25%	36
Employment location		
Finsch Mine	20.00%	30
Venetia Mines	16.00%	24
Corporate head quarters (CHQ)	15.33%	23
Kimberley Mines	17.33%	26
Cullinan Diamond Mines	15.33%	23
Namaqualand	16.00%	24

Table 5.2: Frequency of the main reasons given as to why the respondent was leaving the organisation

	Frequency
Company culture	
Culture within the company	28
Employee wellness	
Stressful working environment	39
Workload distribution	14
Job challenge and opportunity for advancement	
Developmental opportunities	88
Alignment of my job to the company strategy	10
Future prospects within De Beers	47
Leadership	
Effectiveness of leadership	18
Relationships	
Relationship with manager	14
Relationship with colleagues	31
New job offers the following:	
New challenges	42
Opportunities for development	63
Better pay	44
Security	29

It is clear from this table that the three top reasons given for why survivors left the organisation after the restructuring/downsizing process were (1) the perception that there were limited or no developmental opportunities in the organisation; (2) the individual's future prospects within the company (could be linked to the fear of future restructuring); and (3) the stressful working environment which could be related to the instability, workload, new roles and new relationships that had to be formed in the workplace.

The following factors were also mentioned in the exit interviews as reasons why the individuals were leaving the organisation:

- Uncertainty and restructuring.

- Not being afforded the opportunity to be promoted within the company. Some of the respondents commented that the current job grading system (which also determines the pay scale) limited their advancement opportunities, because it only catered for those who were interested in moving into the ranks of general management.
- Not being able to challenge (or only being able to challenge to a limited degree) the way things are done in the organisation. Some employees mentioned the somewhat autocratic style of management and the culture of not being able to challenge executive or senior management.
- Concerns related to organisational culture, including problems with transparency, internal politics and hidden agendas, too many initiatives taking place, constant restructuring, lack of integrity and values not being lived by top leadership.

The following factors were mentioned in the exit interviews as possible areas of improvements:

- Communication and information sharing; use more effective mechanisms to communicate the company strategy.
- Reducing levels of authority and empowering employees.
- Proper analysis of employee structures before restructuring.
- Leadership should live the company values, be more transparent and improve on their leadership skills.

- Reduce the number of initiatives in the organisation. Sufficient time should be given to allow an initiative to run its course and thereby obtain the intended benefits.
- Better clarification of roles and responsibilities, and less interference from CHQ on day-to-day operational matters.
- Emphasis should be placed on the implementation of projects and not just on the planning thereof.

The respondents also mentioned some positive aspects about the organisation. Most of the respondents seemed to have had good working relationships with their managers, supervisors and colleagues. Many respondents mentioned that they felt empowered to make decisions within their areas of responsibility, were afforded advancement opportunities, but still felt uncertain about their prospects going forward. It is worth noting that many of the respondents were grateful for the experience, skills and knowledge gained; they thanked the company for the opportunities afforded to them. One respondent went on to say: “These have been the most fruitful years of my career life. I will always be grateful to the company for playing such a big part in the realisation of my dreams.” Almost 95% of the respondents mentioned that they would consider working for the organisation again. Another employee said: “I was made aware of opportunities after I had resigned --- I would have stayed had I been made aware of the opportunities sooner.”

5.3.2 Survey results of the BMR process and impact

A total of 54 people (30 current employees and 24 ex-employees) responded to the first survey questionnaire sent out. Five responses were incomplete and were thus discarded, leaving a total of 49 responses to be analysed (27 current employees and 22 ex-employees). Table 5.3 summarises the demographics of the survey respondents.

Table 5.3: Survey 1 - respondent demographics

	Response percent	Response count		Response percent	Response count
Current company employee	55.10%	27	Mine operations	61.22%	30
Ex-company employee	44.90%	22	Corporate head quarters (CHQ)	38.78%	19
Total		49	Total		49
Race	Response percent	Response count			
African	51.02%	25			
Coloured	12.24%	6			
Indian	4.08%	2			
White	32.65%	16			
Total		49			

The findings of the survey will be reported as per the headings of the questionnaire (Questionnaire: Appendix A).

5.3.2.1 The restructuring process

Respondents were asked to respond to statements concerning their views on the process followed during the restructuring exercise. The findings are summarised as follows:

More than 50% of the respondents agreed that

- the organisation's need to downsize was clearly explained to employees
- the organisation needed to downsize and that was the best alternative available for the sustainability of the company
- mechanisms were put in place to allow employees to ask questions and give input
- the severance compensation offered to affected employees was fair and equitable
- support programmes were put in place for affected staff
- the goals and direction of the new company were clearly communicated

More than 50% of the respondents disagreed that

- support programmes were put in place for survivors
- the environment was normalised quickly after the implementation of the BMR

Employees and ex-employees held very different views in the following areas:

- In responding to the statement of whether or not employees were sufficiently consulted and given the opportunity to give input, 59% of the current employees agreed with the statement, whereas 59% of the ex-employees disagreed with it.
- In responding to the statement of whether or not the implementation of the downsizing was done as quickly as possible, 59% of current employees agreed with the statement, while 68% of ex-employees disagreed with it.
- In responding to the statement of whether or not the company treated the terminated employees with dignity and care, 67% of the current employees agreed with the statement, while 59% of the ex-employees disagreed with it.

- In responding to the statement of whether or not management was honest, sincere and empathetic towards terminated employees, 52% of current employees agreed with the statement, while 50% of ex-employees disagreed with it. A total of 23% of all the respondents were uncertain.
- In responding to the statement of whether or not leadership was accessible and visible during and after the downsizing processes, 52% of current employees agreed with the statement, while 50% of ex-employees disagreed with it. A total of 27% of all the respondents were uncertain.

Here are some additional comments made by the respondents in this section of the questionnaire (direct quotes):

- “Downsizing had already started in 2003 with the voluntary separation exercise (VS) aimed to reduce the number of senior management at the time but it never stopped. It is questionable if the restructuring will ever stop with current leadership.”
- “The process of identifying redundant staff and positions was biased and some favouritism was evident.”
- “BMR was just another initiative that did not give the returns it was supposed to give. Instead the organisation lost employees with skills and years service because they just could not handle the uncertainty anymore.”
- “Some assumptions and structures were communicated as being in draft format, but very few changes were subsequently made to take into account employees’ inputs and comments. The basis for the new structure was not always clear and was based on subjective views.”

- “The restructuring started already with VS in 2003, although this might be denied by management. Due to poor leadership, VS was never successful but let lucky people walk off with substantial amounts of money. With the BMR it seemed that a large part of management did not even know how their departments would be structured or operate. People were made redundant based on numbers and not related to job requirements or capability requirement. It was clear that the whole restructuring and downsizing process (including new structures) was already finalised before any communication and negotiation with the affected parties started” (ex-employee).
- “There was a lot of misrepresentation on the process. Management used this opportunity to get rid of people who they wanted out of the system. There was a lot of back stabbing and unfairness all over the show” (ex-employee).

5.3.2.2 Communication during the downsizing period

The respondents were required to respond to statements related to whether sufficient communication took place during the downsizing process.

More than 50% of the respondents agreed that

- they were provided with adequate information before, during and after the downsizing process
- the decision to downsize was communicated as early as possible
- the communication was frequent and relevant to ensure that employees were well informed at all times during this process

No statements in this section of the questionnaire received a negative response of more than 50%.

It is clear that employees and ex-employees hold different views on the following:

- In responding to the statement of whether or not communication related to the restructuring process was clear, open and honest from the leadership at all times, 63% of the current employees agreed with the statement, while 55% of ex-employees disagreed with it.
- In responding to the statement of whether or not the communication was frequent and relevant to ensure employees were well informed during the process, 70% of current employees agreed with the statement, while 50% of ex-employees disagreed with it.
- In responding to the statement of whether or not management held back any information, 41% of current employees disagreed with the statement, while 59% of ex-employees agreed with it. A total of 33% of all respondents were uncertain.

Here are some additional comments made by the respondents in this section of the questionnaire (direct quotes):

- “I feel there could have been less communication and consulting, and faster action. The communication and consulting period was very drawn out” (current employee).
- “My perception is that management did not give us honest communication. We were only told what they believed we wanted to hear” (ex-employee).

5.3.2.3 The impact of downsizing/restructuring on individual employees

The statements in this section of the questionnaire aimed to investigate the impact that the downsizing process had on individual employees.

More than 50% of the respondents agreed that

- the process made them feel insecure about their jobs
- the process affected employee morale, mood and productivity
- the process influenced their perception of the employment relationship they had with the company (psychological contract)
- they felt relieved that they had been selected to stay and still had a job
- being chosen to stay made them feel valued
- it was sad to see their colleagues leaving, some of whom had become friends
- they had lost trust in the organisation even after having survived the downsizing
- their workload increased substantially
- they were expected to perform at the same level or higher than before the restructuring
- the downsizing had made them feel that the rules of the game had changed
- they had to work longer hours to cover their work
- they felt that their career development and advancement opportunities were limited in the leaner staff structure
- management had made it clear that their career in the organisation was their own responsibility

More than 50% of the respondents disagreed that

- the decision for the company to downsize had come as a shock
- their jobs were redefined and processes put in place to support the leaner structure
- they were provided with the necessary training and support to function in their new roles
- company policies, procedures and processes were reviewed and streamlined to support the learner company structure

It is clear that employees and ex-employees held different views on the following:

- In responding to the statement of whether or not the employee's role and how it fits into the new organisation was clearly explained, 70% of current employees and 23% of ex-employees agreed with the statement. A total of 45% of ex-employees disagreed with the statement whilst a total of 23% of all respondents were uncertain about whether or not their role was clearly explained.
- In responding to the statement of whether or not the employee's career aspirations and prospects were discussed, 67% of current employees agreed with the statement, while 68% of ex-employees disagreed with it.
- In responding to the statement of whether or not the employee believed he or she still had a prosperous future within the company, 59% of the current employees agreed with the statement, while 77% of the ex-employees disagreed with it.
- In responding to the statement of whether or not the employee felt that his or her career development and advancement opportunities were limited within the

leaner organisational structure, 44% of current employees disagreed with the statement, while 77% of ex-employees agreed with it. It is interesting to note, however, that 37% of current employees also agreed with the statement.

Here are some additional comments made by the respondents in this section of the questionnaire (direct quotes):

- "There was a lot of uncertainty about the future as the company was restructuring, almost every year, VS, BMR" (ex-employee).
- "Most of the time spent with the organisation was enjoyable but it has become clear over the last few years that management did not have the correct strategy to keep their leadership position within the diamond industry. The organisation is arrogant as evidenced by their thinking that they can dispose off their workforce and re-purchased it when they want to. People don't easy forget an experience like this" (ex-employee).
- "Employees were set up to fail by senior management and there was a lot of back stabbing during this process" (ex-employee).
- "The working environment became very hostile after the BMR and I did not enjoy going to work anymore" (ex-employee).
- "It took some time for people to find their feet after the BMR process. It was a challenge to get the older people to settle down because they were uncertain of whether the downsizing would continue into the future. The new policies and procedures took an even longer time to be put in place. It was only after the SAP implementation that there was enough time to go back and review the old policies and procedures" (current employee).

- "Due to some levels being removed, I did not have a career path within the organisation. My workload increased without any adjustment to my remuneration" (ex-employee).
- "There were times when I felt that the cart had been put before the horse" (current employee).
- "Even though the company did its best to minimize the impact on employees, I feel that there is still a long way to go as far as employees are concerned because as much as the morale has picked up, things just haven't been the same, people still feel insecure in their jobs, wondering when the next restructuring will take place. Unfortunately the organisation can not alleviate all the risk involved with restructuring. I believe in order to survive, the company had to make certain changes and this was the best way to do it" (current employees).

5.3.2.4 Reasons for the voluntary turnover

An overwhelming majority of the respondents believed that the following reasons explain why the survivors left the organisation after the downsizing process was complete:

- The downsizing process created a great deal of uncertainty and this caused people to start looking for jobs.
- Survivors were not happy with the process.
- The downsizing made them feel insecure about the future of their jobs (ie not knowing when the axe is going to fall again and on whom).

- Trust and commitment to the organisation could not be restored.
- The work environment became stressful after the downsizing process.
- They believed the company did not achieve its downsizing objectives.
- Career development and advancement were limited in the flatter and leaner structures.

It is clear that employees and ex-employees held different views on the following:

- In responding to the statement of whether or not their workload increase was unmanageable, 63% of the current employees disagreed with the statement, while 68% of ex-employees clearly agreed that their workload had become unmanageable.

Here are some additional comments made by the respondents in this section of the questionnaire (direct quotes):

- "There were less and less positions into senior management" (ex-employee).
- "The workload was a lot but eventually it got sorted out. The new SAP system was the ideal tool for the leaner structures but it came at an incorrect time when people were not really receptive to anymore changes" (current employee).
- "I strongly believe that the employees that left post downsizing, left because of job insecurity and of course they didn't know when another exercise of this nature would take place. For employees it was really a nerve wrecking experience and understandably they didn't want to wait to experience it again. I am a bit sceptical about the company and whether in fact they did achieve their objectives post downsizing. The reason being that the positions that had been

identified as redundant, were later filled by other people. Seemingly there was a greater need for these positions than the company had anticipated. Whether downsizing was the best thing to do, it's uncertain to me especially seeing that the positions were later filled" (current employees).

5.3.2.5 Factors that could have caused the survivors to stay

More than 50% of the respondents agreed that if management had concentrated on the following factors, some ex-employees might have stayed:

- Rebuilding employee trust in the organisation and its leadership.
- Compensation (including remuneration, bonuses and other employee benefits such as housing).
- Creating a positive work environment.
- Creating a conducive organisational culture.
- Open and honest communication.
- Organisational values that match the individual's personal values.
- Highlighting career and advancement opportunities.
- Career path discussions.
- Capitalising on the relationship of employees with their supervisor or manager.

More than 50% of the respondents do not believe that a survivor support programme would have retained the survivors who left the organisation after the downsizing exercise.

Here are some additional comments made by the respondents in this section of the questionnaire (direct quotes):

- "If the organisation had provided a clear, logical and proven basis on how the company was re-structured and tied that into the strategy it might have provided me with a reason to stay, but there was none of this, only political games played within management and no clear rationale behind the whole process. It destroyed any relationship between the company and me" (ex-employee).
- "An employee needs the following pillars to be present to accept the condition of employments: Happiness, exposure, growth and reward. If any one of these pillars is missing then there is a problem" (ex-employee).
- "My main reason for leaving De Beers was job security and the fact that I expected something similar to the BMR to be implemented again in the near future" (ex-employee).
- "The BMR was the biggest abortion job on restructuring that one could imagine, with those at the top making sure they looked after themselves" (ex-employee).
- "I guess for me, I understood what the company was aiming to achieve. In order for one to stay on top of their game, they constantly have to review their strategy and sometimes make difficult decisions. I suppose I stayed because I believe in what the organisation stands for and my needs were and are still being met here. I want to be part of the growth and success of the organisation" (current employee).

5.3.3 Results of the in-depth interviews with the BMR team members

(See Appendix B for interview questions and Appendix D for the list of interviewees)

The researcher conducted one-hour telephonic interviews with four members of the business model review project team: two from the original team and the other two members were from the phase two team. (Refer to Appendix 3 for the list of interviewees)

Planning

One member of the team believed, contrary to the others, that the planning and implementation took too long and that the external consultants were allowed to influence the process too much. According to him, the design of the new structures took unduly long because of the degree of collaboration allowed. In his view, the experts' advice should have been followed.

The following factors are those areas which the team believe did not go well in the planning phase:

- Team selection. Some of the employees selected for the team were unable to join the team because of other commitments, time constraints and because the operations managers were reluctant to release them. The team selection in the end was a challenge because the team comprised mostly technical people, but also required an understanding of how the process would impact on human

emotions. No formal selection process was put in place to ensure the right skills mix on the team.

- Time constraints. Insufficient time was allowed to develop a thorough understanding of the process and to find workable solutions. The problem of five out of seven mines being in trouble was a crisis that required a quick solution. It is also clear that insufficient time was spent on reviewing the focus of the project, the priorities and the urgency of tasks. The members of the team agree that too little time was afforded to planning up front and that the end date was decided before the project plan was developed.
- Briefing the employees. Communication during the early planning stages could have been more effective. Change management interventions should have been initiated during these early stages.
- Incomplete data. The team was required to work with incomplete data and the inconsistencies and variations in the “As Is” scenario analysis were not resolved adequately. There was no standard in terms of how data was collected, and the operations and the autonomy of the mines meant that each was doing its own thing. The data was not available in generic format, because each mine had a different type of reporting system. The team did not have sufficient time to meet with all the relevant people and to gather all the relevant information. They also had insufficient time to verify the data.
- Incorrect focus. The BMR process focused too much on the operating processes and people and did not, therefore, build a good business case model. This meant that the data could not be translated into knowledge early enough.

- Lack of management commitment. Management showed a lack of commitment and involvement in the early stages of the process.

It is clear also that the planning phase had some successes. The best practice/benchmarking exercise was an eye-opener in terms of what is possible and in terms of looking at common themes from other companies and other mining organisations. The team learnt about the benefits of an organisation developing an outward focus. The team was able to identify working examples of successful changes and was able to select relevant external companies against which to benchmark. The internal benchmarking, which was done by team members who understood their disciplines well, attempted to establish a broad database which covered a wide spectrum of data and included a detailed breakdown of how and why things are done in the organisation.

The team members believe that the structure design was based on sound principles. According to one team member, “Mine X was based on first principles, back to basics approach, focus on core business, no boundaries, no Holy Cows.” The team applied simple, sound, logic process and a simple common framework. The principle of “Diamonds today, diamond tomorrow” helped focus the team; they were able to develop an overall picture by differentiating between core operational activities and strategic issues with the ultimate aim being to deliver a structure that would meet the company goal of all seven mines operating on a profitable basis.

Process

The philosophy of the project was to ensure fairness to both those who were affected and those who survived. The general feeling is, however, that personal emotions and subjectivity were allowed to take control, and that certain sections of the organisation did not implement the processes as fairly as they should have.

There was limited input from lower levels and there appeared to be a degree of misunderstanding between some of the key stakeholders. The team members believe that they underestimated the need for consensus because the lack of clear decisions gave rise to mixed messages being communicated at times. They also agree that they should have involved the opinion leaders and decision makers from day one and kept them involved throughout the process. When it came to implementation, many stakeholders wanted to protect their "turf". As one team member stated, "It was like turkeys voting for Christmas," as the fear of the unknown began to influence people. Although the design principles clearly wanted to do away with "holy cows", some did survive the process. It is clear that management were not stringent enough in ensuring that all the stakeholders adhered to all the organisational design principles; some members of the management team appeared to have their own agendas. One team member remarked that it would have been a good idea to get external people to critique the outputs of the process before implementation. The BMR, unfortunately, focused almost exclusively on numbers and failed to take into consideration the human factor. The members of the team agree that they may have lost sight of the project mandate, as the organisational structure was but one part of the business model.

In the end, the project was viewed as a number cutting exercise --- this filtered down from management, as they refused to consider any alternative other than reducing headcount.

Other issues of relevance here include the fact that there was no plan put in place to ensure the sustainability of the BMR implementation. The project team was disbanded soon after the downsizing took place and it was left to each operation to embed its principles and to concentrate on change management. Some operations decided not to make certain positions immediately redundant as per the structure design and requested that the individuals be released after 12 to 18 months so they could complete projects they were busy with. Some of these individuals never left and were absorbed back into the structure, thereby inflating the lean structures. Some operations also subsequently decided they could not do without some of the positions which had been made redundant and so re-appointed people to the positions and even brought back employees who had been retrenched. According to the team members, these actions made management and the process lose credibility.

There were also inconsistencies across the mine operations, because some adhered strictly to the BMR principles and rules of implementation while others did not. The operations that adhered to the BMR rules bore the brunt of workload issues and stressful work environments. Those employees who believed their counterparts at other operations were not experiencing the same stress as them became despondent, blamed the management of the relevant operation and,

consequently, left the organisation. The team members also believe that management compromised when it came to tough decisions, this resulted in the right person not always being appointed to the right job. Employees interpreted this as a sign of weak leadership and lost faith in the process and in management.

The new leaner and flatter structures increased the number of subordinates reporting to each manager and this, of course, created problems: managers did not have time to coach or mentor poor performers, or to manage them out of the system where necessary. This increased strain on the rest of the team members who now had to carry the poor performers. Lastly, due to production pressures, the organisation had insufficient time to embed new rules, create a new rule book where necessary, and resolve job content issues and remuneration where appropriate. It was easy for certain pockets of the organisation to slip back into old habits, because the culture change management processes were not adequate or centrally controlled. A BMR benefits tracking mechanism was not put in place and management was thus not held accountable for slippages or its sustainability.

Communication

The interviewees indicated that the project aimed to provide frequent and consistent communication. There was a subset group in the team especially dedicated to developing and implementing an effective communication strategy. The BMR team members responsible for communication frequently visited the operations during this period to provide clarification on matters that the operations' teams could not respond to. This was done to ensure that all employees received

the same message, that rumours were counteracted and that incorrect interpretations of information were rectified. Although the communication strategy was adequate, most of the team members believe that many of the messages were merely smoke screens, for example: A message would state that the aim of the downsizing was to save 6000 jobs when in reality, people would lose their jobs. Although attempts were made to communicate with the entire workforce through communication sessions and the distribution of information, some team members believe, in hindsight, that the messages were not tailored enough to meet the needs of the various categories of employees.

The team also agree that the communication tended to be one-side at certain times. Information was also conveyed using a "telling mode" rather than following a consultative approach. The team and management sometimes got defensive when questioned about the principles and rationale behind some of the decisions made. There is the belief that many of the solutions were pre-determined and that employee input was not taken into account.

Impact on the individuals

Some team members concede that they underestimated the impact the BMR process would have on employees, especially on the survivors. The team members agree that a lot of time was spent on providing support to affected employees. The rationale behind this was that it was the correct thing to do and that it would lessen the negative impact on the survivors. The team attempted to convey the message that the survivors were the skilled and talented employees

that the company wanted to retain, but there is doubt that this message had the intended effect.

The company offered emotional assistance to both terminated employees and survivors through the same service provider normally used for the employee assistance programme. This created the impression that the company was unwilling to make a special effort to help employees through the difficult times. One of the team members felt very strongly that the employee support programmes should have been integrated into the BMR process rather than a stand-alone programme which employees could choose to use if required. The change management process conducted after the implementation of the BMR concentrated on workplace, cultural and job issues --- it did not address the human factors (ie the emotional scars) created by the BMR. Employees were not allowed time to grieve or heal, which is so essential after a traumatic experience.

Outcomes and learning

The general feeling among the project team members is that the BMR was the correct route for the company to follow. One team member, however, believes that it was probably not the correct decision, as it did not meet the objective of making all the mines profitable at R5 to \$1. The BMR was successful in that it achieved its required number of employee reductions and decreased operating costs. Overall, the team believe that the correct planning and structure design was followed. The challenge came in the implementation which was effected through many managers who did not necessarily understand or agree with some of the design principles

and did not necessarily buy-into the process themselves. The team believes the biggest downfall in the organisation was the change in leadership soon after implementation; the original leadership did not see the process right through to finalisation and this created additional uncertainty.

5.3.4 Findings of the conversation with the operations managers

(See Appendix C for interview questions and D for the list of interviewees)

The researcher conducted one-hour telephonic interviews with four management team members at different operations. Each team member had a clear knowledge and understanding of the origins of the BMR, the need for it and its objectives. One manager remarked that the BMR aimed to eliminate costs, and implement leaner structures and smarter ways of conducting business.

Communication

The managers agreed unanimously that communication during this period was more than adequate and that different channels were employed to convey the messages. Most of the communication was designed and disseminated from the project team to ensure consistency across the operations. They also believe that the messages were clear enough for the employees to understand, but acknowledged that understanding does not equate to acceptance. Each employee viewed the process differently and those more directly affected viewed the process in a more negative light. The communication targeted 9000 employees, which

meant that little customisation was allowed in the messaging. Some of the managers felt that the communication was one-sided and that input from employees was not taken into consideration. These managers also felt that the communication failed to convey the new company vision and direction, which resulted in limited buy-in from employees. One manager argued that the communication should have gone much further in explaining the why, how and where to from here.

The process

The managers believe that the process was legally correct and largely fair, but admit that there were some mistakes that were made. The acid test, however, was the low number of cases that had to be resolved in a court of law. One manager believes that the company backed off from some cases purely to avoid a legal dispute. Although the implementation was based on the principle of the right person for the right job, in practice, the wrong person was sometimes retained.

Impact on the individuals

All the managers agree that the uncertainty created by the BMR caused a shocking drop in morale. Management attributes this to the fact that the workforce was caught off guard. This is in contrast with the views of the employees argue that the BMR process did not come as a surprise to them. According to one manager, the issuing of the s189 notices dragged the process and “the cuts made were deep and many employees were hurt and felt betrayed”. The managers agree that the affected employees were adequately supported, but acknowledge that the

survivors were not. Although the employee assistance programme was made available, the need for counselling was never stressed and no other support was provided. Change management workshops were held at all the mine operations after the BMR, but the managers were never trained to become change agents and had to learn a lot of things by trial and error. Most of the managers agree that career development or advancement opportunities were not discussed with the surviving employees to demonstrate to them that the organisation was still committed to them and that they had a future in the company. They believe that the BMR left a bad taste in the mouths most employees.

Retention

The voluntary turnover had a negative effect on certain areas of the organisation. Specialist skills were lost, which were difficult to replace, and the organisation had to resort to alternatives such as outsourcing, using contractors to do the work or even recalling some of the employees who had been retrenched.

Some mechanisms that the managers believe could have reduced the voluntary turnover include

- explaining to an individual employee how his or her role fitted into the new organisation going forward
- a discussion of the future career prospects of the employees within the company
- leadership providing a compelling vision, that is, explaining where the company is going and what the future looks like

- creating a culture which is receptive to change and which supports the lean organisational structure
- focusing more on the needs of the survivors

Outcomes and leanings

Most of the managers believe that the objectives of the BMR were largely met, but that the implementation thereof was not ruthless enough --- some of the affected people who challenged the retrenchment were just moved from one operation to another or to CHQ. Management lost some credibility, as they appeared unable to follow through with the specified implementation. Some believe that the BMR failed in terms of delivery, because the work process flows were not reviewed and this created additional work for those who remained behind. One manager stated he believed strongly that the BMR was long overdue to disrupt the organisation and its employees who had become a bit complacent.

The managers believe that there are still not adequate retention strategies in place. De Beers offers long-term incentive schemes, whereas the competitors offer more tangible short-term incentives. This is particularly unappealing for employees who are uncertain about the future of the company. A compelling employee value proposition needs to be put forward for employees, which includes developmental opportunities, a caring environment and a greater emphasis on diversity in the workplace.

5.3.5 Findings from the conversations with HR specialists

(See Appendix D for the list of interviewees)

The researcher interviewed two internal and two external human resources management specialists.

The two internal HR specialists interviewed agree that, a greater understanding of the new organisation is needed employees. They believe that change without understanding is problematic. It is therefore important for the employer to develop a strategy that supports the end state --- an end state that is doable. In their experience, 30% of those employees who applied for and had their applications for voluntary retrenchment denied, left the organisation soon after the downsizing process because they questioned what the future of the organisation looked like. One of the HR specialists is of the view that the future determines present behaviour, because people either try to adapt to what they see coming or try to act in ways that create the future they want. He is also of the view that in the absence of a sound future in a turbulent environment, an employee will construct negative pictures and perceptions of the future which will play a major role in his or her continuous employment intentions.

Both HR specialists believe that the perception of a business by those in charge plays a critical role in determining what problems are considered “right” and what decisions are actually made. It is a sad fact that employees are seldom participants in these decision-making processes. Management needs to be able to sell its

reasons for change. These HR specialists, however, believe that employee participation should be seen as the cement that holds together the building blocks of the road to the future. Although it is not necessary to involve everyone in the process, those affected by a planning decision have the right to participate in the making of that decision. The HR specialists believe that a process of participation will bring with it an enhanced understanding of the company, knowledge of the environment and insight into how employees --- through their behaviour --- can improve the performance of the company. The credibility of management can thus be enhanced through sound participation.

In their interaction with employees, the HR specialists learnt that most felt that there were too many initiatives taking place in the organisation. They attributed the loss of confidence in the company and in management to the numerous initiatives. Employees felt exploited and stretched in terms of time and energy. These beliefs resulted in resignations, loss of performance and productivity, loss of engagement and focus. The one HR specialist acknowledges however, that there will always be differences in how individual employees perceive and feel about situations, but that it is important for the organisation to assist the bulk of the remaining employees to find something positive in the future. This should not be a separate initiative in the organisation, but part of the downsizing process.

He suggests that organisations do the following to get the process going:

- Managers and supervisors should be trained to utilise mental models (not a subject of this paper) to assist them to understand where their teams are at each stage of the restructuring process.
- Implement a foresight process (participative dialogue about decisions and the future of the organisation) which includes all employees from supervisor to senior management level. This will empower employees, serve as an early warning system and facilitate realism and buy-in.
- A new employee value proposition, based on the principles of broad participation, should be developed for the anticipated company environment of the future. The HR specialists should not be allowed to merely provide a best practice value proposition. This employee value proposition must be flexible enough to address the transformation needs of the company, but should also address the fear of change so prevalent in most companies today. Such a system is unlikely to be immediately successful, but it will bring stability in the longer term.

According to the other HR specialist interviewed, an employee value proposition is the compelling and unique value of what the organisation offers to its employees. The value proposition may be different for different employees; it is, therefore, important for management to clearly understand the different employee value propositions of their critical and talented employees before embarking on a restructuring process. Management can also try to align the value proposition to a changing organisation.

He believes the following factors might assist in retaining employees in the organisation after a downsizing process:

- Meaningful jobs. Jobs that provide employees with an opportunity to learn, explore and be stretched.
- Quality of the organisation. Does the organisation have problems? Is it in a state of continuous change? Or does it provide a degree of stability? The vision of the end state is very important.
- Human contact. Are employees comfortable with the people with whom they work? This is especially important during times of uncertainty. Employees need to connect emotionally with their colleagues and peers during times of organisational instability.
- Immediate supervisors. An employee's relationship with his or her immediate supervisor is critical, because this person represents the organisation in the eyes of the employee. When a supervisor is affected or moved during a downscaling period it creates more uncertainty for the employees, because it means in addition to adapting to the new work environment, they also have to build new relationships.
- Certainty related to income. For most employees, it is about “my wealth creation”, bonuses, promotion prospects and the ability to be moved to different jobs and places to gain varied experience.
- Employment Equity. The issue around Employment Equity in South Africa increases the uncertainty for white employees, especially when faced with a shrinking organisation.



- Integrated strategy of dialogue. Introducing an integrated strategy of dialogue during a period such as this is important to give a platform to employees and to obtain buy-in. He suggests that the traditional African meetings, known as “Lekgotla” (where the chief of the tribe holds a meeting under a tree with his subjects seated in a circle), would remove the hierarchy, make employees feel less distant from management and create an environment conducive to sharing views. He emphasises that good leadership is characterised by management’s ability to openly discuss difficult issues with employees, an essential process during a downsizing exercise.
- Employee value proposition. An employee value proposition, which includes succession planning, needs to be developed. He acknowledges that this is very difficult during times of restructuring, but management needs to have these conversations with employees about possible future jobs within the leaner structure. The employer should also be more creative in terms of creating futures for employees, for example: They should plan careers across the group of De Beers’ companies. They could create global talent pools and talent exchange programmes with other companies where synergies can be identified in skills development.
- Creating self-development opportunities. Most organisations will cut their employee development/training budgets during a period of restructuring and justify it as a cost-saving exercise. He believes this is inappropriate, because employees need to be trained and developed for their new roles going forward. Increasing workloads often makes it difficult for employees to find time to attend to their training needs. This creates a vicious circle, as employees take longer

to settle into their new roles and this, in turn, creates pressure and builds stress which can lead to illnesses and/or poor performance. Management needs to think creatively about on-the-job training and coaching. Supervisors also need to have a strong developmental focus.

- Advancement opportunities. The employee value proposition must include advancement opportunities. Management is responsible for creating roles which are expandable and which will stretch the employee and keep him or her feeling challenged. Job profiling must be flexible enough to allow for an increase in responsibility and greater opportunities within an existing job. Other factors that could be considered are utilising employees on short term and sometimes longer-term projects to develop other skills.
- Confidence in the leadership. This is also one of the factors that will retain the skilled and talented employees in the company. The problem in this particular organisation was that a new leadership was appointed that was seen as young and inexperienced --- this in an organisation and industry where experience earns one respect. Traditionally speaking, the mining industry is one of the old industries in South Africa where people were made to earn their stripes and would advance up the ranks based on their experience. To complicate matters further, the new leadership developed a new vision, direction and strategy that steered the company in a slightly different direction, despite the fact that it was built on the BMR. The change made some employees believe that the leadership did not know what it was doing.
- New vision and direction. The role of leadership is critical in the retention of skilled and talented employees. Leadership needs to carve out a strategy and

articulate it in a manner that creates followers out of employees. The strategy is never an end state and should be articulated as a journey that the organisation will travel to achieve its end goals. Management needs to focus on a few critical issues to give direction to the organisation, because too many initiatives during or after the downsizing process could be interpreted as a lack of direction.

- Management commitment. Management commitment is essential at all levels of the organisation, since they are responsible for implementing the strategy and for ensuring that the necessary conversations take place.
- Remuneration. Remuneration is, in itself, not an effective way of retaining staff, because competitors can always offer a better package. What is important, however, is that it is market related and linked to opportunities. Employees need to be aware that they will be rewarded if they deliver more.
- Change. The organisation cannot change its structure without also changing the work content.

This HR specialist also believes that the old saying, “a little success breeds complacency” is true of De Beers. This company has a long history of being a dominant player with little competition in a global diamond industry. Many employees who had worked for the company for a long time did not see a future in the industry and believed that there were few options outside of De Beers. Many of them decided that it was better to start looking for an alternative employer before the next downsizing exercise.

Both the HR specialists agree that change takes time to embed and BMR was, unfortunately, viewed by many as a three-month process that would pass quickly. The mistake management made was to assume that employees' need for "social and self-actualisation" would make them stay, but he believes this would only be the case once physical and security aspects are in place. Employees generally want to be able to first support themselves and their families before looking to satisfy the need for social and self-actualisation.

The HR specialists believe that the organisation did some things well, for example: They created a new and positive culture quickly after the restructuring. New company values that appealed to many employees were introduced at all the operating companies globally just at the right time. The workplace accountability principle was introduced to empower employees and enable them to operate more effectively in the new structures. The culture became more progressive and the leadership shifted the perception of being seen as the dominant player in the diamond industry to one of leadership. The young leadership gave working for the company a new meaning by asking employees to become part of creating the "diamond dream" and instilling a more commercial sense to running the business.

The organisation also embarked on a corporate citizen campaign that would make employees proud to work for the company; it provided good HIV/Aids programmes, displayed good working relationships with the labour unions operating in the company and developed the local communities in which they operated. The image of the organisation is also important, for people generally like being associated with

prestigious companies and those known for high standards and professionalism. Going forward, the organisation should aim to attract individuals who are comfortable with change, as it is clear that there are more changes to take place.

The findings of the interviews conducted with the external HR specialist from Investec and ABSA indicated very different organisational cultures. Although both organisations had gone through restructuring processes in the past, they were going through a growth phase at the time of the interviews and were thus focused on different issues. The HR specialist from Investec Bank believes that their success in retaining the right employees is based on the emphasis that the bank places on creating a unique organisational culture. In her own words “employee offerings such as work content and remuneration can easily be copied by others but culture cannot be copied”. The employee culture fit is important to survive the private bank environment which can be hostile at times and thus they do not attempt to retain employees who are a misfit even though they may be talented or possess critical skills for their industry. She believes in recruiting the right people that will fit in with their culture as talent can be nurtured and skills can be developed. Contrary to literature, their organisation does not define career paths but rather place emphasis on employee development to allow flexibility for changing careers within the bank.

The ABSA HR specialist on the other hand mentioned that their bank concentrates on building a brand that employees want to be associated with. A lot of effort has gone into building the “best company to work for” image which is concentrated on

creating an internal environment conducive to good performance and a place where people are happy to come to work. The lesson to be learnt from this bank is that change takes time to embed because consistent improvement efforts and change management initiative were systematically implemented over at least three years. The HR specialist remarked in the interview that change is an evolving journey and not an end state.

5.3.6 Findings from the conversation with employees

(See Appendix D for the list of interviewees)

Process

Although all the interviewees agree that the BMR process was a traumatic experience, they believe that it was necessary for the organisation at that point in time. They believe that the process was largely fair and based on sound business principles; they disagree, however, that the implementation was always fair. The one interviewee explained that he did not attribute the incorrect implementation in certain areas to the organisation's unwillingness to make changes, but more to the bias and subjectivity of the specific individual managers and turf protection. Most interviewees emphasised that strong leadership was required to ensure strict adherence to the implementation of the signed off structures and principles to maintain the credibility of the process and to retain the trust of the employees.

As sad as it was for the employees to see their colleagues leave who had been rendered redundant, most of the interviewees believe that the action taken by the

organisation was the right one to ensure its future sustainability and profitability. They believe that it was for the better of the majority of the employees as more jobs were saved than made redundant. They understood that there was a very high risk of the company being declared bankrupt and all employees losing their jobs if the turnaround was not initiated.

The interviewees agree that the burning platform for change was clearly explained and that the communication on the BMR process was clear from the beginning. They also agree that the communication was adequate and generally open and honest. The one interviewee said: “Due to the sensitive nature of downsizing management probably had to hold back certain information or delay the announcements.”

The impact of restructuring on individuals

The interviewees all agree that the BMR had a negative impact on them personally, because it also made them feel very insecure about the future of their jobs. Most employees confessed to looking for alternative employment during this period because of the uncertainty caused by the BMR. Surviving the downsizing, however, restored their trust and commitment to the organisation, because their retention confirmed that the company valued their skills, knowledge, input and output. Some of the interviewees did not remember whether counselling services were offered to them or not, but said they would have made use of the normal employee assistance programme had they needed it.

Retention

Most of the interviewees agree that the company offers challenging and interesting work and that there is large scope for career growth. These employees believe that the company offers meaningful jobs, feel empowered to make decisions in their area of responsibility and that they are given an opportunity to challenge boundaries. The perceived possibility of future restructuring is in their minds, but they are willing to stay at this stage because they believe that they have something to offer to the organisation and the organisation can offer them a meaningful career. Should there be a need for restructuring in the future, they believe that employees will be given sufficient time to make alternative arrangements.

These interviewees also seem to believe that the company took good care of the redundant employees and offered them decent severance packages. These employees feel that the organisation has a good reputation and is a leader in the diamond industry. They want to be associated with the organisation.

Post BMR environment

The positive side of the restructuring process as highlighted by one employee in the interview was that it reduced the number of people occupying management positions and increased the number of people on the teams. This has resulted in closer working relationships between the employees and a better sense of teamwork. The moving around of employees between the operations was seen as both positive and negative. Positive in that it gave many people new learning and growth opportunities and negative in that people had to join new teams, build new

relationships and learn new work methods in an already unstable environment. For most employees, remaining with the same supervisor or manager was one of the things that helped them get through the tough period. Another important factor was relationships with colleagues --- this was seen as a positive factor, as they were able to support one another during the traumatic experience.

The area which most employees agree was inadequate was the implementation of change management after the BMR. The organisation was quick to return to business as usual without stabilising the work environment; production pressures were thus given priority. Only a few of the interviewees said that their new roles were properly defined or mapped to the organisation's new strategy. Most role definitions developed over time as everyone got to understand the company needs and the new direction. The discussion on employee development needs, advancement/promotion opportunities and succession planning did not take place immediately after the BMR, which most employees agree increased their feels of insecurity. The one interviewee said: "I believe that management was possibly not sure of the new roles themselves and it was therefore difficult to have the conversation with me. The environment was also still very volatile and unstable neither for management to make any commitments nor for the employees to believe them anyway. Everyone including management in the organisation was busy readjusting to the new structures and workload that there was little time to think about going for training or identifying their developmental needs."

The interviewees also believe that most people and management underestimated the time it would take to stabilise the business. The fact that the shared services

centre and the implementation of the new SAP integrated system took some time added to the pressure and workload of the survivors.

5.3.7 Reasons for employees returning to the organisation

(See Appendix E for questionnaire number 2)

A total of 10 employees, all of whom returned to the organisation after the implementation of BMR, were asked to complete a survey on why they decided to return to the organisation.

Table 5.4 : Details on the respondents to survey number 2					
The employee			Did you return on a promotion?		
Was approached by the company to come back	90.00%	9	Yes	70.00%	7
Approached the company myself to come back	10.00%	1	No	30.00%	3
answered question		10	answered question		10
For how long were you away from the company?			Length of service before you previously left the company?		
< 6 months	20.00%	2	Under 2 years	0.00%	0
6- 2 months	30.00%	3	2-5 years	20.00%	2
12-18 months	40.00%	4	5-9 years	70.00%	7
>18 months	10.00%	1	Over 10 years	10.00%	1
answered question		10	answered question		10



The reasons were rated as follows:

Central significance	Of moderate importance
Employment conditions	Company values and workplace culture
Career prospects and promotion opportunities	Stability
Personal development opportunities (including training)	Familiar work processes
Flexible work practices	Relationship with immediate supervisor/manager and other colleagues
Interesting work	Invigorating peers and people
Ability to apply my technical expertise	Leadership and competence of your immediate manager
Work ethic	All the corporate image aspects
Work/life balance	
Office/work environment	
Your role and responsibilities	
The nature of the work required	
Opportunities for advancement and development	
Performance review and development process	
Ability to provide input into issues that affected your job	
Company direction and policy	

The other reasons given for respondents returning to the company included the opportunities for growth, the professionalism in the organisation and its mentorship programmes. One respondent came back for the benefits of living in a small mining town, such as cheaper transport, health and safety. Some respondents seem to have been content with the company before but left for minor issues that were not resolved at the time. The one respondent claims: “I was very happy with my role and development and before I left the company. The reason I left was that I was not remunerated accordingly and no one wanted to take the lead on solving my problem. I was even told that De Beers will never match the offers I was getting from outside. Surprisingly enough the company ended up paying over 70% of my previous package to get me back.” Another respondent goes on to explain: “I left De Beers not because I was entirely unhappy, but mainly because I had reached my ceiling. If the structure had remained as was, then I would have continued doing the same thing to date. I have come back to a totally different role than when I left, besides the fact that this is familiar territory for me, there are lots of growth prospects for me.”

In general, the respondents are happy to be back with the company because they believe that employees are well looked after. The one respondent remarked: “Although the company did not effectively handle the BMR process, the company is still perceived to be an employer of choice. The challenge however, is for management to live the company values”.

Chapter 6: Discussion of Findings and Results

6.1 Introduction

This chapter provides a discussion of the research findings and results in the context of the literature review provided in chapter 2 and the research propositions contained in chapter 3. This discussion aims to provide an understanding of how the downsizing exercise affected the survivors and the reasons why they left the organisation after the completion of the downsizing exercise.

The survivors of a downsizing exercise, as with the survivors of any traumatic event, often experience a range of negative emotions known as survivor syndrome (Appelbaum and Donia, 2000). All the respondent groups (managers, BMR team members, HR specialists, employees and ex-employees) agree that the BMR process had a negative impact on the morale, trust and commitment of employees to the organisation. It created a lot of uncertainty and also made the employees feel insecure about the future of their jobs in the organisation. The interpretation and experience of individuals during the downsizing differed vastly as indicated by the difference in opinions of the current and ex-employees resulting in some survivors choosing to stay and others deciding to leave the organisation.

The biggest impact of workforce reduction is on the surviving employees who have to see their co-workers and friends leave (Simone and Kleiner, 2004). The findings indicate that the BMR team and management had underestimated the extent that the BMR would negatively impact the survivors and thus the downsizing process did not adequately make provision for a survivor support programme.

6.2 Proposition 1

During downsizing, organisations do not communicate the downsizing plan and the implementation strategy clearly to employees. This leads to employees not understanding or agreeing with the reasons given for the downsizing

Proposition 1 refers to how the downsizing plan was communicated to employees. This is important because it is the interpretation and understanding of the communication which is found to influence the survivor's decision on whether to leave or stay with the organisation. Appelbaum and Donia (2001) argue that communication is a critical component of the downsizing process as indicated in the RDP model that they developed to address the issue of survivor syndrome. The communication in the downsizing process includes aspects such as: clear objectives and the reasons for downsizing; the basis on which decisions were made; the perceived honesty and transparency on what management communicates; the frequency and depth of the information provided; whether employees are given an opportunity to give input and how the input is handled; the approach to communication (consultative or "telling" mode). Ineffective communication leads to a misunderstanding and disagreement on the reasons and/or process of downsizing.

The findings indicate that a lot of research and planning (maybe not enough in the opinion of some BMR team members) for the development of the downsizing process. Faced with uncertainty most people demand more information (Tourish *et al.*, 2004), and the BMR team members and management are of the view that frequent and adequate information was provided to employees during the downsizing process. Employees also agree that the reasons and the need for downsizing were clearly explained. As indicated by Pate (2006), the belief that the organisation's actions of downsizing are a reaction to changes in economic circumstances could mitigate the negative response of employees. However, should the downsizing be attributed to poor management or "the company's fault" then a different reaction will ensue as evidenced by the responses of some of the ex-employees who believe that the downsizing process had long begun and would continue into the future due to poor leadership.

Most of the survey respondents believe that management withheld some information that was intended to be shared with employees. A third of the respondents were uncertain whether management shared all the intended information (Tourish *et al.*, 2004) or not. This means that management action during this period failed convince employees otherwise. One employee remarked in the interview that there was probably information which management could not share with employees due to its sensitive nature. This uncertainty might be driven by the lack of trust in the organisation during the downsizing period. The findings also indicate that the information was tailored to portray a certain angle of the truth as indicated by the one BMR team member and some survivors who believe that

management “told them what they wanted to hear”. The mistrust is also evidenced by the 53% response where respondents either do not believe or are uncertain on whether management was open and honest at all times during the downsizing process. Most respondents including the BMR team members agree that the communication was more one-sided leaning more towards the “telling” mode rather than being consultative. The response from ex-employees shows that they believe that there was not enough consultation during the process whilst some managers argue that the employees’ input was considered in certain cases but that the BMR team failed to communicate the changes made back to the employees.

The comments of some of the ex-employees seem to indicate that the rationale for the restructuring and how the new structures were aligned to the new strategy were not clearly articulated for all to understand. The employees who stayed, on the other hand, seem to understand that it is important for companies to constantly review their position and strategy in order to remain competitive. Managers can, therefore, not assume that the good intentions that may underlie particular episodes of downsizing will be enough to ensure widespread understanding, support and compliance (Tourish *et al.*, 2004) as one manager said, “understanding the communication does not equate to acceptance”.

The team believes that the lack of consensus among key stakeholders caused ongoing debate and sent mixed messages to the employees as management and leaders would sometimes interpret issues differently.

Based on the above, it would appear that proposition 1 is true as the findings indicate that although certain aspects of the communication on the downsizing plan were carried out well, there are other aspects that were not carried out as well to result in a clear understanding and buy-in from the employees on the process especially of those survivors who subsequently left the organisation.

6.3 Proposition 2

Employees do not believe that the process of identifying redundant persons during downsizing is fair and consistent. Survivors also believe that terminated employees are treated unfairly.

Proposition 2 explores how the sympathetic view of survivors with the employees who have been rendered redundant by the downsizing could influence their decision on whether they stayed or left the organisation. It is not only about the fairness of the process but also about how fairly their fellow colleagues were treated by the organisation.

The findings reflect the two types of survivor responses that Brockner and Greenberg (1990) in Thornhill *et al.* (1997) refer to, namely, the unsympathetic reaction of current employees who believe that the downsizing was justified to ensure the sustainability of the organisation. These employees viewed the process as largely fair and agree that it was based on sound business principles and a clearly defined criterion for the selection of redundant positions. Surviving the

downsizing made these employees feel valued and restored their trust and commitment to the organisation. One of the employees remarked in their interview that they attributed deviations to the planned process to individual manager bias and error in judgement rather than believe that the whole organisation was not committed to the downsizing process. The sympathetic response on the other hand is evidenced by the views of the ex-employees who disagree that the terminated employees were treated with dignity and care. One ex-employee even made the comment that the selection process was bias and showed some favouritism. Factors found to most influence commitment to an organisation are fairness, care and concern for its employees and trust, elements which are most influenced by their direct bosses or leaders (Frank *et al.*, 2004).

The BMR team and managers argue that the identification of redundant positions was fair and legally compliant. This is important because processes perceived as fair and the creation of new psychological contracts are crucial in preventing survivor syndrome (Baruch and Hind, 2000). The BMR team concentrated on providing support to affected employees with the hope that the negative impact on the survivors watching would be less. Turnley and Feldman (1998) found that there are situational factors which might lessen the intensity of survivors' responses to the perceived psychological contract violations which include the notion that employees who feel that there was a high degree of procedural justice in terms of layoff procedures are less likely to perceive their psychological contracts as having been violated. These employees are less likely to have intentions to quit or to be

searching for new jobs and are more likely to remain committed to the organisation and defend it to outsiders

The findings indicate that the implementation of the termination plan was not always according to plan. Subjectivity, bias and maybe even favouritism were allowed to creep into the process and the company backed down in certain instances where it was challenged by senior people whose jobs had been identified as redundant during the selection process. The design principles and selection criteria of placing the right person in the right job were not always adhered to. The leadership was not bold and courageous enough to enforce stringent adherence to all the organisational design principles agreed upon because there were people in management itself with their own hidden agendas. The inconsistent BMR implementation at the different mine operations and the centre further complicated matters. The findings also indicate that there were some mine operations that decided to postpone certain redundant positions and the individuals never got to leave, others subsequently re-appointed people into positions that had been rendered redundant during the downsizing and even recalled retrenched employees some cases, which made the process lose credibility with the survivors. These management actions made some survivors to feel that the process was unfair on those who had left and were never called back and they questioned the criteria of recalling individuals.

Based on the findings above it appears that proposition 2 is true. Management failed to demonstrate that the process was fair in all respects because strict adherence to the design principles was not enforced.

6.4 Proposition 3:

Downsizing in organisations makes survivors feel insecure about the future of their jobs.

The employees indicated in their responses to the survey that the decision of the organisation to downsize came as no surprise to them. Even though the decision to downsize came as no surprise, employees including management and the BMR team members still felt insecure about their jobs and their future in the organisation. The findings of the research also indicate that the insecurity made employees to start searching for alternative employment; this corresponds to literature that states that survivors with higher levels of job insecurities tend to engage more in job search behaviour (King, 2000).

The research results also show that the feelings of insecurity were aggravated by the uncertainty of whether the downsizing would take place in the future or not. Some employees mentioned that they expected the downsizing process to be implemented again in the future based on the fact that a similar exercise had been conducted in the past year, although on a smaller scale. Almost two years after the downsizing one employee still makes the point that although there has been an

improvement in staff morale, things have not gone back to normal because employees still feel insecure in their jobs and are wondering when the next restructuring will take place. The research findings further indicate that some survivors did not believe that they had a prosperous future with the company because job insecurity is not only concerned with the potential loss of employment but also with the uncertainty regarding job and career issues which include one's level of responsibility and promotional opportunities (Ito and Brotheridge, 2007). These survivors subsequently left the organisation (see proposition 7).

The change in leadership soon after the BMR implementation created more uncertainty in the organisation because management was not able to create a compelling vision of the company's future during the transition period. As mentioned in the interview with the HR specialist, in a turbulent environment, the absence of a sound future will cause employees to construct negative pictures and perceptions of the future which will play a major role in their continuous employment intentions. It takes time to embed change as pointed out by the HR specialist, production pressures and management's desire to get things back to "normal" quickly, led to the BMR process being abandoned too soon after its implementation and the organisation not allowed to go into the maintenance phase. This might be the reason why some employees are still feeling vulnerable and those who could not handle the pressure of feeling insecure about their jobs leaving the organisation.

Based on the above findings, proposition 3 appear to be true as both current and ex-employees agree that the downsizing made them feel insecure about the future of their jobs. The major difference in opinion between the current and ex-employees is that the current employees although insecure believed it was still possible to have a prosperous future with the organisation (surviving the downsizing has restored their trust as mentioned above) whilst the ex-employees did not seem to believe so.

6.5 Proposition 4

Organisations tend to concentrate on terminated employees and provide no support programs or counselling for survivors after the completion of the downsizing process.

The managers observed a shocking drop in morale as both survivors and victims experienced some level of uncertainty and survivors too felt just as traumatised by the downsizing process as did the affected employees. Uncertainty does not ease with the announcement of who has retained their jobs because the anxiety is moved from the issue of termination to that of reorganisation and their place within it (Tourish *et al.*, 2004). All the respondents agree that support programmes were put in place for the terminated employees and the BMR team mentioned that counselling support services were made available to survivors through the normal company employee assistance program (EAP). Employees on the other hand do not agree that support programmes were provided to survivors, this means that

they did not recognise the availability of the EAP as assistance. Management and the BMR team concede however that emphasis was not placed on survivor support programs which according to Appelbaum and Donia (2001) should be planned for simultaneously with the downsizing plan. The findings that both current and ex-employees believe that support programmes for survivors would not have made a difference in retaining those who left the organisation after the downsizing is contrary to literature. The researcher is of the opinion that the EAP is stigmatised because it is normally offered to “employees with problems”. The implementation of a well structured survivor plan could well deliver the emotional stability of survivors (Tourish *et al.*, 2004).

Labib and Appelbaum (1994) recommend that a formal evaluation of the downsizing plan and survivor support plan be done six months after the downsizing to measure its effectiveness and corrective action can be put in place where failure in the process has been detected. As the findings show, there were no mechanisms for monitoring or tracking benefits and accountability was not handed to anyone to ensure that things remained on track as per plan after the downsizing period. This left the work environment neglected and unstable for sometime, which might have led to it becoming hostile and stressful as experienced by some of the employees.

The HR specialist emphasised the importance of training managers to understand the emotional journey of employees during and after the downsizing period in order

that they can assist their employees to adjust to the new culture and environment and contribute to higher productivity and morale (Labib and Appelbaum, 1994).

Proposition 4 appears to be true from the above findings because sufficient support was given to terminated employees whilst the needs of survivors were neglected. Change management processes were not effectively implemented to stabilise the environment because of production pressures and the need to get things back to normal as quickly as possible.

6.6 Proposition 5

The workload of survivors generally increases after the departure of the terminated employees. The organisation expects them to continue performing at their best or even better. The survivors, however, are not adequately prepared to take over their new role.

Proposition 5 explores whether the decrease in employee numbers after the downsizing process impacts on the workload of the remaining employees. The related question is whether survivors are adequately prepared to take over their new roles in the organisation through training and other developmental interventions.

The leaner, restructured organisation may increase responsibility, workload and stress which can have damaging effects on employee morale (Bozionelos, 2001).

The results of the survey indicate that the survivors felt that their workload had increased significantly and that they had to work longer hours to cover their work. They also agreed that they were still expected to perform at the same level of higher than before the restructuring. The pressure to maintain their performance or surpass it could lead to employees feeling stressed and which could have negative impact on productivity (Fong and Kleiner, 2004). The lack of job content review and increased workload made some employees feel that they were not adequately compensated for the additional work (“more work, more pay” syndrome).

Most of the survivors agree that their jobs and roles were not redefined nor were processes put in place to support the leaner structure. The employees were also not provided with the necessary training and development plan to enable them to function successfully in their new roles. This may have made the survivors to feel that they were set up to fail as reflected in the comment made by one ex-employee. The findings also indicate that the company policies, procedures and processes were not reviewed and streamlined immediately after the restructuring to support the leaner company structures. The reviews took place a year later only once the new enterprise system had been implemented.

Job counselling and training programs provided to survivors can enhance human resource utilisation, decrease the perception of psychological contract breach, minimise internal strains and organisational conflict (Tzafrir *et. al.* 2006). The increase in workload pressure however leaves no time for employees to attend to their training and developmental needs which then means that the employees take

longer to settle into their new roles. It is important for organisations to streamline and/or eliminate as many of the non-value adding activities as possible (Simone and Kleiner, 2004), which the BMR team attempted to do but failed accomplish because the team lost focus of the original mandate as senior management put pressure on them to reduce employee headcount.

Proposition 5 was also found to be true because the findings indicate that the survivors' workload increased after the downsizing process and the employees were still expected to perform at the best even though they were not adequately prepared to take over their new roles in the organisation.

6.7 Proposition 6

New working relationships are not redefined after the downsizing process. Survivors do not, therefore, understand their new roles and how they fit into the new organisation. A new psychological contract is not put in place immediately after the downsizing exercise.

Employees in organisations undergoing significant restructuring are much more likely to feel that their psychological contracts have been breached (Turnley and Feldman, 1998), this is supported by the findings that show that most survivors agree that the BMR process had impacted on their perception of the employment relationship between them and the organisation. Most of the survivors also indicated that the BMR process made them feel that the “rules of the game” had

changed. Due to production pressures as previously mentioned the organisation was not allowed enough time to embed the rule change, create new rules where necessary and resolve job content issues making it easy for certain areas to return to the old way of doing things.

It is important that the new employer/employee relationship be defined in line with achieving the goals of the new organisation. Employees over and above the new vision and direction need to know how they fit into the new organisational structure (Appelbaum and Donia, 2001). This view is echoed by managers who believe that clarifying each employee's role in the organisation might have helped to retain some of the employees who left because they would then have understood their value to the organisation and their psychological contract would have been more explicit (Baruch and Hind, 2000). Although the BMR principles divided the accountability for strategy formulation and implementation between the centre and the operations it seems that the clarification and changes in the roles was not always clear as some employees and even managers still felt that the centre was interfering in the day-to-day running of the mine operations.

Turnley and Feldman (1998) assert that employees who believe their psychological contracts have been violated can respond in a number of ways which include electing to leave the organisation. Violation of the psychological contract weakens commitment to the organisation and increases efforts by staff to seek out new employment (Lemire and Rouillard, 2005). This is evidenced by some of the adverse comments made by employees which indicates the lost trust in the

organisation, remarks such as “employees were set up to fail and there was a lot of back stabbing”.

Spreitzer and Mishra (2002) suggest that the experience that survivors have during the organisational downsizing will determine their willingness to remain in the years following the downsizing. The relationship of the employee and their supervisor is critical during downsizing as mentioned by the HR specialist because they are the company representative in the eyes of the employee. This relationship will also help the employee settle down once the downsizing process is complete. Strong team cohesiveness goes a long way in helping the transition through the psychological contract violations. As employee bonds to the organisation loosen during the restructuring, strengthening the work group loyalty may be an effective countervailing strategy (Turnley and Feldman, 1998)

It is evident therefore that the psychological contract issue is important in helping managers understand the nature and direction of the relationship with employees. (DelCampo, 2007). Redefining the psychological contract immediately after the downsizing might help restore employee commitment to the organisation as the findings indicate. It is possible to retain key skills within highly cash strapped and extremely lean organisations by focusing on the broader predictors of retention and motivation (Glen, 2006) and thus the need for organisations to create a new value proposition (give survivors a compelling reason to stay) as recommended by the HR specialist. The findings indicate factors such as trust, leadership, meaningful jobs etc. could be incorporated into the new value proposition to retain employees.

The one HR specialist also emphasised the need to create a positive future for employees as a way of forming a new psychological contract.

6.8 Proposition 7

Survivors leave the organisation, because they do not see many career advancement prospects.

Proposition 7 alleges that the perception of limited future career advancement prospects makes employees to leave the organisation. The research findings concur with the study conducted by Bozionelos (2001) which found that employees might feel that the downsizing had reduced promotion prospects because of the flatter structures. The perceived lack of developmental opportunities was the reason most frequently cited in the exit interview forms and in the results of the survey. Employees' perceptions of inadequate advancement opportunities in the context of leaner, flatter structures and increased insecurity can only further undermine their already damaged morale and motivation (Bozionelos, 2001).

Downsizing necessitates career development and planning for the survivors (Bozionelos, 2001), management and the HR specialist both acknowledged in the interviews that it is difficult to have this type of conversation with employees during downsizing when the environment is unstable. Most of the employees also felt that their career development and advancement opportunities were limited by the flatter structures. Appelbaum and Donia (2001) suggest that clarifying career paths and

opportunities will also help to establish the new psychological contracts quicker. The respondents' opinion on whether their career aspirations and prospects were discussed varies; current employees believe the conversation did take place whilst the ex-employees claim the conversation did not take place. This inconsistency could be attributed to different supervisors and managers who bear the most influence on the commitment and trust of the survivors (Frank *et al.*, 2004),

Career discussions are invaluable during this time; emphasis should be on training and encouraging the remaining employees to excel so as to make them feel confident and capable of achieving great things (Simone and Kleiner, 2004). The findings indicate that management did make it clear that career development was the employee's responsibility, which could have been seen by others as management abdicating responsibility or being noncommittal because they too were uncertain about the future of the organisation.

Although the limited career advancement opportunities are listed most frequently as the reason for departure on the exit interview forms and most ex-employees also concur, the findings indicate that most of the employees who remained with the company also believe that there were limited career development and advancement opportunities. These employees were willing to stay until such time as there was no more mutual benefits to the working relationship.

Based on the above, proposition 7 is false because there is not sufficient evidence to indicate that the perception of limited career prospects in the organisation

always led to survivors leaving the organisation and the findings indicate that some survivors stayed for other reasons.

6.9 Conclusion

Emotions play an important role and may be the most difficult obstacle for management to overcome during the downsizing process. It is therefore important for the organisation to make efforts that boost morale, minimise the damage of trust, aid renewal and fuel increased productivity of the surviving employees. Leadership is critical at this point and top management should be visible and open to communication. It is also necessary that survivors are reassured of their job security and their future with the organisation (Simone and Kleiner, 2004). The findings indicate clearly the emotional trauma that both terminated employees and survivors went through during downsizing. The different experience, perceptions and interpretation of the process by the survivors is what ultimately determines whether they leave or stay with the organisation. The findings indicate clear differences in experiences and interpretation between the current employees and the ex-employees who went through the exact same downsizing process.

Chapter 7: Summary of Findings and Conclusion

7.1 Introduction

The aim of the research study was to investigate how an organisation can retain its critical skills and talented employees during and after downsizing. The literature review provided the basis for the seven propositions made in chapter 3.

7.2 Summary of the Findings

The findings of the research indicate the existence of the survivor syndrome in the organisation after the downsizing which might have resulted in the large exodus of key skills and talented employees as evidenced by the employee turnover rate which was much higher than that of previous year.

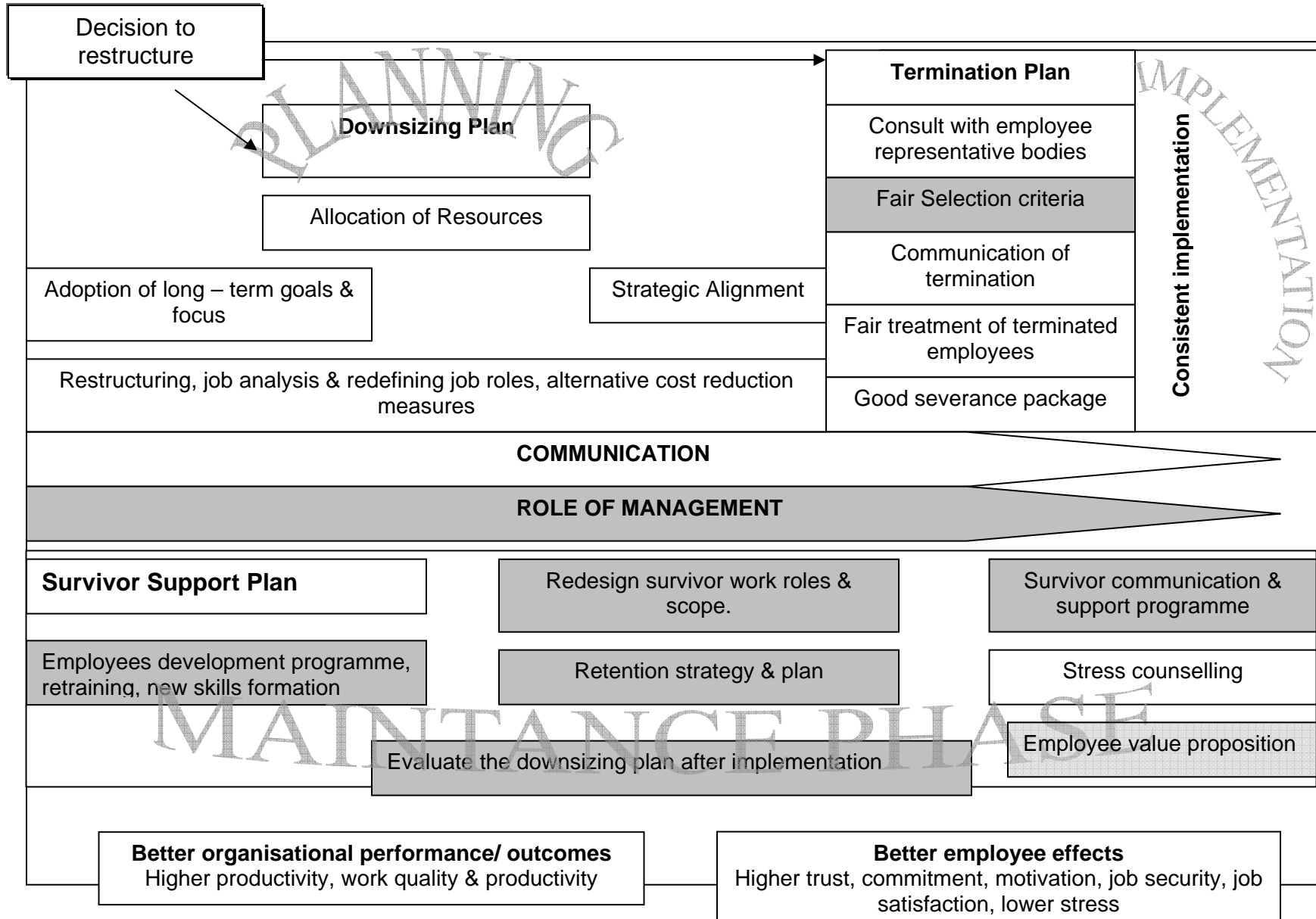
- Proposition 1 is true and states: During downsizing organisations do not communicate the downsizing plan and the implementation strategy. Although the downsizing plan and implementation were communicated to employees, the communication was not clear enough to result in proper employee understanding of the process and buy-in.
- Proposition 2 is true and states: Survivors do not believe that the process of identifying redundant employees during a downsizing exercise is fair and consistent. The survivors also believe that the terminated employees were treated unfairly.
- Proposition 3 is true and states: Downsizing in organisations makes survivors feel insecure about the future of their jobs. The findings show that the downsizing process had a negative impact on all (both affected employees and

survivors) and that it also made the survivors feel insecure about the future of their jobs.

- Proposition 4 is true and states: Organisations tend to concentrate on terminated employees and provide no support programmes or counselling for the survivors after the completion of the downsizing. However contrary to management's view the respondents did not seem to believe that the survivor support program or counselling was necessary and would not have made those employees who left to stay.
- Proposition 5 is true and states: The workload of survivors generally increases after the departure of the terminated employees. The organisation expects them to continue performing at their best or even better. The survivors however, are not adequately prepared for their new roles.
- Proposition 6 is true and states: New working relationships are not redefined after the downsizing process. Survivors do not, therefore, understand their new roles and how they fit into the new organisation. A new psychological contract is not put in place immediately after the downsizing exercise. The findings indicate that due to production pressures, management did not make the time to redefine the new roles and scope of the employees and explain how they fit into the new strategy of the organisation.
- Proposition 7 is false and states: Survivors leave the organisation, because they do not see many career advancement prospects. The proposition is false because the perception of limited future career prospects has not always led to survivors leaving.

7.3 Recommendations

Figure 7.1: Proposed process model for downsizing planning, implementation and maintenance (adapted from Chew & Horwitz, 2002)



The findings of the research indicate the importance of a structured approach to downsizing, from planning to implementation to the maintenance phase. Chew and Horwitz (2002) developed an integrated model adapted from the realistic downsizing preview model (RDP) by Labib and Appelbaum (1994). Their model integrated the decision making plan, termination plan and survivor support plan. The model however does not address the complete findings of this research and the author proposes a further adaptation of the RDP model as illustrated in figure 7.1 above. The adapted model divides the process into three phases (planning, implementation and maintenance), each comprising its own plan. The adapted model highlights the importance of communication and the role of management throughout the process. The retention strategy and the employee value proposition has also been incorporated as part of the survivor support programme during the maintenance phase.

There are many aspects of the downsizing process that the organisation did well and others that it did not do so well. The areas where the organisation did not perform well are highlighted on the adapted model (figure 7.1) and the recommendations that follow here are made specifically to address these areas. In planning and organising the downsizing process, the organisation needs to make a commitment to a proper implementation and achievement of the set out objectives. The leadership needs to demonstrate full commitment and support to see the process through to conclusion and retain its credibility i.e. the leadership should not be changed before the process is fully embedded.

Communication is a critical component of RDP (Appelbaum and Donia, 2001), although the organisation seems to have communicated adequately and frequently during the planning and implementation phases it unfortunately did not use the opportunity to create a new culture. During downsizing management has the opportunity to set pace and begin to create the culture it seeks to foster in the new organisation which can be achieved by “what and how” communication is done. It is therefore important that management does not fall into the trap of feeling that it is now time to “get back to business as usual” (Appelbaum and Donia, 2001). The new De Beers values and culture initiatives were only introduced much later after the BMR implementation when “things had already gone back to normal” which in most cases was back to old habits because that’s all that the people knew.

Immediately after the downsizing takes place the organisation should enter into a maintenance phase in which communication remains at the centre. During this final phase the organisation should gear itself up for the new challenges and employees will need to know and understand management’s new vision and company direction with regards to aspects such as financial goals and competitive environment (Appelbaum and Donia, 2001). The organisation in this particular case did not go into the maintenance phase because of production pressures and the new leadership was still trying to pull their act together. The new objectives can be accomplished by seeking employee input for innovative and practical solutions for the challenges likely to arise. As suggested from the interviews with the HR specialist it is important for the leadership to create a picture of a realistic positive

picture and encourage open dialogue with employees on the challenges facing the organisation.

Paramount to this new vision and direction are the employees themselves and where they fit into the new organisational structure (Appelbaum and Donia, 2001). Clarification on the new roles, where they fit into the new organisation and how they can contribute to the bottom line will assist in reducing the uncertainties for employees. This can be done via performance management systems where managers are available to sit with their employees to discuss the job content, expectations and define the new psychological contract. The findings indicated an inconsistent approach where some respondents did not seem convinced that these discussions had taken place especially among the ex-employees. The role of management is important in consistency of approach as this will ensure that the concerns of employees such as how their expectations have changed and how these changes impact on their daily work are addressed (Appelbaum and Donia, 2001).

It is clear that managers continue to play a significant role in the preventing and/ or alleviating of survivor syndrome even after the downsizing. Well-trained and empathetic managers are vital to the establishment of a well adjusted workforce during and after the downsizing. The key at this stage is that survivors be made aware of new opportunities. Special consideration must be placed on the availability of both career planning and supporting services because the organisation that emerges after the downsizing is fundamentally different. Issues to

be addressed include opportunities for upward mobility within the organisation, opportunities for skill advancement, job and financial security. It is also up to managers to seek to find out how survivors' jobs can be enriched, such that more interesting work will help contribute to higher productivity and morale. This is important given the tendency after layoffs for surviving employees to believe there are no good opportunities left, while in fact these are just different from those which were previously available (Appelbaum and Donia, 2001).

Career paths should be made explicit since the psychology of hope continues to be a great motivator and will enhance the vision of a more secure future. An individual's relationship with his or her manager has the greatest impact on job satisfaction. Managers should take steps to support their employees' career goals. They should let them know of any internal resources that might further their objectives such as mentoring programs and provide access to formal training where required. By understanding individual objectives and priorities the manager can direct projects to the right people and make better personnel decisions (Messmer, 2004).

Employees should be made aware of the new rules and how these will impact on their jobs thereby helping to create a new psychological contract. Increased focus should now be directed toward assisting surviving employees with their new workloads. Management should be readily available to help survivors cope with the increased demands and pressures. The organisation should actively seek to eliminate those non value adding activities and streamline its business processes

quickly to create an environment in which employees can thrive and not feel overwhelmed. Managers who back up their staff during challenging times build loyalty.

Lastly it is important that serious consideration be given to retention strategies of critical skills and talent during the downsizing effort and not hope that the fairness of the process will automatically retain them. In many cases, organisations do not need to spend much money to boost morale and give employees a reason to stay (Messmer, 2004), and thus the need to create a new employee value proposition (a compelling reason why employees should stay with the company). Many comments made by the respondents reflect that the organisation contributed meaningfully to their careers and these factors need to be highlighted during times of uncertainty. The organisation should however not underestimate the importance of compensation in retaining staff. While it is not always a leading factor when employees move on, it often plays a role in the decision making (Messmer, 2004). As the results indicated many employees got higher pay with the new employer when they left the organisation. Underpaying employees may send the message that they are not valuable to the company's future success.

7.4 Suggestion for Further Research

As discussed earlier, this research is based on one organisation, De Beers Consolidated Mines and the results can therefore not be extrapolated to other organisations. The company has gone through at least two downsizing exercises in

its history and the research findings could be applicable should it embark on the process again in the future. Downsizing is a common business practice as indicated by the amount of literature and research available on the subject and thus other organisations going through the same process could learn from the experiences of this organisation.

This research focused on internal factors that management could possibly influence or control however there are external factors such as the shortage of key skills in the South African economy, the buoyant employment market and employment equity that may have also contributed to the high employee turnover. Further research is suggested in establishing whether external factors increase the risk of voluntary turnover in an organisation going through downsizing.

Additional research could be conducted into developing retention strategies and an employee value proposition that addresses specifically vulnerable organisations going through downsizing.

7.5 Conclusion

As downsizing becomes increasingly prevalent, the issue of survivor syndrome must be addressed not as crisis management but as a fundamental aspect of the downsizing plan (Appelbaum and Magda, 2004). There is significant economic impact with an organisation losing any of its critical employees, especially given the knowledge that is lost with the employee's departure (Ramlall, 2004). The

proposed model of the adapted integrated downsizing model highlights key factors for consideration in the planning, implementation and maintenance phases. A key consideration is that each factor has the potential to reduce or aggravate the survivor syndrome and the decision of the employee to leave or stay with the organisation.

Retention of critical skills and talented employees is a complex issue for many organisations in the normal course of business, it becomes even more complicated when an organisation is downsizing and the environment is destabilised.

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Appendix A: Questionnaire 1

Impact of BMR process on De Beers Consolidate Mines questionnaire

Covering Letter

Dear Respondent

I am currently studying my MBA with Gibs and need to conduct a research project as a requirement to complete the MBA. I am conducting my research on how organisations can retain their key staff and talented employees while restructuring/ downsizing. As we have experienced and my readings have shown, restructuring and downsizing have become a common business practice as organisations attempt to adapt to the changing environment and remain competitive. De Beers also went through the restructuring and downsizing in 2005 in an attempt to turnaround the loss making operations and streamline the organisation. The process of which was termed “Business Model Review (BMR)” saw a large number of employees terminated using various means. However the company then experienced a higher than average voluntary employee turnover in 2006/7 amongst the employees who survived the BMR. This posed a risk to the company as the because the some of the people who left possessed key skills and were talented staff who were chosen to remain behind to help the company achieve its business objectives.

With this background please assist me by completing the attached questionnaire, it should take about 15-20 minutes to complete. I pledge confidentiality for the responses and under no circumstances will any information given by the respondents’ be disclosed to the company (De Beers). The questionnaire aims to find out what your perceptions and feelings were about the BMR process and how you were impacted you.

Below please find the link to the online survey:

http://www.surveymonkey.com/s.aspx?sm=P8cCElyGExFY3upC_2bDYOyA_3d_3d

Your assistance in this regard is highly appreciated.

Regards,

Mary Bomela



Questionnaire 1

	Biographical Data	Response
Employment Status	1 - De Beers employee; 2 - De Beers ex-employee	
Ethnic Group	1 - African; 2 - Coloured, 3 - Indian, 4 - White	
De Beers operations based/ were based	1 - Finsch Mine; 2 - Namaqualand Mines; 3 - Venetia Mine; 4 - CHQ	

1 Restructuring Process

	<i>Please respond to the following statements on the restructuring/ downsizing process</i>	<i>1. Strongly Agree</i>	<i>2. Agree</i>	<i>3. Uncertain</i>	<i>4. Disagree</i>	<i>5. Strongly Disagree</i>	<i>Comments</i>
1.1	The need for the company to downsize was clearly explained to all employees						
1.2	In my opinion there was a real need for the company to restructure/ downsize.						
1.3	Restructuring/ downsizing was the best option available for the sustainability of the company						
1.4	Employees were sufficiently consulted and given an opportunity to give input into the downsizing process						
1.5	I was made comfortable and confident that voicing out my opinion would not count against me during this process.						
1.6	Mechanisms such as suggestion boxes and the help desk were put in place for employees to input.						



1.7	The process of identifying redundant staff and positions was fair and consistent across the board.						
1.8	The implementation of the downsizing process was done as quickly as possible						
1.9	The company treated terminated employees with dignity and care						
1.10	The severance package offered to terminated employees was fair and equitable						
1.11	The support programmes such as counselling and training were adequately provided for the terminated employees						
1.12	Management was honest, sincere and empathetic towards terminated employees						
1.13	There was sufficient survivor support programs such as counseling offered to the remaining employees						
1.14	The goals and direction of the new company were clearly defined and communicated						
1.15	The work environment was normalised quickly						
1.16	The leadership was accessible and visible during and after the downsizing process						



2 Communication							
	<i>Please respond to the following statements on the communication on the downsizing process</i>	<i>1. Strongly Agree</i>	<i>2. Agree</i>	<i>3. Uncertain</i>	<i>4. Disagree</i>	<i>5. Strongly Disagree</i>	<i>Comments</i>
2.1	The communication on the downsizing process was clear, open and honest from the leadership at all times.						
2.2	I was provided with adequate information before, during and after the downsizing process						
2.3	The decision for the company to downsize was communicated as early as possible						
2.4	The communication was frequent and relevant to ensure that employees were well informed at all times during this process.						
2.5	There was no information that was held back by management when it was intended to be shared with all employees.						
3 Impact of Downsizing on individuals							
	<i>Please respond to the following statements on how the downsizing process impacted on individuals</i>	<i>1. Strongly Agree</i>	<i>2. Agree</i>	<i>3. Uncertain</i>	<i>4. Disagree</i>	<i>5. Strongly Disagree</i>	<i>Comments</i>
3.1	The decision for the company to downsize came as a shock to me.						
3.2	The process made me feel insecure about my job.						
3.3	The process affected employee morale, mood and productivity.						



3.4	The process impacted my perception of the employment relationship I had with the company.						
3.5	I felt happy and relieved that I was selected to stay and still had a job.						
3.6	I felt guilty that I was selected to stay whilst my colleague was identified as redundant.						
3.7	It was sad to experience the leaving of colleagues some of whom were friends.						
3.8	I lost trust in the organisation even after I knew I was one of the survivors.						
3.9	My role and where I fit into the new organisation was clearly explained to me.						
3.10	My job was redefined and processes put in place to support the leaner structure.						
3.11	I was provided with the necessary training and support to function in my new role/ structure.						
3.12	My workload increased substantially.						
3.13	I was expected to perform at the same level or higher than before the restructuring.						
3.14	The downsizing made me feel that the "rules" of the game had changed						
3.15	I had to work longer hours to cover my work.						
3.16	Company policies, procedures and processes were reviewed and streamlined to support the learner company structure.						



3.17	My career aspirations and prospects within the company were discussed with me.						
3.18	I still believed I had a prosperous future in the company after the downsizing.						
3.19	I felt that my career development and advancement opportunities were lesser in the leaner staff structure.						
3.20	9.20 Management made it clear to me that my career in the organisation was my responsibility						
4 Reasons for the high voluntary turnover							
	<i>Please respond to the following statements on reasons you left the organisation or believe your ex-colleagues left the organisation</i>	<i>1. Strongly Agree</i>	<i>2. Agree</i>	<i>3. Uncertain</i>	<i>4. Disagree</i>	<i>5. Strongly Disagree</i>	<i>Comments</i>
4.1	The downsizing made people to start looking for jobs due to the uncertainty about their future.						
4.2	Survivors were not happy with the process.						
4.3	The downsizing made them feel insecure about the future of their jobs (Not knowing when the axe is going to fall again and where)						
4.4	Trust and commitment to the organisation could not be restored.						
4.5	The environment was stressful post the downsizing.						
4.6	The workload increase was unmanageable.						



4.7	The company did not achieve its objectives after the downsizing.						
4.8	Career development and advancement was limited.						
5 Retention							
	<i>The following factors made me stay or would have made me stay</i>	<i>1. Strongly Agree</i>	<i>2. Agree</i>	<i>3. Uncertain</i>	<i>4. Disagree</i>	<i>5. Strongly Disagree</i>	<i>Comments</i>
5.1	Being chosen to stay made me feel valued						
5.2	Trust in the organisation and its leadership						
5.3	Job security						
5.4	Compensation (incl. remuneration, bonuses & other employee benefits such as housing)						
5.5	Positive work environment						
5.6	Organisational culture						
5.7	Survivor support program						
5.8	Open & honest communication						
5.9	Organisational values						
5.10	Good career and promotional opportunities						
5.11	Discussion on my career plan						
5.12	My supervisor or manager						



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Appendix B: BMR team member questionnaire



Covering Letter

Dear BMR team member

Thank you for agreeing to me interviewing you for my MBA research project. As you are aware I am conducting a study on how organisations can retain their key staff and talented employees while restructuring.

As we have experienced and my readings have shown, restructuring and downsizing have become a common business practice as organisations attempt to adapt to the changing environment and remain competitive. De Beers also went through the restructuring and downsizing in 2005 in an attempt to turnaround their loss making operations and streamline the organisation. The process of which was termed “Business Model Review (BMR)” saw a large number of employees terminated using various means. However the company then experienced a higher than normal voluntary employee turnover in 2006/7, which posed a risk to it as these were some of their key skills and talented staff who were chosen to remain behind to help the company achieve its business objectives.

With this background please find a set of questions in preparation for our interview. The questions are just a guideline to the discussion however this is an unstructured interview and there will be a variation to the questions as guided by discussion.

Regards,
Mary Bomela



Background

1. What was the origination of the BMR process?
2. What was the objective of the BMR process?
3. Why was restructuring/ downsizing identified as the best alternative?

Planning

4. What type of planning went into the BMR process (Timing, resources allocated, research)
5. What did the restructuring plan consist of?
6. How were the new structures determined?

Communication

7. Do you believe that enough consultation was done with the staff?
8. What means of communication was used?
9. In your opinion was the communication open, clear and honest?
10. Do you believe that the majority of the employees understood the communication?

Process

11. Do you believe the process followed to identify redundant employees was fair?
12. Do you believe that the employees (both redundant and survivors) perceived the process as fair?

Impact on individuals

13. How did the downsizing impact the morale of the organisation?
14. What support was provided for the redundant employees?
15. How did the downsizing impact on the survivor's trust and commitment to the organisation?
16. What support was provided to the surviving employees?



Outcomes & learning's

17. Were the set objectives of BMR achieved in the end?
18. What did the company do well in the implementation of BMR?
19. What did the company not do well in the implementation of BMR?
20. What would you recommend the company does better, should it go through another restructuring in the future?
21. In hindsight, was the BMR process the best alternative the company could have chosen to achieve its objectives?



Appendix C: Operations manager questionnaire



Covering Letter

Dear Operations Manager

Thank you for agreeing to me interviewing you for my MBA research project. As you are aware I am conducting a study on how organisations can retain their key staff and talented employees while restructuring.

As we have experienced and my readings have shown, restructuring and downsizing have become a common business practice as organisations attempt to adapt to the changing environment and remain competitive. De Beers also went through the restructuring and downsizing in 2005 in an attempt to turnaround their loss making operations and streamline the organisation. The process of which was termed “Business Model Restructuring” saw a large number of employees terminated using various means. However the company then experienced a higher than normal voluntary employee turnover in 2006/7, which posed a risk to it as these were some of their key skills and talented staff who were chosen to remain behind to help the company achieve its business objectives.

With this background please find a set of questions in preparation for our interview. The questions are just a guideline to the discussion however this is an unstructured interview and there will be a variation to the questions as guided by discussion.

Regards,

Mary Bomela



Background

1. What was the origination of the BMR process?
2. What was the objective of the BMR process?
3. Why was restructuring/ downsizing identified as the best alternative?

Communication

4. Do you believe that enough consultation was done with the staff?
5. What means of communication was used?
6. In your opinion was the communication open, clear and honest?
7. Do you believe that the majority of the employees understood the communication?

Process

8. Do you believe the process followed to identify redundant employees was fair?
9. Do you believe that the employees (both redundant and survivors) perceived the process as fair?

Impact on individuals

10. How did the downsizing impact the morale of the organisation?
11. What support was provided for the redundant employees?
12. How did the downsizing impact on the survivor's trust and commitment to the organisation?
13. What support was provided to the surviving employees?

Voluntary turnover

14. What do you believe are the reasons for the high turnover among the surviving staff?
15. How has the high voluntary impacted the company?
16. What could have been done to retain these employees post BMR?



Outcomes & learning's

17. Were the set objectives of BMR achieved in the end?
18. What did the company do well in the implementation of BMR?
19. What did the company not do well in the implementation of BMR?
20. What would you recommend the company does better, should it go through another restructuring in the future?
21. In hindsight, was the BMR process the best alternative the company could have chosen to achieve its objectives?



Appendix D: List of interviewees



Name	Role	Date of Interview
Johnny Velloza	Operations Manager	17/09/2007
Craig Coltman	BMR Team member	19/09/2007
Gerrit Lotz	BMR team member	21/09/2007
Ben van den Berg	BMR Team member	21/09/2007
John Moalusi	Internal HR Specialist	08/10/2007
Gerhard van Niekerk	Operations Manager	11/10/2007
Michael Brown	BMR team leader	11/10/2007
Marthinus Krugel	Internal HR Specialist	12/10/2007
Tracy Rowe	External HR Specialist – Investec Bank	15/10/2007
Innocentia Bokala	External HR Specialist – Absa Bank	16/10/2007
Vusi Khumalo	Operations Manager	17/10/2007
Retha Smith	Employee	17/10/2007
Leon Jordaan	Employee	18/10/2007
Gary Joseph	Employee	18/10/2007
Siphelele Nxumalo	Employee	19/10/2007
Peter Nefadi	Employee	19/10/2007
Jaison Rajan	Employee	19/10/2007
Nompumelelo Zikalala	Employee	19/10/2007
Christo Scholtz	Employee	20/10/2007
Elize du Plessis	Employee	20/10/2007
Charmelle Davies	Employee	22/10/2007
Trevor Naidoo	Employee	22/10/2007
Rambuda, Phumudzo	Employee	22/10/2007



Appendix E: Questionnaire 2



Coming back to Work for De Beers

1. Introduction

As part of my MBA research project I am looking at attraction and retention strategies for organisations post the restructuring period. Having returned to work for De Beers again I am interested in the reasons you have rejoined the company. Please assist me by completing the survey.

Your responses will be treated with total confidence and all questions are compulsory.

2. Personal Information

1. You

- Were approached to come back to De Beers Approached the company yourself to come back

2. How long were you away from the company for?

3. Did you return on a promotion

- Yes No

4. Length of service before you left the company previously

- Under 2 years 2 - 5 years 5 - 9 years Over 10 + years

5. How important was the following reason/s for you coming back to De Beers?

On a scale of 1 - 6 (1 - No importance, 6 - Central importance)

	1	2	3	4	5	6
Salary/Remuneration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other benefits(e.g. medical aid, housing)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employment conditions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Career prospects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promotion opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personal development opportunities (including training)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Flexible work practices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interesting work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to apply my technical expertise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Work Ethic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Work location	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Workplace culture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company values	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Work/life balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Job security	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Familiar work processes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="text"/>					



3. Organisational Matters

How important was the following reason/s for you coming back to De Beers?

1 - No importance 6 - Central importance

6. Work Environment

	1	2	3	4	5	6
Office/work environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company operating systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company policies and procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff amenities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hours worked	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Geographic location	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. Job/Role

	1	2	3	4	5	6
Your role and responsibilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The nature of the work required in your role	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Opportunities for advancement and development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Performance Review and Development process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to provide input into issues that affected your job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. Interpersonal Relationships

	1	2	3	4	5	6
Relationship with immediate supervisor/manager	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Invigorating peers and people	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Relationship with staff in your business area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Relationship with staff in other business areas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. Management

	1	2	3	4	5	6
Leadership	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company direction and policy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competence of your immediate manager	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. Workplace Culture

	1	2	3	4	5	6
Culture of supporting all staff to develop and reach their potential	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Culture of respecting individual differences	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Culture of providing a workplace free of harassment and bullying	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. Company Image

	1	2	3	4	5	6
Mining industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate public image	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company reputation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recognised brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Admired organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Established organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company as a leader in the industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company as a corporate citizen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company as best employer to work for	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. Final Comments

**12. Please use this space for any additional comments you would like to make.
Thank you.**