

UNIVERSITY OF KWAZULU-NATAL

**Exploring organisational right-sizing,
whilst retaining critical skills at an engineering consultancy
in South Africa**

**By
Jayraj Hiralal
931318593**

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for the degree of Master of Business Administration**

**Graduate School of Business and Leadership
College of Law and Management Studies**

Supervisor: Professor Cecile Gerwel- Proches

2020

DECLARATION

I Jayraj Hiralal declare that:

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.....
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ABSTRACT

Organisational right-sizing (upsizing or downsizing) has in recent years become a global phenomenon across all sectors of the economy. The unrelenting pursuit by shareholders for improved resource utilisation, higher revenue and profits supported by lower costs of production have presented the right-sizing model as a multi-purpose vehicle. Irrespective of the firm's structure (size), this is deemed the solution for sustained competitive advantage. However, the literature confirms that less than seventy per cent achieve the desired results post right-sizing strategy implementation. This study aimed to explore the factors that surround right-sizing and the implementation process aligned to retaining critical skills within an engineering consultancy in South Africa. Organisations propound that talent management delivers a sustained competitive advantage. Communication on right-sizing creates a plethora of employment-related insecurities that result in special talent taking flight from the firm. The theoretical framework of the McKinsey 7-S model evaluated the strategy implementation by assessing the hard and soft elements of the firm's design. The study engaged a qualitative research design, administering a semi-structured interview instrument to eight participants who hold management portfolios. Participants were selected by a purposive sampling method, which contributed rich insights towards the study. The interview transcripts were coded, followed by a thematic analysis that identified three main themes containing ten sub-themes. The findings identified that strategy implementation is a complicated exercise which requires a strategy consultant to implement. Another finding was related to management's communication, as the implementation phase was challenged by resistance to change arising from ambiguity over the implementation vision. The results acknowledged that the retention strategy was limited to financial remuneration. The literature reviewed and the study results confirmed growth in the support for a non-financial retention strategy. Finally, contrary to the respondents' view that resources are critical to the firm's success, the firm lacked talent management and skills development policies. The recommendation was made that the talent retention strategy requires a guiding organisational policy offering transparency.

Keywords: Motivation, Organisational Right-sizing, Retention Strategy, Survivor, Talent Management

GLOSSARY OF ACRONYMS

CEO	Chief Executive Officer
CMS	Change Management Strategy
COVID-19	Corona Virus Disease of 2019
E-mail	Electronic Mail Communication
EPCM	Engineering Procurement and Construction Management
GDP	Gross Domestic Product
HRM	Human Resource Management
RIF	Reduction in Workforce
SA	South Africa
SAA	South Africa Airways
SME	Small to Medium Enterprise
SOE	State-Owned Enterprises
TAP	Trans-Africa Projects (Pty) Ltd
VSP	Voluntary Severance Package
WLB	Work-Life Balance

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CHAPTER 1: OVERVIEW OF THE STUDY

1.1. INTRODUCTION

The economic landscape of South Africa (SA) is vulnerable to current global economic trends and influences (Bouët and Laborde, 2017). The impact of organisational right-sizing (downsizing and upsizing) has become a global phenomenon as firms navigate an economic recession, declining sales and increasing overhead costs (Akpan, 2014). With firms striving to implement efficiency and profitability, adjusting to change is unavoidable as organisations jostle to maintain a sustained competitive advantage (Bedarkar and Pandita, 2014; Batra, 2019). The implementation of organisational right-sizing generally results in re-structuring, where excess staff, machinery and overhead cost controls are scaled to meet operational requirements. However, if the intended change is premeditated, it is anticipated that this change shall be planned, effective and efficient. The challenge is that not all stakeholders clearly understand the strategy and processes, which emanates from ambiguous communication, causing human resources to display resistance to the right-sizing process as they foresee potential perils that affect their future (Amah, Daminabo and Dosunmu, 2014). In a professional engineering consultancy, organisational assets are attributed to human capital competencies. Therefore, the challenge of organisational right-sizing within engineering consultancies remains insofar as the implementation of right-sizing strategies is concerned, with organisations trying to retain critical skills to meet current client obligations and implement a long-term strategy to reap a sustained competitive advantage.

A diverse body of literature and strategy models discuss organisational right-sizing, employee motivation, talent management, retention incentives and strategy implementation (Whelan, 2017). This chapter describes the motivation and problem statement of the study, as well as the aims, objectives and research questions. The study aims to explore organisational right-sizing whilst retaining critical skills at an engineering consultancy in South Africa.

1.2. THE MOTIVATION FOR THE STUDY

Literature related to organisational right-sizing indicates that a poorly executed implementation process has the potential to adversely influence the future of the organisation, as well as its well-being and the retention of critical skills (Girak, 2016).

The motivation for the study is to contribute to the body of knowledge on organisational right-sizing, determining the factors that decide a course of action and the organisational strategies to retain critical skills as an impetus for future research in other sectors. The key findings may assist management in taking a proactive stance on strategy implementation and employee commitment, thereby limiting the associated negative impact on the employees and the firm.

1.3. FOCUS OF THE STUDY

The study focused on the recent strategy implemented by Trans-Africa Projects (TAP) to effect organisational right-sizing and the methods employed to retain critical skills within the firm. The study analysed the drivers that determined why TAP had initiated the process of organisational right-sizing and how the implementation was managed. The study further focused on the retention of critical skills and the identification of gaps in the processes of TAP. Participants in the study were limited to TAP's management as this team was deemed to be able to deliver rich information on the problem being explored. Hence the study was exploratory in nature. The participants were located in three central locations in South Africa, namely Gauteng, KwaZulu-Natal and the Western Cape.

1.4. PROBLEM STATEMENT OF THE STUDY

TAP is a professional engineering consultancy within South Africa with clients nationally and internationally. TAP had undergone an organisational right-sizing process in early 2019. An audit of the prior year's financial statements identified anomalies in data capturing. Therefore, TAP was under financial pressure, as communicated by the Chief Financial Officer (TAP Finance, 2019). Furthermore, TAP cited that the annual decline

in the firm's orderbook continued to deliver reduced revenue over the same period, which negatively impacted the profitability of the firm. Therefore, the problems facing TAP were that it had an excess of resources in the operational structure and an overhead cost structure that was not financially sustainable in short to medium terms.

TAP's management team had embarked on a process of implementing organisational right-sizing in January 2019. The communication on the implementation process and the intended strategy that management wished to pursue lacked clarity and vision, thereby casting doubt on TAP and employee relevance (TAP HR, 2019b). Employee insecurity was heightened as rumours of employee redundancy gained momentum. In the months that followed, critical personnel who had been retained by the consultancy opted to resign. Therefore, the study strived to explore the impetus of the organisational right-sizing and how an engineering consultancy retains critical skills post right-sizing.

Strategy implementation is essential if firms are to remain relevant in dynamic and unpredictable environments. A strategy is a meticulously well-crafted plan that is documented and which articulates a journey of implementation. However, strategy implementation sometimes fails. Researchers argue that despite there being well-researched strategy and change models, seventy per cent of these initiatives deliver less than optimal results (Georgalis, Samaratunge, Kimberley and Lu, 2015). Unsuccessful implementation of organisational change and strategy implementation are a result of employee resistance to the process, owing to a lack of organisational transparency and communication and ambiguous strategy implementation plans that lack vision (Jenipher and Daniel, 2014).

1.5. AIM AND RESEARCH OBJECTIVES

This study aims to assess the factors determining organisational right-sizing whilst retaining critical skills at an engineering consultancy in South Africa. The study has three objectives, namely:

- a) To identify the factors informing organisational right-sizing at Trans-Africa Projects, an engineering consultancy in South Africa;

- b) To determine the methods employed at Trans-Africa Projects consultancy in South Africa to achieve organisational right-sizing; and
- c) To establish how employees with critical skills could be retained by Trans-Africa Projects, an engineering consultancy in South Africa.

1.6. RESEARCH QUESTIONS

- a) What factors led to organisational right-sizing at Trans-Africa Projects, an engineering consultancy in South Africa?
- b) What methods were employed by Trans-Africa Projects, an engineering consultancy in South Africa, to achieve organisational right-sizing?
- c) How could employees with critical skills be retained by Trans-Africa Projects, an engineering consultancy in South Africa?

1.7. LIMITATIONS

The main limitation of the study was the size of the sample population, which only included the management structure of TAP, hence comprising ten participants. Informed consent to participate in the study was received from eight participants, with two participants being non-responsive. The focus of the study was limited to TAP management due to the scope of the study and that the study was exploratory in nature.

Another limitation was the scheduling of interviews (appointment and mode of engagement). Interviews were initially planned to be face-to-face, but the onset of COVID-19 in March 2020 and safety protocols that developed during the course of the study necessitated a change of the interview mode to an online platform. Respondents re-scheduled interview appointments repeatedly, thereby resulting in a disruption to the interview schedule.

Finally, another limitation identified was the potential of respondent bias. Participants may not always reveal the truth, as the topic was intended to assess the depth of knowledge, skill and actions of management. Furthermore, the researcher was an employee of TAP and respondents may not have felt comfortable to render honest

responses. These responses could potentially skew the credibility, dependability and transferability of the result. The data was reviewed by employing coding and thematic analysis. Fusch, Fusch and Ness (2018) discuss the research of Denzin who developed four means of triangulation. Triangulation validates the research findings. This study applied investigator triangulation undertaken by the researcher and a colleague and converged on a similar set of themes and sub-themes independently. Therefore, the researcher established credibility and data triangulation, eliminating the potential for bias. Moreover, the participants were invited to participate in member checking to review their respective transcripts for accuracy of data.

1.8. STRUCTURE OF THE DISSERTATION

This study is organised into six chapters. Chapter One introduced the research study and contextualised the study setting, the motivation for the study, the research problem, the objectives and aims of the study. This chapter also identified the study limitations and the structure of the research study.

Chapter Two introduces the body of knowledge by undertaking a literature review assessing the works of previous scholars related to the research topic. The literature reviewed presented documented research that promulgates organisational right-sizing, as well as the impact thereof on employers and the firm. The literature review extended to talent management and retention strategies for the firm to establish a sustainable competitive advantage. The literature review was conducted by reviewing journal articles, books and reports on the research topic.

Chapter Three described the research methodology and research design, including the method, type of sampling and the construct of the research instrument, namely the interview schedule. The chapter discusses data collection, data analysis and issues of data credibility, transferability, trustworthiness and elimination of bias. Ethical considerations were also discussed.

Chapter Four presents the findings of the interviews. This was accomplished by reviewing the interview transcripts of all respondents, coding the data and the

generation of themes by thematic analysis. Three main themes were identified, namely organisational right-sizing impetus, the implementation of organisational right-sizing and the retention of critical skills. These main themes were further discussed by identifying sub-themes.

Chapter Five presents the study results by discussing the interview findings in Chapter four in relation to the literature reviewed, thereby assimilating an alignment of the reviewed results or the creation of new points of view on the organisational right-sizing and the retention of critical skills.

Chapter Six presents the conclusion and recommendations of the study. The key findings of the study are discussed in relation to the study objectives and research questions. Recommendations are proposed based on this discussion. The study was concluded by assessing if the study adequately addressed the research questions.

1.9. CHAPTER SUMMARY

This chapter introduced the research study, discussed the problem statement, objectives and the aims of the study. Organisation right-sizing is a strategy employed to keep the firm relevant as management navigates the macro-environment and organisational challenges. The retention of critical skills is a tight rope that management walks as they need to strategise on talent management and retention management. The impact of management related to the implementation of right-sizing needs to be explored to establish a positive organisational outcome.

Chapter Two presents the literature review and the theoretical framework applied to the study.

CHAPTER 2: LITERATURE REVIEW

2.1. INTRODUCTION

This chapter presents the literature review relating to organisational right-sizing, the survivors of organisational right-sizing, the organisational culture, talent management and critical skills retention. Numerous journal articles have discussed organisational right-sizing, with emphasis on survivors of right-sizing and the retention of critical skills. A methodical analysis of reviewing the existing body of knowledge was undertaken.

Several studies have identified the employers' reasons for organisational right-sizing (merger and acquisition, global competition, macro-environment or organisational factors), but have paid little attention to workplace survivor's syndrome (Islam, 2014; Jadhav and Charak, 2015; Kang, Lee and Jong, 2020). Organisational right-sizing, either by expansion due to innovation, new product lines or contraction of operations due to micro and macro factors, is entrenched in retaining critical skills. The relevance and importance of organisational right-sizing and the retention of critical skills were reviewed using journal articles, books and organisational reports that provided a comprehensive overview of the literature.

2.2. ORGANISATIONAL RIGHT-SIZING DEFINED

There is no one clear definition of organisational right-sizing (Anitha, 2014 Datta; Basuil, 2015). Basuil, Datta, Guthrie and Pandey (2010) shared that employee downsizing is a planned process to reduce the workforce in an attempt to improve the firm's performance, guided by organisational policy. However, researchers have offered perspectives, like Batra (2019) and Mujtaba and Senathip (2020) who defined organisational right-sizing as management terminology used to describe proactive, strategic human capital planning. The outcome is to enable organisations to operate with the improved efficiency of human capital. Neil (2016) opined that right-sizing is the intended implementation of long-term strategies permitting organisations to function with the precise level of talent in each department, position and function. There is an assumption that organisations in the public and private sector are dependent on the right balance of all resources to function.

Therefore, by inference, organisational right-sizing (downsizing or upsizing) is an intentional event encompassing organisational policies and actions assumed to improve the firm's performance through changing the employee complement. Organisational right-sizing further seeks to introduce change to the firm's structure, either by expansion or de-layering the reporting structure, creating a leaner hierarchy and an increase in resource accountability (Aqwu, Carter and Murray, 2014; Batra, 2019).

The term "right-sizing" is synonymous with models such as Reduction-in-Force (RIF), downsizing, layoffs, retrenchment, organisational re-engineering and re-structuring; and Voluntary Severance Package (VSP) when a significant count of employees are deemed excess to business requirements (Agwu and Carter, 2014; Akpan, 2014; Batra, 2019). Implementing organisational staff layoffs is designed to improve organisational efficiency, financial standing and sector competitiveness, which is often the only course of action identified to mitigate bankruptcy (Neto, 2018).

2.3. RATIONALE OF ORGANISATIONAL RIGHT-SIZING

Organisational right-sizing (upsizing or downsizing) occurs as a reactive or proactive measure to the macro-environment or organisational context that exerts pressure on the firm to institute a recovery mechanism, according to Akaighe and George (2017) and Batra (2019). Structural change results in a change of the staff complement and reporting hierarchy in order to deliver on the firm's long-term strategic objective of providing a strategic competitive advantage, relying on the efficiency of operations and resource capabilities (David and David, 2016).

Jung (2015) cites that organisations that responded to downsizing were plagued by declining operating performance and diminishing shareholder value. Jung (2015) furthermore argues that the manufacturing boom of 1960 identified growth in the economy, resulting in mergers and acquisitions as another factor contributing to organisational downsizing. Mergers resulted in the acquiring firms displaying bloated overhead costs owing to an excess of management and operational resources that

delivered sub-standard performance, under-utilisation of resources and under-valued stock performance (Kurt, 2018).

Tripathi (2014) and Yang (2016) argue that due to increasingly dynamic environments, organisations are confronted by the necessity to pursue changes to the organisational strategy with associated modifications to business structure, systems and shared values (culture). Structural change may result from mergers and acquisitions, financial contraction, downsizing or technological advancements. Many factors contribute to the improved operational enhancement with which such organisational changes are implemented. Readiness, being one factor, is reflected in the organisational enacted beliefs, attitudes and intentions. Furthermore, it is the rationale antecedent to the behaviour of either being in opposition to or in support of the change.

Batra (2019) confirms that smart-sizing (downsizing and right-sizing) have become everyday media conversations. Such media reports have not left the South African corporate corridors unsusceptible. Agwu, Carter and Murray (2014) and Batra (2019) identified the banking, aviation and manufacturing sectors amongst firms in the past decade that experienced organisational failures related to structural changes, namely due to the implementation of downsizing.

Rodrik (2016) stated that the neo-classical growth theory launches an opinion that underprivileged countries should grow faster than opulent countries. It is claimed that these countries benefit from economic backwardness, whereby they have reduced labour costs, which would help the organisation relative to investment returns. The Gross Domestic Product (GDP) is a benchmark that articulates the economic activity of a country (Alfonso-Cristancho, Andia, Barbosa and Watanabe, 2015). Globally the GDP had contracted in most emerging economies, forcing firms to enter into the organisational right-sizing drill.

2.4. SIGNIFICANCE OF ORGANISATIONAL RIGHT-SIZING

Although applied as a strategic initiative due to recognised pressures, organisational right-sizing seeks to optimise fixed costs while improving fixed capital utilisation (Borzillo, Probst and Schmitt, 2012; Datta and Basuil, 2015). However, employee reduction has no direct correlation between employee right-sizing and organisational performance. The literature review identified that a firm's discourse to implement employee right-sizing has an immediate negative impact on the share price in the short-term, but the stock price is impacted by other factors into the longer term (Datta *et al.*, 2010). The macro-environment is unpredictable and financial analysts cannot confidently determine share price movement that far into the future. Luan and Tien (2015) confirmed that organisational right-sizing does not automatically realize its intended financial targets. Organisations tend to deliver a reduced return on assets, equity, investments and profit margins. Further implications extend to failures in cost containment and the delivery of shareholder expectations.

Managing the firm's costs through workforce contraction can offer the firm immediate cost savings on salary costs. Chen and Mykletun (2015) and Schenkel and Teigland (2017) argue that research into downsizing, in response to externalities through cost containment mechanisms, organisational structural modification and employee reduction strategy, does not deliver the expected profitability. The firm's burden to undergo employee consultation; employee exit costs; loss of earnings through loss of talent and skills; re-training of skills; and legal fees arising from disputes exceed the firm's envisioned cost saving.

The consequences of organisational right-sizing are summarised by the negativity of unsatisfactory financial results that impact employees and their families economically, physically and psychologically, leading to various collective social issues (Luan and Tien, 2015). Occupational-related stress is another consequence of downsizing. Girak (2016) explains that occupational stress is defined as a circumstance arising from external pressure that is perceived to be further than a person's observed ability to cope. Global adoption of the implementation of downsizing increases employee

occupational stress and affect their well-being (Smollan, 2015). This is further discussed in the workplace survivor syndrome in Section 2.7.

Human Resource Management (HRM) outlook suggests that organisational right-sizing, coupled with employee contraction undermines the organisation's sustainable competitive advantage (Luan and Tien, 2015; Galan, Santana and Valle, 2017). This is referred to as 'dumbsizing', with subsequent loss of critical knowledge and talent, evidenced by a decline in organisational productivity, quality and effectiveness. Furthermore, non-prioritized implementation downsizing tactics is an organisational risk. The possibility of undermining valuable organisational knowledge and memory if erroneous employees identified to be redundant or not effectively retained.

2.5. STRUCTURAL CHANGE IN ORGANISATION

Re-engineering (structural change) is a complete reconsideration and remodelling of business practices to improve the organisation's performance, e.g., cost efficiency, product quality, deliverables and charge rates. Re-engineering leads to new ways of doing business, calling for a revitalized start of the firm. Due to the method of re-engineering (organisational right-sizing), the activities of the organisation are highlighted and assessed (Novikov, Pykhtin, Gureva, Sozinova and Prokhorova, 2016). Cameroon and Green (2015) validate Novikov *at al.* (2016), but also add that cultural change; new product lines or flattening of the hierarchy; change of leadership or unforeseen crisis (internal or external) warrant such changes. Organisational restructuring should only arise due to operational demand. Therefore, the restructuring rationale should be seamless and executed in conjunction with other parallel functional change processes to minimally impact employees.

2.6. SOUTH AFRICAN CONTEXT OF ORGANISATIONAL RIGHT-SIZING

Anon (2017) claims that South Africa is a laggard relative to the international benchmark of one engineer serving forty citizens. South Africa trails at one engineer to two thousand six hundred citizens. Additionally, South Africa faces challenges related to high levels of unemployment, poverty and inequality. Two and a half decades post-

apartheid, South Africa has made significant progress in rectifying social inefficiencies, but still trail a Gini coefficient of 65, amongst the highest in the world (Anand, Kothari and Kumar, 2016). The Gini coefficient is the measure of the depth of discourse represented in a set of values, used primarily in assessing income inequality within a country (Chitiga, Sekyere and Tsoanamatsie, 2015). A value of zero would result in perfect equality, with a value of one hundred being absolute inequality.

The past decade has reported a contraction in the South African GDP (Trading Economics¹, 2019). Applications for retrenchment and organisational right-sizing have been lodged within South Africa from national brands such as Standard Bank (1200), ABSA Bank (824), Netcare Hospital (2000) and Group 5 Construction (7000), across all sectors within the 2019/2020 financial year.

State-Owned Enterprises (SOE) and government bodies are not exempt from restructuring (Fin 24, 2019). In 2008, Eskom (SOE), which is responsible for the national energy supply, embarked on rolling load-shedding that resulted in the credit agencies' downgrading (Caboz, 2019). Moreover, South African Airways (SAA), another SOE, entered into business rescue on 5 December 2019, citing declining profitability and a lack of management recovery strategy (Cassim, 2020). In October 2020, SAA received a second financial bailout package within twelve months from the Minister of Finance to support recovery plans. SOE's were once thought to be safe havens of employment, but the macro-environment imposes pressure on all organisations, which have to respond.

2.7. SURVIVORS

2.7.1. Workplace Survivor Syndrome

Islam (2014) affirms Henri Tajfel's 1979 Social Identity Theory which states that although individuals have unique thoughts and actions, they seek societal affiliation and a sense of belonging. Maslow's Hierarchy of Needs validates the membership condition that resonates with Tajfel's study. When a firm undertakes to implement organisational right-sizing, two distinct type of staff emerge. The first type are those

whom the firm retains due to competencies and capabilities to deliver on production and who are branded *workplace survivors*. The second type are those who are excess to the firm's current resource requirements and are labelled as *castaways* as they are redundant (Agwu *et al.*, 2014; Akaighe and George, 2017; Batra, 2019). Managing survivors' morale and performance in the workplace post right-sizing has posed a challenge to supervisors and managers as these factors tend to decline. Survivors enter into a psychological battle as to why they were retained while their colleagues were terminated. Organisational right-sizing is based on structural changes that seek to employ the bare minimum at a point in time to offer efficiency and maximum profitability.

The repercussions of the firm's right-sizing strategy on the survivor, namely increased workload, greater utilisation and additional overtime due to a reduced staff complement to meet outputs, may be too much to bear as the survivors are overwhelmed by organisational pressure and guilt for being retained. The firm's strategy may prove to be adverse as the survivors decide to resign from the organisation, in any event leaving a void in the skills required by the firm (Anitha, 2014; Akaighe and George, 2017; Batra, 2019).

2.7.2. Survivor Psychological Contract

Datta and Basuil (2015) writes that organisational right-sizing is construed as a breach of the psychological contract between employee and employer. This breach is established on the informal contract that employees are anticipated to do a "fair day's work" for a "fair day's pay.". Wang and Hsieh (2014) stated that the psychological contract was an arrangement of a social interchange that was established between the employee and the firm. Contrary to the existence of the psychological contract, Arshad (2016) argues that the implementation of right-sizing violates the reciprocal nature of the contract of employment. Upon commencement of the right-sizing process implementation, management is challenged by navigating employees' resistance to the process.

Low, Bordia and Bordia (2016, p1457) suggested that the employer, in a bid to attract and retain employees, should develop psychological contracts that engage the

employee to contribute in the desired manner, receiving attractive inducements. Organisations can develop their attraction and retention of an employee by proposing work conditions that meet the employee's penchants and, as such, establish psychological contracts that reinforces employer (firm) - employee relationships.

2.7.3. Survivor Psychological Contract Breach

Factors that lead to a psychological contract breach are centred around employees not being satisfactorily treated by the employer during a period of uncertainty (Wang and Hsieh, 2014). The period leading to right-sizing is met with apprehension and fragility as employees experience a lack of security and re-assess their rung on Maslow's Hierarchy of Needs pyramid. Employees developing negativity towards the employer results in a deficit in the delivery of employment obligations (Blomme, De Ruiter and Schalk, 2016). The primary factors that lead to an imbalance in the relationship between employees and the firm are the change management process and communication strategies directed to the survivors (Arshad, 2016; De Ruiter *et al.*, 2016). Survivor discourse arises as they deem that the communication delivered is not entirely transparent, honest and does not take the employees' commitment nor tenor of service into consideration. Therefore, this results in an imbalance of service delivery on the part of the employee. This is enacted by negative attitudes, behaviours that result in outward feelings of anger and frustration towards the employer (Gabriel, 2017).

2.7.4. Organisational Commitment of Right-sizing to Survivors

Mutodi, Ngirande and Terera (2014) state that how the right-sizing process is led also has an influence on the organisational commitment of survivors. This commitment is moderated by the survivor's perception of the process implemented. Conversely, should the survivors identify unfair implementation, they would develop negativity towards their organisations and the employer.

Drzensky, Heinz and Van Dick (2016) and Akaighe and George (2017) argue that the perception of survivors during the downsizing process migrates towards feelings of uncertainty regarding the future of their employment and that of the organisation to the extent that they become disengaged with their jobs, consequentially offering diminished

organisational commitment which inevitably leads to high staff turnover. Therefore, in an attempt at increasing the survivor's employee satisfaction and organisational commitment, the right-sizing process ought to be implemented with transparency and fairness. Many research papers on mergers and acquisitions present organisational change processes, but very few have studied downsizing and the attention to organisational commitment (Van Dick *et al.*, 2016).

2.8. COST RATIONALISATION OF ORGANISATIONAL RIGHT-SIZING

Most literature alludes to right-sizing as an intentional act of the organisation to achieve efficiencies directed towards leaner structures, operations and resourcing. As revenue curtailment is cited as a critical factor in organisational right-sizing, then the overhead cost rationalisation is the only viable option (Kossivi, Xu and Kalgora, 2016; Batra, 2019).

2.8.1. Surplus Staff (Over-staffing)

Over-staffing results from poor planning by human resources management, reduced production levels and through the discontinuation of certain activities or departments (Akpan, 2014). Over-staffing is created when the number of staff exceeds the available job plan. The reduction of staff is a pre-requisite to maintaining operational efficiency and cost. This would typically result in low to medium-skilled workers being retrenched from the organisation or deployed to other divisions, or agreements being reached with other organisations to onboard surplus staff. As an alternative to over-staffing, the organisation can reduce working hours or create working shifts (Akpan, 2014). This addresses the overhead cost curtailment and lowers the unemployment burden on governments.

2.8.2. Voluntary Severance Packages

Voluntary Severance Packages (VSPs) are incentives offered to employees to encourage early retirement or resignation from the organisation voluntarily. This is subject to approved policies for retirement benefits (Akpan, 2014). Associated

minimum legislated Department of Employment and Labour financial incentives are one week's pay for every twelve months of completed service by the employee. Contrary to the intention of the VSP, this inducement may incentivise skilled resources to apply for the VSP for financial gain and to take up employment elsewhere. The organisation may potentially be left with a talent deficit and skills shortage.

2.8.3. Restructuring options

Undertaking an analysis of the firm's various divisions and ranking these divisions according to revenue, support, function and strategic value is an option. The lowest-ranked division would be deemed as the most unproductive in the firm. Therefore, this division should cease or suspend operations, or be sold. Resources can be re-deployed within the business or subsidiary organisations (Akpan, 2014; Batra, 2019).

2.9. ORGANISATIONAL CULTURE POST-RESTRUCTURING

According to Anitha (2014) and Qureshi (2014), the restructuring process in any organisation that leads to right-sizing will perceive survivors of the process to be blessed and not to be part of those who have been in the exit pool (castaway), will display more organisational citizenship and wield higher energy levels to impress the firm. Right-sizing produces a new culture of employees called *survivors*. Management's expectations are higher levels of productivity in an environment that has changed, both physically and psychologically (Cameroon and Green, 2015). The survivors follow a negative path, displaying feelings of loss, anxiety and fear related to the firm's future uncertainty. Qureshi (2014) stated that employees that are retained face the possibility of work overload in order to meet the performance mandate of the organisation.

The survivor syndrome results in a loss of production until there is a re-alignment of the survivors in the short-run (Schaufeli, 2016), typically a six to twelve-month period. This phenomenon will be replaced in the long-run with normal production levels once the survivors re-establish an operational rhythm. Barton and Ambrosini (2013) caution that

the restructuring, although strategic in nature, is flawed if not communicated with a clear vision. Middle-management is tasked with a strategic role of being the implementers of restructuring. The rung of the leadership of middle management is conflicted by being the mediator between upper management and the workforce. A lack of appropriate communication to middle management could result in an implementation failure of the right-sizing process.

2.10. CRITICISM OF ORGANISATIONAL RIGHT-SIZING

Globally, the trend of organisational right-sizing has impacted stable economies like Japan and Sweden (Gandolfi and Hansson, 2015). Industrialised economies are forced to scale down operations in order to remain competitive. There is limited literature evidencing that organisational right-sizing as an organisational strategy leads to success when analysed from financial, organisational and human resource perspectives (Anitha, 2014; Nwoye, 2017).

In the short-term, right-sizing has delivered financial improvement as resources are fewer and uncertainty of continued employment challenges the survivors to work harder to compensate for the lack of other resources. However, the value of being retained gives birth to organisational fulfilment. This fulfilment potentially results from the perception of how fairly the process of right-sizing was implemented (Mekaoui, 2020).

Perceived organisational instability results in the withdrawal of customer support or worse, the cancellation of client contracts as they lose confidence in the organisation (Mills, 2019; Mekaoui, 2020). Structural changes have many implications, namely reduced client communication and having missed client orders or deliverables, therefore presenting a negative shift in the organisation's market share, client perception and further loss of a future sustainable competitive advantage that may have previously been earned.

A further negative impact is the potential loss of innovation and new product lines as the organisation has fewer employees, as skills may potentially have left the organisation (Bedarkar and Pandita, 2014). The impact of the talent and skills drainage

impacts organisations as they have limited control over the exodus of these employees. Skilled employees are typically the first to resign as they are more knowledgeable and marketable, while lower-skilled employees may remain as their prospects beyond the firm are less (Nolan, 2015; Nwoye, 2017).

Organisations' management have tunnel vision that focuses on the short-term win and neglects the long-term strategy. Addressing the current crisis or the Chief Executive Officer (CEO) displaying agency problems by serving self-interest (bonuses and revenue targets) derails the organisation from the longer-term strategy. The agency problem is when stewards of firms are self-seeking at the sacrifice of the organisation's success in the process (Smit, Stanz and Bussin, 2015; Schenkel and Teigland, 2017).

Organisational right-sizing, however, has presented organisations with the opportunity to address challenging historical problems, such as flattening hierarchical structures by the elimination of layers of bureaucracy and improving communication and decision-making (Mills, 2019). Furthermore, the removal of resources that have not offered value (Datta and Basuil, 2015) and streamlining processes are also addressed. Mosadeghrad and Ansarian (2014) cite that organisational right-sizing has the potential to deliver significant efficiencies and also address entrenched organisational behaviour and culture.

Lastly, investment in human capital via talent management programmes develops a culture of organisational citizenship, where resources are more engaged in the organisation and voluntarily exceed management expectations. Organisational citizenship is a process that is developed over some time, which is realised in the medium-term strategic period and linked to the growth of a knowledge workforce (Edokpolor, 2019).

2.11. TALENT MANAGEMENT

Talent management centres on the employer's commitment to recruiting, training and rewarding resources who upskill their portfolios to enhance their career prospects. Smit *et al.* (2015) and Mousa and Ayoubi (2019) defined talent management as the

identification of competencies needed for an organisation's growth. They further stated that there was an added benefit to increasing employee interaction, which is a journey delivering an emotional and intellectual association to their profession. Therefore this can influence the employee to adopt additional discretionary acumen to their work. Talent management is an unceasing process grounded upon four pillars, namely; sourcing, training, retaining and promoting talent, that are all aligned to the organisation's strategy (Pregolato, Bussin and Schlechter, 2017; Edokpolor, 2019).

Talent management enables organisations to retain skilled employees by upskilling them, thereby reducing employee attrition rates. Gillies (2017) cites that Human Capital Theory has developed into an influential theory in modern economics. The past two decades have witnessed the onset of the fourth industrial revolution that has given birth to the age of the knowledge economy. Therefore, the relationship of employee education and development through training delivers economic growth to the firm and society, where economic activity is underpinned by intellectual knowledge rather than manual or physical labour. Therefore, an investment in human capital (education and training) renders financial gain for the firm and society at large.

Schuler *et al.* (2011) and Collings, Scullion and Vaiman (2015) argue that the emergence of talent has presented challenges for the firm as it is the undertaking of human resource processes that attract, cultivate, inspire and retain high-performing employees. However, attracting and retaining talented resources is becoming progressively problematic arising from demographic and psychological trends (Tucker, 2005 and Dries, 2013 cited in Deery and Jago, 2015). Furthermore, Fry (2016) asserts that a change in the generational workforce, namely the decline in baby boomers and the increase in millennials, has changed the culture of the firm. The firm's espoused value system resonates with millennials. This further challenges management as the psychological contract of millennials and employers is underpinned by an expectation that is potentially ambiguous to both parties.

2.11.1. Importance of Talent Management

The 20th Century occupied management with concerns of tangible resources such as land, machinery and finances, as well as intangible items like branding and customer loyalty (Oladapo, 2014). The turn of the century identified firms steeped in the efficiency of operations, delivering profitability and increasing revenue, thus talent management and sustained competitive advantage is synonymous with the firm's relevance (Katz and Margo, 2014; Oladapo, 2014).

In developing talent, organisations are urged to understand the drivers, namely the labour market (skills requirements), retention strategies, risk of employee self-selection and impact of recruiting (Oladapo, 2014). Therefore the process of attraction, selection, engagement, development and retention of employees are the five main focus areas of talent management. This establishes a sustained competitive advantage as the demand for human capital grows in the 21st century.

2.11.2. Importance of the Retention of Talent (Employees)

The retention of employees is a pre-requisite in maintaining a sustainable competitive advantage over competitors (Oladapo, 2014; Wakabi, 2016). Employee retention is a concern confronting managers arising from scarcity of skills, economic progress and increased employee turnover (Wakabi, 2016; Nwoye, 2017). The talent an organisation has is contained in the sum of the employees' skills and competencies, providing organisational capabilities within a highly competitive professional environment (Ibidunn, Osibanjo, Adeniji, Salau and Falola, 2015). Edokpolor (2019) explains that talent retention is a voluntary act of the firm to captivate, develop, attract and retain resources with the skills and capabilities to meet the immediate and proposed demands of the organisations. Therefore, the phenomenon of talent retention emphasises how an organisation can cajole, preserve, attract, manage, retain and keep this talent (Ibidunn *et al.*, 2015).

2.11.3. Cost of Replacing or Acquiring Talent

The cost incurred by the organisation in sourcing, recruiting and developing talent is high (Ibidunn *et al.*, 2015; Edokpolor, 2019). The recruitment of talent arises from a skill that has either been lost or required by the firm. The impact of a talent void is a loss of creativity and innovation or opportunity loss in collaboration within a broader pool of knowledge and skill-seeking solutions within the organisation. The recruitment of talent is an overhead cost that costs as much as two hundred per cent of a former skilled employee's salary (Nolan, 2015). These overhead costs are related to recruitment, such as advertising and the salary burden of exiting employees and their benefits. Employee attrition also results in missed business opportunities and deliverables that are an additional unforeseen cost to the organisation.

2.11.4. Multi-generational Workforce

South Africa has focused considerable effort on organisational diversity that has emanated from employee and cultural diversity. The tempo of organisations has changed as employers acknowledge an ageing workforce. The organisation finds that they have a team that is a multi-generational workforce. Gelbtuch and Morlan (2015) explain that managers coordinate the interactions of the workplace with this multi-generational workforce, offering varying perspectives and personalities.

Mosadeghrad and Ansarian (2014) and Sakdiyakorn and Wattanacharoensil (2018) argue that widespread attention to the generational diversity of the workforce predominately stems from the sociological underpinning related to how cohorts born within a particular time-frame share experiences, lifestyles, expectations and values. This has prompted researchers to explore these factors and has developed traits, both negative and positive, related to the generational workforce. The classification of the workforce by age or demographics has been widely captured in literary works. The complexity it presents for the organisation in terms of talent management is unprecedented (Sakdiyakorn and Wattanacharoensil, 2018). Sakdiyakorn and Wattanacharoensil (2018) explains, while organisations need to engage four discrete generations, namely the baby boomers (1946-1964), generation X (1965-1976),

millennials (1977-1997) and generation Z (1997-2012) daily, the coordination of operational activities between these classifications is almost a waltz dance.

Baby boomers have reached retirement status, while Generation X shares organisational stewardship with millennials. Millennials and Generation Z are identified as future leaders of organisations. Skills management, talent development and talent investment are all critical to an organisation mapping a strategic perspective on the talent management balanced scorecard and retention of employees, both current and future (Tiago, de Almeida, Tiago and Faria, 2016). Kossivi *et al.* (2016) summarise that employee retention is about mechanisms directed to encouraging employees to stay in an organisation for as long as possible, or until the completion of projects.

2.12. EMPLOYEE RETENTION

Du Toit and Coetzee (2012) assert that a career path includes a subjective and objective perspective. An objective perspective relates to the tangible outcomes of employment, e.g., salary, promotions and the job title, while the subjective perspective refers to levels of satisfaction experienced on the job and a sense of self-worth.

Studies report that skills shortages and the increased turnover of talented employees is a persistent problem in the South African economy (Windapo, 2016). A skills shortage is further described as the insufficient supply of qualified staff in existing market conditions at the overall remuneration level. The retention of talent, knowledge employees and intellectual capital are cited by Smit *et al.* (2015) as a means for organisations to achieve a sustained competitive advantage. Furthermore, the right total reward package delivers the desired personnel at the required time. The reward strategy being implemented is therefore critical to all organisations.

Recruitment candidates today select organisations that provide an array of retention incentives. In a knowledge economy, inducements and retention benefits such as imparting organisational tacit and implicit knowledge is critical in talent development (Low *et al.*, 2016; Aguenza and Som, 2018). Employee retention research by Coetzee and Stoltz (2015) states that organisational strategy determines the retention strategy

of resources. These can be in the form of financial or non-financial benefits. Financial benefits such as salary and bonuses ranked high, followed by non-financial benefits such as job skill variety; training and development opportunities; support and mentorship (recognition coupled with feedback); growth prospects; and work-life balance (ability to satisfy both work and personal obligations adequately) (Smit *et al.*, 2015; Pregolato *et al.*, 2017).

Organisations need to be mindful of the inclusion of the multi-generational workforce as this impacts the present and future talent pool of the organisation (Edokpolor, 2019). Reviewing the retention policies and planned strategies are critical to the strategic human resource management department in aligning the preference and motivation of the generational composition of the workforce as these policies are potentially outdated, having been formulated by the baby boomer generation. Aamir, Abro, Akhtar Hussain and Khurshid (2015) opine that previous researchers also agree on the concept that prosperous organisations subscribe to the philosophy of appreciating and investing in their employees.

While the retention of talent is a focal management conversation, studies have highlighted that organisations fail to measure and evaluate the effectiveness of rewards for the employees (Brown, 2014). A third of organisations have matrices to assess employee performance and skills development, but this is not shared or reviewed for the influence of the process.

Erasmus, Grobler and van Niekerk (2015) cite that organisational citizenship develops when employees exceed performance and deliverables beyond their contracted tasks. Organisational citizenship is one of many organisational goals. The employer should participate in supporting the migration to organisational citizenship through mechanisms such as retention strategies.

2.12.1. Employee Retention Strategies

2.12.1.1. Flexible Working Practice

Flexible working practices are described as the setting for formal and informal organisational strategies, enabling employees to be unbound from traditional office regimes and assisting them to achieve an improved work-life balance (Idris, 2014; Wheatley, 2017). As the labour market diversifies in gender, age and maturity of employees, organisations are seeking strategies in accommodating and retaining these employees (Idris, 2014). Families grow, lifestyle changes and orientation towards work-life balance increase the need for organisations to formulate a flexible work environment policy to accommodate the work-life balance principle.

Wheatley (2017) found that male staff use flexible working as a choice, maintaining full retention and benefits, while female staff usage is more aligned to personal constraints. It potentially means reduced employment hours and benefits to service family priorities. The practice remains debated as the boardroom sees an increase in gender equity compliance.

Flexible work conditions are as follows:

- a. Flexible hours, this generally aligns to employee availability during core business hours (10h00 to 15h00) that are organisational specific. The daily start and finish hours are relaxed whilst committing to the corporate quota of weekly hours (Wheatley, 2017).

- b. Telecommuting is working away from the employer's traditional location. Telecommuting creates flexibility for employees by establishing a lifestyle commitment. Some telecommuting arrangements allow for employees to live in different towns, provinces and even across borders. The availability of the internet of things (electronic media platforms) and connectivity enables employer and client engagement. They are also allowing greater employee flexibility, cost-saving and job fulfilment. However, the harmful impact of potential isolation due to a lack of in-person contact, the lack of a work regime

by not identifying personal time or work time and further being unable to “unplug” needs to be navigated (Idris, 2014).

2.12.1.2. Reward System

The reward management system is an indispensable pillar of human resource management and is deemed to be a driver that influences job behaviour. It also addresses the psychological needs of an employee that inspire personal performance and organisational engagement (Khoiruddin, Martono and Wulansari, 2018). Remuneration alone is a reward, but rewards such as bonuses resulting from achievements that have been acknowledged in the pursuit of organisational goals are also important (Baba, 2015):

- a. Remuneration aligned to attracting skills, experience and academically qualified persons. Employee remuneration is to be benchmarked to the sector or exceed the industry standard.
- b. Rewards for performance, innovation and signing new contracts. They are aligned to performance management reviews and the achievement of organisational goals and policy.
- c. Benefits related to health, education, housing and scarcity allowances. These allowances are in addition to the typical remuneration packages but offer an inducement that entices employees to remain in the organisation’s employ. The benefits are also an investment in the retention of employee skill sets.
- d. Promotion through unambiguous policies. All employees desire growth development and promotional opportunities. It is for the employer to set a path/matrix/policy outlining the criteria associated with progression within the organisation.

2.12.1.3. Leadership, Mentorship and Training Opportunities

Organisational leadership is fundamental to the growth of individuals, organisations, communities and nations (Baba, 2015). The traditional management role for all organisations is shifting towards engagement leadership models that leverage leadership experience and tacit knowledge to deliver organisational growth. In the engagement of a generational workforce, it needs to be remembered that Generation Z employees are outwardly expressive and have a thirst for learning. They demand mentorship assignees, training and skill matrix programmes that identify their purpose, direction and future employment potential and value to the organisation.

2.12.1.4. Employer Value Proposition and Branding

The employer value proposition and branding, according to Arasanmi and Krishna (2019), are inducements for the retention of employees by the organisation. The human capital strategy has components of the work environment, relationship with co-workers, managers and leaders. Organisational support and knowledge are desirable in evidencing the positive qualities of an organisation. Organisational support is illustrated by the organisation's values and employees' well-being.

2.13. THE THEORETICAL MODEL OF ORGANISATIONAL STRATEGY IMPLEMENTATION

The theoretical framework used for this study was the McKinsey 7-S Model developed by the McKinsey consultants in 1980 (Ravanfar, 2015). The McKinsey 7-S Model is an organisational tool that analyses a firm's organisational design for effectiveness. The model has seven interrelated organisational elements, namely the hard elements relating to structure, strategy and system; as well as the soft elements about the human resources such as skills, style, staff and shared values as illustrated in Figure 2.1. The application of the seven elements by the firm is to recognise that a change in any one component affects the related, interconnected elements. Therefore, by scenario planning and strategy development, the best possible permutation should be assessed for organisational fit and implementation.

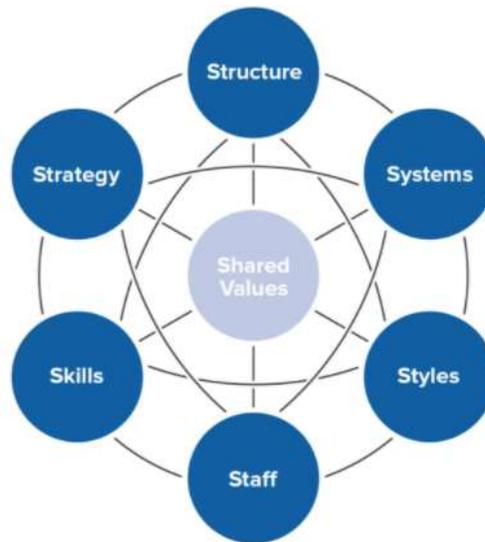


Figure 2.1: McKinsey 7-S Model

Source: Ravanfar (2015:pg3)

2.13.1. The McKinsey 7-S Elements

2.13.1.1. Strategy

The strategy of the firm is developed with much consideration, outlining the vision and objectives of the firm generally to gain efficiency, increase in revenue and a sustainable competitive advantage. This strategy needs to be clearly articulated and assessed in conjunction with other McKinsey 7-S elements for organisational fit (Putra, Pusaka, Indradewa and Syah, 2019).

2.13.1.2. Structure

Structure relates to how the firm's organogram is structured and how different departments and business units network with each other (Putra *et al.*, 2019). A change in strategy can impact the structure that may require modification, impacting systems, skills and staff.

2.13.1.3. Systems

Systems related to the operations are the nerve of the firm linking how everyday business is executed in the organisation. Systems are responsible for the controlling of production, inventory, sales and cost, amongst other functions (Putra *et al.*, 2019).

2.13.1.4. Shared Values

Shared values are associated with the organisational culture, behaviour and attitude of the employees. The shared values are where organisational citizenship takes up residence in the firm. An impact in any of the other systems will result in a shift of shared values and this may impact performance, profit and ultimately organisational culture (Ravanfar, 2015).

2.13.1.5. Style

Style is focused on the enactment of leadership in the organisation. This can be from a supervisory to the executive level as this element impacts the shared values and staff of the firm (Putra *et al.*, 2019).

2.13.1.6. Staff

Staff relates to the required number of employees needed to fill the organisational structure in order to deliver on the forms of obligations. Staffing also extends to the depth of training, development and incentives the firm expenses on this commodity (Ravanfar, 2015).

2.13.1.7. Skill

The skillset of employees defines the depth of capabilities and competencies contained within the firm. It is the distinguishing factor that enables the firm to develop a sustained competitive advantage (Ravanfar, 2015).

2.14. CHAPTER SUMMARY

The theme of the literature reviewed recognised that organisational right-sizing (downsizing) had a negative impact on the organisation in the long-run and further, the effect on employees was evidenced by the remaining employees facing a phenomenon called survivor syndrome. The negative impact on the organisation from a productivity and revenue perspective counters the intended strategy of right-sizing. The antecedent organisational right-sizing, e.g. voluntary severance packages, was presented as a tool to implement right-sizing. However, due to employment insecurity, skilled employees with critical skills choose the flight option and seek employment in less turbulent organisations. Therein lies a conundrum of organisational right-sizing, with a thirty per cent success rate, meaning that seventy per cent of corporate right-sizing strategies fail.

However, the identification of talent management and retention strategies commit the organisation beyond the short-term challenges towards longer-term gains. An organisation's human capital was identified as the future of the organisation to deliver sustainable competitive advantage.

There are several gaps in the literature reviewed. Firstly, there is no correlation between employee reduction and organisational right-sizing. The literature does propound that the cost of right-sizing initially is higher in the short-term due to exiting staff compensation funds. Secondly, the literature identified the implementation of right-sizing, but fails to detail how the implementation is accomplished. Typically, middle management is commissioned to be implementers of any organisational change. The lack of adequate communication of the implementation strategy by executive management is a justification for failure. Lastly, the survivors had no coping mechanisms available to mediate the transition post the emotional journey of right-sizing. This led to survivor fatigue, unhappiness and reduced performance.

The strategy of organisational right-sizing requires management to review the intended goals and implementation impact before embarking on a course of action that impacts all within the organisation. As change is inevitable, organisations should seek to

motivate and communicate a vision of clarity to develop organisational citizenship. In a bid to retain critical skills, management is to be cognisant of the human element that the premise of right-sizing is deeply rooted within. Followers look to leaders, irrespective of rank, for direction during a restructuring process.

Chapter Three presents the research methodology detailing the research design applied to the study.

CHAPTER 3: RESEARCH METHODOLOGY

3.1. INTRODUCTION

This chapter aims to create a discourse on the most appropriate research methodology and research methods for the study. It also contains an overview of the research problem statement and the aim of the study. Research, as defined by Kumar (2019, p.209), is an “inquiry into the nature of, reasons for and the subsequent consequences of a set of circumstances which are experimentally controlled or recorded as they happen.” The research method is expressed as a series of sequential steps chosen to guide a research study and deliver the responses to the research questions (Taylor, Bogdan and De Vault, 2015).

This chapter discusses the aims and objectives of the study, the participants, the research design and study setting. In addition, it examines the data collection methods and strategies applied, the analysis of the data, as well as credibility and trustworthiness of the data. Finally, a discussion on the elimination of bias and ethical considerations of the study ensues.

3.2. AIM OF THE STUDY

The aim of the study, as outlined in Chapter One, was to explore factors informing organisational right-sizing and how management was actively engaged in the retention of critical skills at an engineering consultancy in South Africa. From this, the following objectives were derived;

- a) To identify the factors informing organisational right-sizing at Trans-Africa Projects, an engineering consultancy in South Africa.
- b) To determine the methods employed at Trans-Africa Projects consultancy in South Africa to achieve organisational right-sizing.
- c) To establish how employees with critical skills could be retained by Trans-Africa Projects, an engineering consultancy in South Africa.

3.3. RESEARCH PARADIGM

The research paradigm references various research approaches. Therefore, the paradigm is referenced to an individual's base of knowledge. It is what one knows about to some degree or how to gather the required knowledge (Creswell and Creswell, 2017). Commonly used research paradigms are positivism, constructivism, pragmatism and interpretive paradigms (Creswell and Creswell, 2017). Organisational and management research is typically classified as regulation perspective research that endeavours to recommend and otherwise improve on current practices whilst radical change perspectives seek to institute new mechanisms of execution (Saunders and Thornhill, 2016).

The purpose of interpretivism within research is to create a new in-depth understanding of the societal context issues. Therefore, the interpretivism paradigm was applied to this qualitative research. The interpretivist approach of the study focused on the participants' lived experiences, memory and understanding of those experiences (Saunders *et al.*, 2016). The study aimed to contribute practical solutions that will inform future organisational right-sizing practices and the strategy to retain critical skills. Within many firms, organisational right-sizing is recommended by executives, but this recommendation fails to effectively evaluate the impact on the operation and the retention of skills.

3.4. RESEARCH DESIGN AND METHODS

3.4.1. Background

The research design is defined as a guide for the acquisition, measurement and analysis of data and information, created to offer responses to research questions (Sekaran and Bougie, 2016). Furthermore, the research strategy assisted in realising the study objectives (Sekaran and Bougie, 2016). deVaus (2014) states that explanatory, descriptive and exploratory research methods are at the researcher's disposal. Kumar (2019) opines that research is beyond a set of skills, but is an approach of thinking and critically examining the numerous aspects of daily events in

the working professional environment. Therefore, research is based on fundamental philosophical assumptions about what establishes valid and credible research. Thus, the research method appropriately applied must yield the development of knowledge in the research study (Antwi and Hamza, 2015).

The research methodology selected is predicated on the type of research and the research questions being investigated. The researcher must understand the different research methods and then formulate an informed approach of how to apply this method to the research study, namely quantitative, qualitative and mixed method research. Antwi and Hamza (2015) explain that the positivist approach underpins the quantitative research methodology. The data collection method is in the form of quantitative analysis and evidence numerical when compared to the descriptive and qualitative analysis.

A qualitative research methodology is underpinned by an interpretivist epistemology and constructionist ontology. The researcher in qualitative research immerses themselves in the culture, interaction and by interviewing key persons and attaining a view of the group. Therefore, the data of qualitative research is decoded into speech and purposefully applied to confirm, complement and contribute to a body of theory (Raesch, Lee and Spaeth, 2015). A qualitative method is applicable in the acquisition of data in the exploration of organisational right-sizing and the strategies applied to retain critical skills in the organisation, which is the overall goal of this study.

Mixed-method research is a blend of quantitative and qualitative research. The mixed-method is advantageous in studies as this approach provides an appreciation of the relationship between the quantitative results and the qualitative findings (Saunders *et al.*, 2016). Therefore, a mixed-method study offers a grounding in the experiences of the participants. However, this method poses challenges for the researcher in acquiring different types of data (text and numerical) that are analysed separately and shall need to be combined for reporting. Mixed methods are also prone to inaccuracies and introduce bias and weakness to the body of evidence (Creswell and Creswell, 2017).

3.4.2. Application

The researcher chose a qualitative method after assessing the research topic, aims and objectives of organisational right-sizing and the strategies developed to retain employees with critical skills. The qualitative research design was based on a semi-structured interview instruments with TAP management for primary data collection. The study was hence exploratory and described the phenomena contributing to an interrogative and communicative mode of data assemblage. Phenomenological studies characteristically utilise interviews as the gathering of information regarding the participants and the experience of the phenomena (Creswell and Creswell, 2017). This study endeavoured to explore responses to the 'what, how and why', to the reasons for the research topic.

The impetus for using the exploratory type of study was to establish all the pertinent factors that encourage organisational right-sizing and the retention of critical skills. It also highlighted the different points of view as held by the interviewees (Creswell and Creswell, 2017). The platform was deemed appropriate to capture the insights of the study population.

3.5. STUDY SETTING

The study setting was TAP in South Africa. TAP is a professional engineering consultancy with a national footprint in three strategic locations in South Africa, namely Gauteng, KwaZulu-Natal and the Western Cape (TAP Company Profile, 2020). TAP also has international clients in Africa and abroad. The study engaged eight of the ten TAP managers between grades 15 to 22. The research was conducted within TAP, which had informed the employees of TAP embarking on organisational right-sizing in January 2019 by group electronic mail communication (e-mail) (TAP HR, 2019a). In the months that followed, the employer led numerous employee communication sessions, sharing of the revised organisational structure and areas of refinement (TAP HR, 2019c). Structural change was evident, with some employee being informed that their positions had become obsolete. Organisational right-sizing, in this setting,

identified the need to reduce the man-plan resources from one hundred and thirty-three to eighty-five. The process was concluded by June 2019.

3.6. POPULATION AND SAMPLE OF THE STUDY

The population referenced in research is an aggregate of all the objects, subjects or members that conform to a set of specifications that the researcher wants to draw conclusions about (Saunders *et al.*, 2016; Creswell and Creswell, 2017). Researchers have the task to determine how large the research population is and choose if the research population can effectively contribute to the study. Alternatively, the researcher selects a sample of the population that meaningfully represents the population. A sample population is a distinct group of participants from whom the researcher shall collect data. The sample criteria typically constitute gender, ethnicity, age and employment status, to name a few (Saunders *et al.*, 2016). In this study, the research topic guided the researcher to the population, which comprised of management (managers, senior management and executives). This population of managers contributed to the decision-making body for strategic organisational decisions and the implementation thereof. Therefore, this management population provided rich insight into the criteria for organisational right-sizing and the retention of critical skills.

3.7. SAMPLING METHOD

Researchers, on many occasions, are challenged in addressing the research question and objectives as access to the population for data collection and analysis may pose research challenges such as population size, data acquisition time and cost. At times an opportunity may present itself for the researcher to collect and analyse data from all groups or the whole population, which is termed a census (Saunders *et al.*, 2016).

Dependent on the researcher's applied methodology being quantitative or qualitative the researcher engages in a sampling method that is either probability or non-probability sampling, respectively (Palinkas, Horwitz, Green, Wisdom, Duan, and Hoagwood, 2015; Creswell and Creswell, 2017). Probability sampling is commonly associated with survey research where inferences are made about the sample

population to address the research objectives. Probability sampling includes simple, systematic, stratified and cluster sampling that are all divided into four stages. Stage one is to identify a suitable sample frame based on the research question, followed by a proper sample size. After that, the selection of the appropriated sampling technique from the list above is made and finally the researcher confirms that the sample is representative of the population (Saunders *et al.*, 2016).

Conversely, exploratory research (qualitative) aims to be theoretically generalised and therefore does not require the representation of large sample sizes. Thus, a non-probability sampling method provided a range of techniques for exploration into the research topic and investigation of the phenomenon (Palinkas *et al.*, 2015; Saunders *et al.*, 2016; Creswell and Creswell, 2017). A non-probability sampling method was used since the research topic was exploratory. A non-probability sampling method allows for the subjective judgement of the researcher. Many different types of non-probability sampling exist, but this study applied the purposive sampling technique. Purposive sampling afforded the researcher an option to deliberately recruit a small group of expert participants that were rich in knowledge and contributed meaningfully to the study. The identified participants were in a management position within TAP.

The determination of an appropriate sample size in qualitative research is not mandated. However, authors have recommended a study sample size for phenomenological studies. Creswell and Creswell (2017) proposed sample sizes of five to twenty-five participants, whereas Saunders *et al.* (2015) stated that a minimum number of six participants for an exploratory study was acceptable. The study identified a total of ten participants, with eight participants consenting to participate in the study. The anonymity of the participants were maintained.

3.8. CONSTRUCTION OF THE INSTRUMENT

The construction of a research instrument was designed to stimulate responses from the participants to the same set of questions in a predetermined order (deVaus, 2014). Saunders *et al.* (2016) identified research interviews as a purposeful dialogue between the interviewer and interviewee. The interviewer aimed to establish a rapport with the

interviewee. Qualitative instruments such as observation, open-ended questions and in-depth interviews are applied to collect data from participants in their natural setting (Eyisi, 2016). The latitude afforded to the researcher of qualitative research enables a social environment to probe the study's phenomena. The responses of the participants are the impetus for theory confirmation or the formulation of new theory (Eyisi, 2016).

The construct of a semi-structured interview instrument aligned with the research design was that the participants shared their experiences with the study (deVaus, 2014). Semi-structured interview instruments are frequently applied in qualitative research. The interview instrument consisted of twelve questions exploring the main research questions. This method typically consisted of a dialogue between the researcher and the participant, guided by a fluid interview protocol and supplemented by follow-up questions that probed further to clarify responses. This also allowed the researcher to collect open-ended data, exploring the participants' thoughts, feelings and beliefs about the research topic and delved deeply into personal and sometimes sensitive issues (DeJonckheere and Vaughn, 2019).

The theoretical framework of the study was the McKinsey 7-S Model, which was the basis of the interview instrument theme development. The research instrument was developed on two levels of questions, namely the main themes and follow-up questions (Kallio, Johnson, Pietila and Kangasniemi, 2016). The main themes were central to the study, where the interviewee was familiar with the setting of the study. The main themes were organisational right-sizing, the implementation of organisational right-sizing the and retention of critical skills. Kallio *et al.* (2016) stated that semi-structured interviews might have follow-up questions prepared or the researcher may at liberty develop and probe further enquiry to a response.

The interview instrument had twelve guiding interview questions, refer to Appendix Four. Interview duration averaged thirty minutes, with a total of eight consenting participants.

3.9. DATA COLLECTION

3.9.1. The Data Collection Strategy

A semi-structured interview instrument was chosen for data collection in this exploratory research study as it would deliver a greater depth of insight by the participants (DeJonckheere and Vaughn, 2019). The objective of the instrument was to yield rich responses directly linked to the phenomena from the participants who were knowledgeable about the recent right-sizing process and the retention of critical skills (Creswell and Creswell, 2017; DeJonckheere and Vaughn, 2019). The researcher explored people's beliefs, values and assumptions based on their actions. Saunders *et al.*(2016) propounded that a carefully devised data collection process can extract information from participants without them feeling coerced, thereby satisfying the study by guaranteeing that data is credible and truthful. Table 3.1 tabulates the advantages and disadvantages of the research instrument selected.

Table 3.1: Interview Instrument, Advantages and Disadvantages

ID	Advantage	Disadvantage
#1	Researcher directs the interview to the key themes and exploratory discussions	Interviewer skills are required to elicit and probe in-depth responses
#2	Researcher develops a rapport with the interviewee	Interviewer offers subjectivity in the interpretation of responses
#3	Credibility and trustfulness deemed high as it is accessed from source and possibly have a further depth of knowledge of the study	Credibility and trustfulness of the interviewee's responses are not guaranteed.
#4	Practical and straightforward mode to acquire data, Small sample size required.	Cost is high and time-consuming to review the transcripts of all interviews

Source: Adapted from DeJonckheere and Vaughn (2019, p7)

This researcher acknowledged the advantage of developing a rapport with the interviewee. Primarily this presented the researcher a platform to illicit in-depth

opinions and points of view during the interview process. The researcher also experienced a disadvantage associated with time. In conducting the interviews, the transcription and analysis of the text thereof required considerable time and effort by the researcher.

3.9.2. Data Collection

Primary data collection for this study was through a semi-structured interview research instrument. All the participants were requested via e-mail to participate in the study and an interview schedule was proposed. In the e-mail, each participant received an interview package (softcopy file) from the researcher, outlining the research purpose, procedures that would be applied and their contribution to the data assemblage. The participant's interview package contained the ethical clearance form (see Appendix Five), the informed consent form (see Appendix Two) and the additional consent for permission to audio-record the interview (see Appendix Three). Due to the COVID-19 pandemic of 2020 protocols adherence, all interviews were held on the Microsoft Teams virtual platform, where the interview audio was recorded with the camera record function disabled. The participant consent form did not allow for the camera recording of the interview. The final interview schedule, as shown in Table 3.2 resulted from negotiation with the participants. This enabled the participants to schedule the study interview into their daily work commitments with no pressure from the researcher.

All the consent forms (interview packages) were signed and returned to the researcher before the actual interview. At the interview, the researcher reiterated that participation was voluntary in the study and that the participant's anonymity was guaranteed.

The researcher also used secondary data, which was read in conjunction with the interview transcripts. The secondary data emanated from several sources that addressed different aspects of the study. These were TAP HR e-mail communications, policies and financial statements that provided additional insight into the study for the period January 2019 to June 2019.

Table 3.2: Interview Schedule of Study Participants

Respondent	Date	Gender	Service (Yrs)
R1	25-Sep-20	Male	14
R2	2-Oct-20	Male	5
R3	4-Oct-20	Female	3
R4	6-Oct-20	Male	13
R5	7-Oct-20	Male	12
R6	7-Oct-20	Male	10
R7	8-Oct-20	Female	3
R8	8-Oct-20	Male	4

Source: Constructed by the researcher

3.10. DATA ANALYSIS

Data analysis in qualitative research is the most intricate phase that is often neglected by researchers (Clarke, Braun and Hayfield, 2015; Stuckey, 2015). The researcher becomes the instrument for analysis, making judgments about coding, theming, decontextualizing and recontextualizing the data at this phase of the study. Qualitative research is therefore dependent on the development of themes and sub-themes to analyse the findings of the study.

This study adopted a thematic analysis method to analyse the data by the researcher. Braun *et al.* (2015) identified six stages in the data analysis process. This included the transcription of data from audio recordings and the elimination of non-relevant speech to provide contextual data to the study. Thereafter, the transcripts were analysed by the researcher, allowing for the data to be reduced to manageable groupings. The structure of the research instrument was suitable to generate this grouping of data. The researcher searched for patterns, identification of lessons learnt and proposed commonality in the findings. The researcher had identified variables through the literature review and the development of the instrument to be assessed as potential themes. The development of keywords on the transcripts were coloured with different pens. Texts that were of similar alignment to the same research questions had the same colour and were coded accordingly. Codes that repeatedly appeared became a

thematic category related to the research question and this was critical to the classification of the data.

3.11. CREDIBILITY, TRUSTWORTHINESS AND TRANSFERABILITY

3.11.1. Credibility and Trustworthiness

Credibility in research seeks to establish with confidence the truth of the research findings. The data within a qualitative study is by design subjective. However, the trustworthiness of all responses need to be credible. The researcher's interpretation and representation of the respondents' responses also need to be credible in the acquisition of data (Cope, 2014). The researcher has to be observant and wary of one's personal view when reporting on the respondent's point of view. In ensuring the credibility of the research, the researcher should with confidence reflect the view of the study. When engaging in topics of human behaviours or experiences, credibility is achieved when individuals resonate with similar experiences immediately (Connelly, 2016). The researcher was present during the right-sizing communication sessions and witnessed the behaviour of the survivors in 2019.

Credibility can be further achieved by the use of triangulation in research. The objective of triangulation is to increase confidence in the study findings by the use of more than one approach to the research objectives and questions (Heale and Dorothy, 2015). This includes using different sets of data sources, a mixed method study (undertaking a quantitative and qualitative approach) or an independent review of the research data (Saunders *et al.*, 2016). The interview transcripts were reviewed by the researcher and another scholar and converged on an almost similar set of themes and sub-themes independently. Therefore, the research had established credibility. Moreover, the participants were invited to review their respective transcripts for accuracy of data.

3.11.2. Transferability

Transferability refers to the research findings that can be applied to other frames of reference or groups (Cope, 2014). If the results of a qualitative study have meaning to

those not involved in the research or a reader makes the association with the study by personal experiences, then transferability has been achieved. Transferability is dependent on the aim of the study and applicability delivered if the research is based on a generalisation of the phenomenon (Connelly, 2016). The study sector was an engineering consulting. However, the applicability of the research objectives can be assessed within any sector. Therefore transferability of the research findings has relevance in other business sectors, especially due to the onset of COVID 19 regulations and the adaptation of business practice.

3.12. ELIMINATION OF BIAS

Research bias is defined as a breach arising from a systematic error in the design, conduct or analysis of the study. Therefore, the research bias of a study can be introduced as a result of the improper selection of a sample population, data errors or the researcher's bias (Althubaiti, 2016; Sekaran and Bougie, 2016). Roulston and Shelton (2015) summarise bias as quality issues generated by the researchers or the research design.

3.12.1. Interviewer Bias

Interviewer bias is the greatest threat to the study. In an in-depth interview, the interaction and engagement with the interviewee are paramount to the interview's success. The interviewer may introduce bias by contaminating the responses with personal beliefs or assumptions of the study, forcing a particular reference frame. The interviewer's behaviour by commentary to responses or non-verbal behaviour may equally taint the response (Roulston and Shelton, 2015).

The researcher and the interviewer of the study were the same person. The researcher had been very knowledgeable about the study and was wary of the consequences of interviewer bias. He therefore made every attempt to maintain the integrity of the study. Qualitative research by design is inherently subjective and has an element of researcher bias. The researcher maintained objectivity by not imposing personal points of view but allowed the participants view to emerge. Therefore the interviews were

conducted in such a way as to minimise bias were at the forefront. The researcher was aware of personal assumptions and therefore did not preempt any research outcomes. Therefore the data analysis would be the single source that would direct the outcome of the study findings. The participants were further reassured of their privacy during all points of engagement.

3.12.2. Interviewee Bias

The establishment of rapport between the interviewee and interviewer was critical in developing open dialogue and the sharing of responses. The study was an exploratory study and identified the study population of management as possessing rich knowledge and experience that would contribute to the strategic content of the study.

The interviewee develops a notion of a lack of process or trust in the study because the credibility of the data captured may introduce bias with inaccurate information (Creswell and Creswell, 2017). A detailed briefing of the interview process was provided to the participants prior to the interviews and the participants were informed of their right to withdraw from the interview at any point if they felt uncomfortable. In this process, participation was voluntary. Sekaran and Bougie (2016) recommended that the researcher be as professional and apply the Five P Model that addressed; Prior Planning Prevents Poor Performance. The interviews were scheduled and participants were treated with respect and encouraged to speak freely.

3.13. ETHICAL CONSIDERATIONS

Research ethics is closely related to the ethical principles of social responsibility (Andriukaitiene, Vveinhardt and Žukauskas, 2018). The relevance of research relates to the transparency of research, the credibility of the results and the researcher's reputation. The study endeavoured to comply with all ethical considerations. Ensuring the ethical consideration of the study and that of the participants, the following articulates the elements of consideration: namely, the research ethical clearance letter was requested to undertake the study by the researcher's employer and approved (see

Appendix One) and the University of KwaZulu-Natal's HSSRE Committee approval HSSREC/00001439/2020 was attained (see Appendix Six).

The researcher acknowledged the participants' right to have transparency on the procedures of the research. An assurance to participants was provided by a clear explanation of the purpose of the study. Each participant was presented with an informed consent letter detailing their participation as voluntary and if desired, the participant may decline participation at any point. The research did not contain any of the participant's details as anonymity was maintained by coding the participant's details and responses.

3.14. CHAPTER SUMMARY

This chapter focused on the research methodology and presented an outline of the key concepts and the qualitative research methodology rationale. The chapter further defined the research design, target population and sampling method, construct of the instrument, data collection and data analysis. The philosophy underpinning the study was phenomenological in nature. This was accepted for the description of human behaviour or actions. A non-probability approach with a purposive sampling technique was applied to the study. The data analysis procedure included the transcription, familiarisation and development of themes by identifying research variables. The chapter also discussed how credibility, trustworthiness and ethical considerations were achieved in the study. The chapter concluded on the elimination of bias.

Chapter Four presents the results of the primary research interviews.

CHAPTER 4: PRESENTATION OF RESULTS

4.1. INTRODUCTION

The results presented in this chapter were obtained through a qualitative research design approach, applying a semi-structured interview instrument. By examining the perception of the participants interviewed on organisational right-sizing and the retention of critical skills at TAP, it was possible to identify strategies to enhance the retention of critical skills at TAP. By assessing the responses and applying coding and thematic analysis, it was further possible to weigh the organisational management's (executive and senior) disposition on the research topic. The analysis of the results revealed main themes from which sub-themes were derived.

4.2. PRESENTATION OF FINDINGS

The transcribed data went through a process of coding, trend analysis and exploration of themes that were compared to the literature reviewed in Chapter Two. This delivered a set of main themes to be explored and related to the objectives of the study. Further sub-themes were identified as shown in Table 4.1. The themes were appraised, ensuring alignment to participants' responses.

Table 4.1: Themes and Sub-Themes

Themes	Sub-Themes
4.4 Organisational Right-sizing	4.4.1. Understanding
	4.4.2. Drivers
	4.4.3. Affected resources
4.5 Organisational Right-sizing Implementation	4.5.1. Communication
	4.5.2. Area of Change
	4.5.3. Change Management Strategy
4.6 Retention of Critical Skills	4.6.1. Value of Retention
	4.6.2. Current Incentives
	4.6.3. Proposed Incentives
	4.6.4. Skills Replacement

Source: Constructed by the researcher

Research instrument *questions one to three* focused on establishing if there was sufficient knowledge of organisational right-sizing and the associated drivers. Research *questions four, five and eight* focused on the organisational right-sizing implementation and the communication adopted, whilst research *question six* concentrated on change management, and research *questions ten and eleven* focused on organisational retention at TAP.

The initial study interview schedule proposed ten participants. However, two participants declined to participate in the study. Additionally, maintaining the anonymity of all participants, the participants' names were replaced with coded names, namely Respondent One (R1) to Respondent Eight (R8).

4.3. DEMOGRAPHICS OF THE RESPONDENTS

A total of eight participants were interviewed from TAP. This comprised of executive management, senior management and senior engineer. The participants were located at the Head Office (Johannesburg) and the regional offices (Durban and Cape Town) with the majority being from the head office. In total, there were six males and two female participants. Two participants were above fifty years of age and one was below forty years of age. Figure 4.1 illustrates the ratio of the various designations of participants.

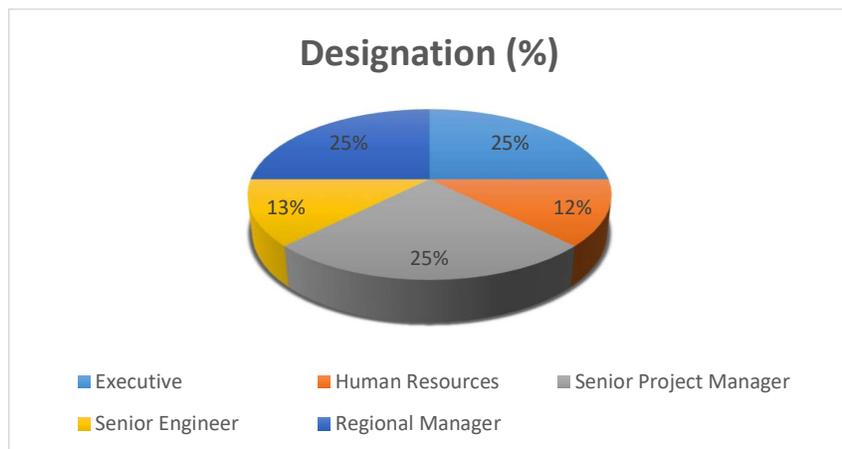


Figure 4.1: Designation of Participants (Percentage)

Source: Constructed by the researcher

4.4. THEME 1: ORGANISATIONAL RIGHT-SIZING

4.4.1. Understanding Organisational Right-sizing

The respondents all shared a similar understanding of organisational right-sizing that contained a common theme framed on having the right or the appropriate number of resources (employees) to deliver on organisational client objectives and targets. Respondent seven was crisp and clear to summarise the understanding,

“Getting the right size within an organisation delivering organisational objectives, getting the right size of employees to deliver on its objectives.” (R7)

Furthermore, in order to validate the understanding of resources (employees) related to organisational right-sizing, respondent three incorporated that the organisational man-plan should match the organisational revenue commitments. Therefore, the organisational man-plan is linked to employee workflow within an engineering consultancy that is dependent on related project billable hours that generate revenue. A deficit of resources (man-hours) would influence revenue generation as the consultancy is a fee for hourly service entity.

“An organisation is to be adequately resourced to be able to deliver on revenue commitments.” (R3)

Respondent eight contributed further to the understanding of organisational right-sizing as being an activity associated with the organisational strategy. Respondents framed their responses by expressing the current and unknown future resource requirements.

“Getting the right size of the organisation for the strategy of the organisation.” (R8)

Organisational right-sizing is harmonious with the organisational strategy in any professional engineering organisation that wishes to remain relevant. Therefore, the sourcing of employee skills is dependent on the type of work by discipline and the contracted volume of work that the organisation undertakes. Consequently, there is a

direct relationship between current and future resource skill requirements and volume of work within an organisation. Respondent five shared the association of resources skills and production volume by stating the following:

“The size of the organisation must be correct with the work. Firstly the size of work and volume of work. If the volume goes down the number of employees must go down.” (R5)

An engineering consultancy’s revenue is derived from the sale of professional engineering man-hours. This activity is enabled by support services resources, e.g. the human resources and finance departments. Respondent five further shared that in seeking an appropriate employee complement, organisational right-sizing should also be extended to the organisation's support services.

“You must also remember that your non-chargeable skills, finance, HR and all those guys, you must also right size in relation to work and size of organisation. (R5)

All respondents shared a perspective assessing the current and future workflow demands on the organisation that is equally matched by an employee skill complement to deliver on client commitments.

4.4.2. Factors that determine Organisational Right-sizing

The literature reviewed identified many factors that initiate organisational right-sizing due to global, industry/ sector or organisational pressure. All respondents shared views on the industry and organisational pressure that were contributing factors to organisational right-sizing.

4.4.2.1. Industry Pressure

Like many sectors, the engineering sector is responsible for the supply of professional services to meet a demand for products that result from expansion, refurbishment and strengthening due to production and infrastructure investment. Therefore, organisations must determine an organisational strategy and vision congruent with the

production requirement factor. Respondents two, three and eight indicated that they would engage market research analysts to understand the market demand and supply requirements. These were the only respondents to articulate the impact of the industry on organisational right-sizing as a determinant.

“From a practice point of view, identification of what is happening, understand what is happening in the market, for a one to three year perspective from a revenue perspective.” (R3)

Respondents two and eight sought to evaluate the market requirements in the consulting industry and further analyse the link to the organisational strategy. The future state of the organisation is dependent on the supply and demand for services at a future date.

“Organisational strategy and where you want to take the organisation to and how you want to achieve that goal will also be a determining factor whether you got the right skills or set of people around you to take the business into that particular direction.” (R2)

“Organisational right-sizing is linked to the strategy you want to pursue....Execution strategy creates a link between vision and reality. Once you have decided the vision to become the top EPCM Company in South Africa and then look at the reality to pursue that vision.” (R8)

The organisation's products and services are a factor as the demand or lack of demand signals future revenue and resource requirements within the sector.

“The client that you are working with are changing and you also have to consider sizing right to meet the customer needs and have to start being optimal.” (R7)

The progress of future engineering trends is understood to be critical marketing information in assessing the need for services and skills to be onboarded or developed by the engineering consultancy. Market research analytics were not undertaken by TAP, but was identified as a factor for future consideration if financial budgets allowed

it in the future, according to respondent three. Legislative requirements and political influences also determine the path and course of organisations, as shared by respondent two.

“Another factor is the political arena that you are in, being in South Africa if sometimes you need to let go if the organisation is too white, you would let go of some of the historical white employees and to get the BBBEE scores right.” (R2)

4.4.2.2. Organisational Pressure

Assessing the organisational pressure seeks to recognize the factors internal to the organisation that determine organisational right-sizing. All respondents agreed on the factors that determine organisational right-sizing, which ranged from the financial performance to resource skills to the current health of the revenue order book. The financial performance and ability of TAP to continue meeting financial obligations (creditors and wages) was ranked high by respondents and this was captured by respondent four who stated that TAP needed to understand the source of the problem:

“You need to bring about change if the company is struggling, you need to do an analysis and understand why is the company struggling.”(R4)

The financial performance was cited as a factor as this related to a host of underlying issues. Revenue generation supported the sustainability of the organisation and this cashflow facilitated both direct and indirect costs. The salary overheads of the engineering consultancy are the highest outflow of funds. Therefore, a sustainable TAP needs to have a balance between revenue generation and overhead expenditure.

“Obviously, financial reasons that drive a whole of the decision in business. As I mentioned if the revenue stream has shrunk or the line of business you are in and being in consulting it could be a number of consulting services not worth charging out, and you like to let that section of business go.” (R2)

“The organisation is a run-rate business, not project base or anything of that sort, we are needed predominantly from the operational space, what are the skills needed

and they will identify that. What does the market have to offer? Then you determine whether these are permanent skill or not.” (R3)

“The organisation was not doing well financially and some positions have become redundant and we still pay these resources.” (R7)

Respondent three was firm on the prospect of future contracts that determine the organisation's size. This was steeped in the skills required of current resources compared to the requirements of future skills. While other respondents highlighted resource skills for meeting the existing workflow, the future provision of skills seemed unclear.

“In principle, a company will size according to the revenue that it earns.” (R3)

Respondent four stated that the underlying reasons for poor financial performance and mismanagement of resources needed to be addressed in order to deliver a lean organisation that was profitable. Respondent five also introduced that the resource utilisation needs to be discussed equally.

“You need to look at the utilisation of your people. You must determine the number of people you need for the job. You need to have that discipline and maturity to know that if I take on a job, I risk of non-delivery of quality and on time.” (R5)

Respondent three further shared that in 2019, the company support services overhead cost (salary) was not commensurate with revenues being generated by the engineering core (billable) staff and identified an imbalance of team complement. This was a historical position that did not correct over the years when the then billable staff complement was much more significant. Therefore, over the years, TAP experienced a contraction in core staff, whilst the number of support staff remained static. Thus, this created an imbalance in the ratio of core staff versus support staff.

Respondent three was the sole respondent who explained that shareholder support was a crucial factor in organisation right-sizing as this supported new ventures, innovation and future market strategy aspirations for professional services delivery.

The organisational business model of engineering consultancies is typically focused on current business.

“The company that is established will keep its resources in line with current revenue streams that they have. If they are busy tendering with new contracts, will have identified new skills but will not readily put skills on the books as yet. In companies with shareholder support and funding have it much easier to acquire certain skills because they have that support and the funding is there.” (R3)

4.4.3. Affected Resources of Organisational Right-sizing

The respondents all stated that employees, clients and service providers were the affected parties of organisational right-sizing. Dependent on the access to information, those parties who lacked information were the most impacted.

“Everybody that feels that they don’t have the sufficient and correct information, obviously everyone is affected.” (R2)

“Right-sizing has a bad connotation for individuals as it is lay-offs, downsizing, and retrenchments. All negative words used.” (R4)

“Right-sizing means I understand my client’s needs, if I don’t right size then the client gets frustrated as I have not allocated people to them.” (R8)

Respondent three highlighted that employees (permanent and fixed-term contractors) are affected, as well as suppliers (direct and indirect). The impact can be felt by both the organisation and the supplier, dependent on whether the decision is to upsize or downsize.

“Also suppliers as well, ranging from direct cost of sales supplier and indirect expenses as well eg rental. Depending on the company going up, sourcing new office space etc. if the company going down start letting go of office space. In theory, your most high spend should be looked at and look at the process of achieving that revenue.” (R3)

Respondent eight stated that the shareholders were impacted as the decision of organisational right-sizing may erode shareholder value. Shareholder confidence is derived through profitability and is the sole reason why businesses exist, as expressed by respondent seven. A decline in market share was highlighted and shareholders look unfavourably on the management team. However, the converse would deliver sustainability to the shareholder. Suppliers and customers were also cited as affected parties by respondent seven. An engineering consultancy business model is steeped in the sale of specialist intellectual property.

“You are selling intellectual capacity; people are actually buying the skills they get from you. If there is right-sizing or downsizing and you don’t manage to retain some of the skills your clients are affected by the skills they were relying on.” (R7)

4.5. THEME 2: ORGANISATIONAL RIGHT-SIZING IMPLEMENTATION

4.5.1. Communication

Communication of the organisational right-sizing initiatives was deemed to be the priority of all respondents to resources and management at all levels. All respondents referred to the process of organisational right-sizing experienced in January 2019, where the organisation embarked on right-sizing by downsizing the organisation.

“I believe the company should be open and frank and have open communication and have a meeting with everyone informed at the same time. Meaning exactly what happened last year in 2019, we had open communication, no management meetings. All employees called into the boardroom and communication session with all.” (R4)

Respondent three cited that the employer does not want to create panic in the organisation for two reasons.

“Firstly, it affects the employee's ability to carry out their work. It can also result in a lot of employees identified to be stayed from going to find another job. Also, the

worry for companies is that they don't want outside company knowing what is happening in the company.” (R3)

Communication is critical in signalling appropriate messages to the organisation and the industry at large, as respondent three further qualifies a position on reasons for downsizing:

“Downsizing is not always as a result of low revenue, can also be as a result of technology and innovation. A company has invested in a certain technology and innovation and they can achieve things at a better ...more efficiency cost.” (R3)

Respondent one asserted that all parties are to be consulted and given guidelines for the pending changes and be allowed to provide input to the change. This input should be considered by the executive management team related to the change. Respondents further cemented the model of engagement, requiring face-to-face engagement with all employees. Formal electronic mail notification would be the initial mode of communication, the in-person point of delivery of the process and direction is also crucial to the resources. Employees are impacted and the respondents note that words and body posture would speak to the situation in an open forum.

Respondent eight focused on information-sharing where the organisational strategy was of crucial importance.

“Firstly, take all your employees into confidence about the strategy that you are driving, so that everyone understands the direction the organisation is taking. Once everyone has bought into the strategy, they understand we need to do things differently.” (R8)

The communication process sets forth a process of change, and the respondents confirmed that employee resistance to change was anticipated. It was further maintained that communication engagement is facilitated by an external professional who would have experience in organisational right-sizing or change processes.

4.5.2. Areas of Change

4.5.2.1. Organisational Strategy and Culture

In the undertaking of organisational right-sizing, respondents alluded to undertaking assessments of the business's various areas and evaluating these against the market trends and political influences. Respondent eight was the sole voice that spoke of the soft and hard elements of McKinsey's 7-S Model by citing the proposed areas of change, namely culture (people) and strategy (structure). The organisation's culture is set for change as some resources will be redundant or obsolete, while other job descriptions will need to be re-defined within the organisation. The course of strategy implementation shall be evidenced in the adoption of a leaner organogram that is streamlined to business requirements.

“During the right-sizing, you will change, the culture will be changed, the size of the organisation will be changed. The organogram, the structure itself will be changed.”
(R8)

4.5.2.2. Organisational Organogram

Most of the respondents declared that the organisation's organogram structure would need to be changed. The change would result in leaner operations, impacting resources that would still be part of the organisation. Again, the alignment to improved resource utilisation would result from structural changes in the organogram and staff complement. This single activity has an impact on the financial sustainability of TAP.

“That target would be the structure, and the organogram of the company is where you would start. That structure and organogram must talk to the outputs that you will be having as a result of the actual changes that will come through.” (R6)

“Processes as well will be changed. That means streamlining some of the things if you have twenty people doing the same thing, now you have five people. The process somewhere has to be optimised.” (R8)

Three respondents highlighted that the envisaged organisational change should be a result of the desired end-state that delivers an optimised output and where efficiency is driven in the operational area.

“We reach an optimised output, if we are restructuring these key factors are what we put in place to reach the end result. The most important is the resourcing to get there.” (R1)

“Efficiency will be changed, and I am assuming that the right-sizing is the right one to drive efficiency because now you more efficient even in terms of money, the output versus the input of what you are delivering.” (R8)

Two respondents expressed that the non-performing areas of concern are to be addressed as this potentially is a burden on the finances of the organisation.

“You need to critically look at what line of business is always causing you to feel the pain, and this needs to be right-sized.” (R2)

“You need to assess and identify area’s of high spend and these maybe areas of change.” (R3)

4.5.3. Change Management Strategy

Embarking on a course of organisational right-sizing was a new venture necessitated by a lack of financial viability, an unsustainable staff complement and increasing overheads, as confirmed by all respondents. The organisational strategy was a pivotal theme in understanding the desired end-state of the process of organisational right-sizing.

Three respondents stated that they did not know Change Management Strategy (CMS), whilst another three respondents had some exposure to CMS but would not know how to implement CMS in the context of organisational right-sizing. Although two of the respondents had some knowledge and had been involved with CMS previously, they did not find comfort in the implementation.

“If you want to change something, you have to make everyone aware of the status quo is unacceptable. I don’t know if we have applied everything the way it was supposed to be applied.” (R8)

All respondents supported that the CMS be outsourced to a professional consultant that could assist and drive the process as it would be more efficient.

“I would outsource because we most of the time we do not know these things, there are change management and a lot of these things we have to go through in supporting people, making people understand. Not being in an expert in this environment, you are bound to miss some of these things. It is best to get someone, people that know these things.” (R8)

“I do not believe we have the experience, the HR manager was relatively new to the organisation, and our MD started this process and was not there for a year. And then you do not know whom to trust.” (R5)

All respondent supported the appointment of external professionals who would be seen as not being biased to the change process and offer transparency to all stakeholders.

4.6. THEME 3: RETENTION OF CRITICAL SKILLS

4.6.1. Value of Retention of Critical Skills

All respondents stated that the retention of engineering skills was essential to the engineering consultancy. Respondents two and four articulated that studying engineering requires people who are passionate about the discipline and there is a demand for engineers with rare and scarce skills in the consultancy industry.

“Make sure that remuneration is fair, money is a big motivator for people up to a point for motivation; then it is their passion.” (R2)

“Resource retention its when you want to keep that specific skill inhouse. Because it is a rare skill, specialised skill or the workflow or demand requires that specific skill.” (R4)

A contrary point of view shared by respondent three stated that the uniqueness of specific critical skills is not necessarily required to be retained by the organisation.

“The retention of operation staff should really be the skill that is ready to execute the job. But the people carrying out the job and provided that there is just one skill in the whole country should just be on a project to project contract.” (R3)

Therefore, specialised skills, although identified as being critical, would not have any financial justification in permanent employment by the consultancy. These skills would be acquired by a fixed-term contract per project.

In retaining a skill, the consultancy will need to undertake a market analysis of services and understand the revenue stream forecast. Resource retention is therefore aligned to the current order book, with a one to three-year forecast.

4.6.2. Retention of Critical Skills (Currently)

4.6.2.1. Financial

The retention of skills is linked to financial performance and contractual obligations, as declared by responded three. All respondents expressed that the primary instrument for skills retention was salary and bonus structures. However, respondent five was conflicted and stated that within an engineering consultancy, project workflow is typically the result of a team's collaboration. Therefore, the acknowledgement of a single team member by way of a bonus would result in discourse amongst the group. Contrary to this view of respondent five, there should be an acknowledgement of individuals by way of bonuses in recognition of selling TAP services in the discourse of everyday work.

“But there are critical skills that we know that we use for selling our business. We must try and retain these skills.” (R5)

“Resource retention is very important, especially if that resource is contributing to productivity and well being of the company.” (R6)

Fair remuneration should be benchmarked to industry sector levels, according to respondent two. Moreover, the market analysis of industry skills (demand and salary), according to respondent three, was the basis of financial incentives. The latter was confirmed as not being the current practice. However, the former was undertaken by an external consulting organisation in late 2018 to determine employee job profiles, salary grades and bands. Respondent seven confirmed that the salaries of the billable resources were benchmarked at the fiftieth percentile, while support resources were at the twenty-fifth percentile of this 2018 consultant report. However, the budget had always been a problem.

“I still believe much can be done to retain critical skills required however that challenge has always been finance. Measures can still be put in place, like progress models.” (R7)

4.6.2.2. Non-Financial

All respondents stated that the consultancy promoted the skills development of resources by further academic advancement (postgraduate studies) and training (technical job-related courses) aligned to the resource's designation. However, it was subject to the availability of an approved study and training budget. Floor-crossing was another incentive to promote the personal development of skills that created flexibility in the resource pool project allocation.

“An opportunity of floor-crossing is an incentive or mode of incentive as it empowers people. It exposes you to other areas and it empowers you to be an expert in more than one field.” (R7)

The upskilling of resources in different disciplines makes resources more marketable and capable of cross-selling of services to clients.

The absence of policies related to employee retention or talent management was shared by all participants, who stated that this should be looked into by the consultancy.

“If you asked a junior engineer what are requirements to become a corporate specialist, I am sure they will not know what the progression path is.” (R7)

Furthermore, the consultancy was deficient in a skills development programme that should identify resource development and training directed at establishing discipline maturity. In place of these policies, the consultancy still offered promotional opportunities in the engineering disciplines through management discretion. The application thereof was, however, not clearly articulated in terms of the years of service or engineering experience required.

4.6.3. Retention of Critical Skills (Proposed, Non-Financial)

Although cited as a motivator to incentivise and retain critical skills, money has a limit to its power. Respondents shared their thoughts on further non-monetary incentives that were identified as incentives to retain critical and non-critical skills.

Respondent four shared a personal motivator in the interview, namely responsibility.

“Responsibility, for me, if I am given more responsibility, I seem to be..carry out my job better. Maybe it is an attitude kind of thing. It weighs on your chest and you lead from the front.” (R4)

Respondents five and six cited the need for open communication with resources as a whole on the status and well-being of the consultancy. This transparency would reinforce the relationship between employees and the employer. They were further cemented by verbal and written acknowledgement of service and efforts in pursuit of organisational goals.

“That recognition by way of writing to him and telling him that to me is very important. So yes, retention of resources is a very important thing, because not only does it keep the company going but it increases the morale, but also you get the loyalty you require from individuals.” (R6)

Additional leave and flexible working conditions were also shared by respondents who already support the latter on an ad-hoc basis. Leave cycles are governed by the Basic Conditions of Employment Act and were aligned to organisational leave policy, already in the leave policy.

Respondent two engaged organisational transparency by defining employee career aspirations supported by remuneration at designated salary grades.

“We can go a bit further in planning our grading and career path in terms of fairness to the people.” (R2)

4.6.4. Replacement of Skilled Resources

Most respondents, barring respondents three and four, answered similarly as to whether the engineering consultancy skills were easily replaced, with a firm *no*. Some respondents immediately opted to justify the differentiation between core resources (billable staff) and support resources (human resources, IT and finance).

“Especially skilled people are not easily replaced. Within the finance department were most of the people left, they were replaced with temporary staff and they were easily replaced but on our technical side they cannot be replaced.” (R5).

“Simply, specialists cannot be replaced.” (R6)

The core employees are specialised skillsets and are not easily replaced in the market, while the support employees functions between organisations were deemed to have similar outputs and therefore are readily available in the job market.

Respondent three was not as critical in responding as eagerly as the other respondents with an affirmative “NO” to the replacement of critical skills. However, this respondent queried as to when the organisation was to qualify what a critical resource or skill was, as the firm still employed external consultants for activities with skillsets within TAP.

“I am yet to understand to have something that shows me which resources specialised in nature and not. Were, for example, we have people on the books and we continue to use consultants, it becomes a question as to whether or not the people that are on the book are they specialised and why are they not being used.”
(R3)

Additionally, respondent three cited that no market research had been undertaken to substantiate or support what the critical resource requirements for TAP were.

“Normally, a company will have a document in place to say what are their specialised people. In terms of the market, no background work has been done to say what are our specialised resources and how many are out there in the market. There is no knowledge of whether these people can be replaced.” (R3)

Respondent four who also shared a contrary view on the replacement of critical skills, articulated the rise of potential dominant skills within the organisation as individuals stepped up and out of others’ shadows.

“Yes, everyone can be replaced. We have lost quite a few individuals whom I thought were key resources in our Section 189 in 2019, but we have grown, and some individuals have stepped up to the plate and taken over some of the key responsibility.” (R4)

4.7. CHAPTER SUMMARY

This chapter focused on the presentation of the results of the research study undertaken by semi-structured interview instrument. A thematic analysis was used to analyse the results. This analysis was used to present the findings based on three

main themes. *Theme One* focused on organisational right-sizing and contained sub-themes related to an understanding of the concept of right-sizing, in addressing the drivers and affected parties. While the organisational strategy was significant, organisational right-sizing was predicated on having the right number of staff to deliver on client expectations. The sub-theme drivers were a result of organisational factors related to sustainability, redundancy of skills and an inappropriate core ratio to support staff. Another sub-theme identified all parties as being affected in the process of right-sizing.

Theme Two focused on the implementation phase of organisational right-sizing with clear and transparent communication being a sub-theme. Communication of change and strategy is critical for support employees who would understand the vision of the organisation. Unfortunately, organisational right-sizing implementation results in either an expansion or contraction of the firm, with the latter being the most dominant scenario. The sub-theme of change management, although previously embarked upon by TAP, was entered into with little to no prior management experience. All respondents unanimously recommended this to be outsourced to subject matter specialists who would implement this with superior efficiency and with the least bias in the process.

Theme Three focused on retaining critical skills, with respondents appreciating the value of the retention of critical skills as this contributed to the firm's sustainable competitive advantage. The sub-themes related to incentives identified current practice limitations. Financial instruments were primarily the current mode to incentivise resources, which includes remuneration and bonuses, with minimal non-financial instruments adopted. Furthermore, the sub-theme proposed non-financial incentive instruments by the respondents that could materialise by the drafting of organisational policies for retention and talent management.

Chapter Five presents a discussion on the results of the research study.

CHAPTER 5: DISCUSSION OF RESULTS

5.1. INTRODUCTION

The previous chapter focused on the themes generated by the data and the key findings of the research study. This chapter discusses these themes and findings of the study and the analysis of the findings by undertaking a comparison to previous studies in the assimilation of a body of knowledge. The study's aim, as outlined in Chapter One, was to explore factors informing organisational right-sizing and how management engaged the retention of critical skills during this process.

The research focused on three objectives, namely:

- a) To determine the factors informing right-sizing as an optimisation tool at an engineering consultancy in South Africa.
- b) To determine the methods employed by the engineering consultancy in South Africa to achieve the desired end-state.
- c) To establish how employees with critical skills are retained within the organisational structure.

Themes aligned to the objectives emerged from the study, namely organisational right-sizing and the implementation thereof, as well as the retention of critical skills. These themes were further segmented into sub-themes. A total of three main themes were identified that contained ten sub-themes. Some of the sub-themes were integrated into the discussion as there was some overlap in the results. The study further revealed competencies and proposed strategies for improved management decision-making and retention of critical skills to assist in addressing the objectives.

The McKinsey 7-S model assessed the following organisational elements, namely strategy, structure, systems, shared values, skills, style and staff. The model was used to assess changes within TAP and the interdependencies of these elements in the discussion of organisational right-sizing and retention of critical skills, as explored in Chapter Five. The discussion follows the theme structure of Chapter Four.

5.2. THEME ONE: ORGANISATIONAL RIGHT-SIZING

5.2.1. Understanding Organisational Right-sizing

The findings revealed a similar response in understanding organisational right-sizing from all respondents who agreed that organisational right-sizing was predicated on having an appropriate complement of resources (employees) to deliver on the organisational objectives. Furthermore, the complement of resources within an engineering consultancy is directly linked to revenue generation and sustained profitability. The responses were congruent with the execution strategy and the financial health of the organisation.

Various researchers have written on organisational right-sizing. However, the literature reviewed focused on organisational contraction or reduction in structure. The retained resources were to deliver a corporate strategy that focused on organisational efficiency and improved profitability (Agwu *et al.*, 2014; Cacciolatti and Lee, 2016). Tripathi (2014) defined downsizing as the intended contraction of resources. The study confirms what Agwu *et al.* (2014) discussed, stating that Nigerian banks identify with operational efficiency achieved by a leaner organisational structure that delivers organisational profitability and sustainability. The study further confirms that all organisations seek to be sustainable and profitable and are agnostic to the sector they operate within.

5.2.2. Factors that determine Organisational Right-sizing

Industry pressure and organisational pressure were characterised by the respondents as factors that determined the need to implement organisational right-sizing. The following determinants were further categorised as industry-specific (declining revenue and declining profit) and organisational specific (poor financial results and resource skills).

Management is deputized to create shareholder wealth by transforming tangible and intangible resources to establish a competitive advantage (Agwu *et al.*, 2014;

Cacciolatti and Lee, 2016). Agwu and Carter (2014) and Tripathi (2014) recognized that organisational profitability can be improved from a declining financial performance by eliminating obsolete departments or structures and reducing overhead costs. TAP had posted weak financial results for many years and the current trajectory was evaluated as unsustainable going forward, according to respondent three. Assessing the financial performance, the overhead cost (salary) was the primary factor for unsustainability based on the revenue forecast of TAP. Workforce planning was highlighted as the support staff (non-billable) not being in proportion to a reasonable cost and size ratio to the core staff (billable). Hargaden and Ryan (2015) argue that workforce planning is a challenge to the professional services sector and proposed a multi-criterion model to incorporate revenue, skill and resource utilisation. The latter is quite significant in achieving sustainability. However, workforce planning is a function of services offered, the scope of skills required and the contracted volume of goods or service that determine utilisation.

Contributing to Hargaden and Ryan's (2015) discussion, respondent three highlighted that an informed decision to embark on organisational right-sizing by organisations should see them investing in appointing a market analyst to assess the short to medium-terms engineering sector market and recognizing the emerging engineering trends, technology and skills required by the sector. The respondent claimed that this would provide insight into the current strategy of TAP and provide intelligence on the existing services offered and potential skills deficiency. It may even propose investing in a new division or sacrifice existing services. Although this was not a current practice of TAP, the respondent stated that the market analysis would render an informed motivation for the organisational strategy that is identified as another factor which is organisational specific.

5.2.3. Affected Resources of Organisational Right-sizing

The respondents conclusively agreed that all parties are affected in the right-sizing exercise, including employees, management, vendors and clients. The most impacted are persons who received insufficient information, as cited by respondent two. The asymmetry of information by far is a great injustice and employees in a study felt this by Akaiqhe and George (2017), which argued that survivors (retained employees) are

the most impacted as the survivors are required to work extended hours with the greater workload while their colleagues have been let go. The study identified employees as professionals, but they are also recognised as factors of production in pursuance of improved utilisation and revenue generation.

Anitha (2014) and Tripathi (2014) confirm that employee engagement was negatively impacted by the whispers of organisational right-sizing as the uncertainty of continued employment increases and productivity levels decline. The negativity surrounding organisational right-sizing creates an uncomfortable atmosphere, as expressed by respondent eight who championed for transparency and clear communication that would result in employees being well informed, resulting in an understanding of the organisational challenges by all. Contrary to respondent eight, Wang and Hsieh (2014) argue in a study at a Taiwan technology firm that employees who had been adequately informed experienced a psychological breach in contract. Similarly, TAP's experienced employees opined that their service to the organisation had not been acknowledged or recognised by the employer.

On the other hand, management had been identified as another affected party that would have to manage a leaner operational team, which could potentially jeopardise production and experience delays. Schenkel and Teigland (2017) pens in a journal article that the cost of right-sizing results in an erosion of organisational talent and skills, as those who are easily employable will seek the security of employment in other organisations that will readily onboard refined talent and abilities. This was true in the case of TAP, which lost experienced resources to competitors soon after the implementation of organisational right-sizing in January 2019.

5.3. THEME TWO: IMPLEMENTATION

The implementation phase of the right-sizing process was initially intended to be executed by the management team of TAP. Respondent three explained that ideally, the organisational budget should have provisioned for the services of marketing consultants to assess the engineering sector's short to medium-term demand for services and skill. Cacciolatti and Lee's (2016) study confirmed that the analysis would

have been a moderating effect on the proposed marketing strategy and the development of organisational strategy, as this contributed a road map of the firm's future resource skills requirements and service offerings. Fundamentally, the analysis shall position the future provisions of TAP.

5.3.1. Communication

Any process of strategy or change implementation is centred on the support of all stakeholders. Dialogue, either written or verbal, communicates intent, vision and the journey being embarked upon. Communication therefore established trust and support for the process. The study acknowledges the strategy that TAP undertook with frequent communication sessions and displayed transparency to all resources during the right-sizing process. Communication is evident in the study by Agwu and Carter (2014) on the downsizing of Nigerian banks when one bank had chosen to disseminate more information with their resources than their counterparts. The study identified that communication reaped success as stakeholders were aware of the vision and strategy that is being set forth for implementation.

Contrary to the Nigerian banking sector study, Akaighe and George's (2017) study of survivors across various sectors within the Nigerian economy who also underwent right-sizing, claimed that the employers offered very little communication. This had impacted human resource policies and created a plethora of organisational behaviour implications (employee trust, psychological breach of contract, morale). The study concluded that a lack of communication negatively impacts the survivors and impedes the intended strategy being implemented by management. According to respondent eight, TAP had strategies of engaging in acts of transparency by taking all employees into management's confidence and sharing the root cause of the problem facing the organisation. Many respondents believed that this strategy was correct. However, the right-sizing process could have been improved upon.

Operational turbulence is seen to be on the increase amongst organisations and right-sizing impacts current and future business prospects. The client perspective, according to Grant (2014), explains that clients may take the opportunity to suspend contracts based on the uncertainty facing the right-sizing journey of the firm. The retention of

talent and skills is challenged during periods of organisational volatility as talented and experienced staff will seek employment prospects in more stable organisations. The implementation of organisational right-sizing is not definitive and will be met with resistance from employees, clients and customers. Therefore, communication internally and externally is subjective to the receiver of the information.

5.3.2. Areas of Change

An implementation process is initiated by instituting change in one or more areas concurrently or independently. Kanyangale, Ndoro and Zwane (2019) postulate that the McKinsey 7-S model is directed at achieving integrated harmony between the model's hard and soft elements by management. The application of the McKinsey 7-S model bears relevance for management strategy implementation as change implementation does not occur in a vacuum.

5.3.2.1. Job Profile and Salary Bands

Notwithstanding the lack of a marketing assessment, TAP is commended for setting a course of action to achieve the desired end-state. TAP had outsourced external consultants to redefine current job profile specifications aligned to a salary band benchmarked to the current sector, based on the current organogram designations. The job profile of an employee is critical in establishing order by defining the employer's expectations of workflow delivery, as discussed by Demerouti, Petrou and Schaufeli (2018) in a study on crafting employee job behaviours. The recommendations and findings of the assessment guided TAP in comparing current skillsets, grading bands and salaries. Anomalies were identified and this set a course to initiate employee consultations with a proposal to rectify these anomalies.

5.3.2.2. Restructuring

The organogram restructuring was an element that would be a definite area of change, as stated by all respondents. Assessing the current and short-term order-book guided the restructuring process as the emphasis was on retaining skills to stabilise the core team and deliver on client expectations. This would be supported by leaner and flatter

hierarchical reporting, as stated by respondent eight. Amah *et al.* (2014) explain that the size of the organisation dictates the organisational hierarchy, which is typically more complex within larger organisations with more resources and the specialisation of services. Therefore, TAP's organisational design, structure and systems are fundamentally attributed to the number of resources required to meet service obligations. As the respondents confirmed, the size of TAP is relatively small and the services purchased have declined, hence the employee complement could be reduced further. In an engineering consultancy, the ideal resource count would be the justification of the lowest cost per unit of production. However, this is a challenging computation as the product is resource hours at varying levels of cost and demand.

There was a significant absence indicated by the respondents on the interdependency of staff and the culture of the organisation. An analysis of the soft elements of the McKinsey 7-S Model shows that restructuring impacts the staff, skills and style of TAP. It is therefore argued that restructuring impacts the well-being of employees (survivors) who remain post-restructuring (Agwu *et al.*, 2014; Akpan, 2014; Harney, Fu and Freney, 2018).

The study of Nigerian survivors by Akaighe and George (2017) informed management that restructuring necessitated by organisational change impacted strategy, systems (working conditions, tasks and hours worked) and employee well-being. Employee well-being, although widely penned, has not gained sufficient support, according to Harney *et al.*'s (2018) study on organisational restructuring. However, the survivors' impact has gained momentum in the literature reviewed regarding organisational right-sizing as these employees carry the greater hopes of a sustainable organisation going forward (Datta and Basuil, 2015; Batra, 2019).

Due to downsizing, the contraction of staff results in the survivors working longer hours and under increased pressure to fulfil the deliverables of those who have left the organisation, as well as to deliver on organisations obligation (Mateus, Allen-Ile and Iwu, 2014; Hatfield, 2019). This has been the experience of the survivors of TAP who have been under immense pressure post downsizing. The implementation of structural change is to deliver efficiency in operational execution and increased profitability, as stated by respondents. However, respondent three qualified that restructuring resulting

in a contraction of the organisation could also have been attributed to technology that delivers improved performance and efficiency. The focus on the survivors returned minimal support from the respondents interviewed.

Furthermore, the impact of structural change had been especially commented upon by respondents four, five and eight, who acknowledged that the culture would be impacted. Respondent four described the organisation as a family vibe and post right-sizing saw colleagues leave the organisation. Fortunately, they took up employment elsewhere.

The culture of the organisation is met with low morale, as explained by Chen and Mykletun (2015), as the study explored the breach in the employer-employee psychological contract. Employees displayed resistance and challenged management in the initial communication forums, identifying with the breach of the psychological contract. This psychological contract offers employment attraction and organisational retention to prospective candidates. The culture of the firm is such a tool for retention and attraction.

Respondents five and eight highlighted a significant reduction in performance upon the implementation of the right-sizing process and even resistance to change from resources. Batra's (2019) study of organisational right-sizing at an IT company confirms that performance and commitment to outputs decline as employees are concerned about keeping their current jobs, creating anxiety amongst the team members. This was confirmed by TAP as the projects had begun to pass deliverable dates.

5.3.2.3. Cost Management

Signs of economic contraction and a declining order-book, along with an unfavourable ratio of resource (billable vs support staff), had been cited as a financial reason for cost rationalisation by all respondents. Batra's (2019) review of organisational right-sizing within the IT sector stated that the employer has a responsibility to minimise losses or increase profitability via the number of employees within the organisation. The burden of overhead cost is easily rationalised by a reduction of resources amongst other cost

management assessments. The cost of organisational right-sizing creates new expenses like severance pay, additional overtime (due to reduced man-hours), possible legal costs and talent development (Batra, 2019).

5.4. THEME THREE: RETENTION OF CRITICAL SKILLS

Magnusson (2020) argues that the resource-based theory of competitive advantage has gained momentum over the years. It is therefore the resources and their capabilities that are pivotal to the firm's strategy implementation. The demand for skills in the engineering sector has seen an increase in staff turnover as other engineering organisations tend to poach talent from competitor firms (Mousa and Ayoubi, 2019; Magnusson, 2020). TAP respondents unanimously confirm that the retention of critical skills is an essential element in the well-being of the organisation. Hagberg and Kullgren (2016) define resource retention as the voluntary measures adopted by the organisation to develop and preserve resources.

The retention or acquisition of resources is dependent on the strategy, structure and workflow of the future order-book. The interdependencies of the McKinsey 7-S framework are demonstrated with the elements of staff, skill, strategy, structure and systems to support the operational strategy of the firm.

5.4.1. Financial Retention Strategy

5.4.1.1. Remuneration

The primary retention factor shared by most firms and TAP is of no exception, with all respondents citing financial remuneration as a critical component in the retention of critical skills. Scholars have explored many resource retention dimensions within the banking, construction, education and even economies of developing countries, as studied by Idris (2014) in relation to skills retention in developing economies.

Remuneration had been identified as a medium-term retention strategy, as the current salary is applied as a negotiation instrument by employees seeking a change of

employer or growth within the organisation. TAP expressed their position on remuneration as core staff (billable) were compensated at the fiftieth percentile of the market salary benchmark and if possible, would go as high as the seventy-fifth percentile as these employees are considered challenging to replace. However, the support staff (non-billable) were conversely reasoned to be easier to replace and therefore compensated at the twenty-fifth percentile of the respective market salary benchmark.

This study confirmed that financial benefits were unsustainable in retaining skilled resources as resources still exited the company within twelve months post the right-sizing process, foregoing the separation benefit of a severance package or service bonuses, as shared by two respondents, when voluntary separation packages included these financial incentives. Irrespective of the remuneration level, employees will still resign from the employer, signalling that retention is multi-dimensional.

5.4.1.2. Reward System

Although respondents mentioned that financial rewards were applied on an ad-hoc basis (bonus and gifts), respondent five argued that project delivery results due to team collaboration and the team should be applauded and rewarded as a collective. Thongpapanl, Kaciak and Welsh's (2018) study on Canadian research and design employees identified a positive correlation between employee rewards systems, performance and collaboration.

This study confirmed that the rewards for performance or innovation are not acknowledged. If rewards were a practice, it was not normally publicised or recognised by the business. Nnaji-Ihedinmah and Egbunike's (2015) study within the service industry identified extrinsic rewards such as cash bonuses and intrinsic rewards such as public acknowledgement of service as motivators that pave the path for organisational commitment and exceeding work targets.

5.4.2. Non-Financial Retention Strategy

The loss of colleagues and change in the culture of TAP gave birth to an organisation that had turned a new leaf. Remuneration has already been proven to be a moderator in the retention of skills, but had lost its lustre. A paradigm shift in the retention of staff has emerged through the diversity of the workforce (race, age, gender) which poses a challenge to organisational management (Nolan, 2015; Nwoye, 2017). Sakdiyakorn and Wattanacharoensil's (2018) study of generational diversity in the workplace highlights that organisations are encouraged to pander to the growing plea for non-financial incentives in order to retain critical skills. Generation Z and Millennials are positioned as the future of the organisation as they pursue employment flexibility, as described by Idris (2014) in a study amongst developing countries assessing flexible work time, leave and employment.

Therefore, organisational employee retention can be realised as a strategic competitive advantage, minimising talent loss and employee turnover, as expressed by Magnusson (2020), if sufficient consideration is applied to a non-financial retention strategy. Respondents shared opinions of a non-financial retention strategy related to the retention of critical skill.

5.4.2.1. Autonomy

TAP prides itself on the specialisation of services and the complement of staff to satisfy these services. Senior and skilled staff are entrusted with job autonomy as this offers the depth of freedom within the workplace to innovate, design and create. It also provides the employee with a breadth of decision-making and a platform of responsibility, offering employees purpose and motivation. However, with job autonomy, according to Hagberg and Kullgren's (2016) study on Small to Medium Enterprises' (SMEs') resources, it was evidenced that resources decide what tasks to complete as opposed to adhering to the pace of which tasks are a priority. Therefore, with the latitude offered by management in the execution of work, it is the same management that requests weekly feedback in progress meetings on task delivery alignment by TAP.

5.4.2.2. Training and Development

The development of a personal skills portfolio by talent management programs and opportunities of academic advancement were further ranked highly by the respondents. However, respondent three stated that this initiative was linked to the organisational financial performance to support educational bursaries aligned to the discipline of employment. Self-development through mechanisms like talent management or academic growth is positively identified as a retention factor in Coetzee and Stoltz's (2015) study in the South African automotive industry for both the staff and the organisation. The study confirms that future career aspirations were objectively evaluated and provided a sense of employment security resulting from TAP's investment in individuals. TAP supported academic growth and the registration of individuals to statutory bodies, as they even sponsored this registration.

5.4.2.3. Talent Management

All respondents confirmed that TAP was deficient in the drafting and publishing of policies related to talent management or employee retention. The respondents' further statements were that TAP had not developed a skills matrix or career development matrix to incentivise employees on career aspirations. A study by Ibidunn *et al.* (2015) identified that banks that supported and implemented talent retention and development programmes within the Nigerian banking sector were far more successful.

Although the study confirmed that engineering employees have an opportunity for career advancement, this process was not officially documented or tracked by the assessment of a skills development matrix. The training was accessible only to meet operation requirements, whilst academic development was only supported if it was aligned to the current job discipline or the availability of approved budgets. The study, therefore, confirmed the lack of a talent management policy and guiding documentation, which posed a challenge in the proposition to retain and develop talent that had the propensity of being poached by competitors.

5.4.2.4. Leadership Style

Respondent five was the sole respondent who related resource retention to leadership style. The fact that an employee would prefer to resign due to poor leadership instead of a lack of passion for the field of employment was expressed by respondent two. A study on the impact of leadership style by Zhang, Ahammad, Cooper, Tarba, Glaister and Wang (2015) on the talent retention post-merger and acquisition in China identified that the type of leadership style is critical in the development of organisational culture, delivering stability and the establishment of organisational behaviour.

Respondents cited that the change in leadership at the helm of TAP had resulted in divided opinions amongst the employees regarding the leadership style. Moreover, with the restructuring pressure, the leadership mandate was probed and a sense of insecurity filled the organisational ranks. However, referring to the study of Zhang *et al.* (2015), a task-focused leadership style was displayed to all staff by the CEO. The influence of this style was that the leader differentiated talent based on performance and retained core talent to stabilise the operation. On the other hand, a relationship-focused leader engages staff individually to gain their confidence and illicit the best qualities of individuals.

The managing director of TAP at the time engaged all resources collectively, individually dispelling concerns of insecurities in order to establish focus as the organisation was still committed to outputs yet to be delivered. Leadership's transparency had become abundantly part of the culture where regular communication sessions applauded success and sought to remedy shortcomings.

5.4.2.5. Work-Life Balance (WLB)

Work-life balance (WLB) practices had been proposed by a few respondents, like flexible working hours, start and end times. Ad-hoc working locations (home/office) complemented the respondents' proposal of WLB, as explored by Hagberg and Kullgren (2016) in a study of Swedish SMEs. The Swedish study results presented a relatively low prevalence of WLB practices amongst firms. However, the study indicated at least one common practice of WLB being adopted, namely flexible working

hours. Flexible working hours were a commonly engaged practice at TAP and was written into a working hours policy. Those who opted to practice flexible employment hours had to abide by availability during core hours that stipulated the employee to be available during these fixed hours of the day for remote engagement if required. The study did go on to confirm that as employees mature in the work environment, they need to have an increased number of WLB practices adopted to attract and retain skills.

5.5. CHAPTER SUMMARY

This chapter presented a discussion of the study findings by referring to the respondents' views and the literature reviewed under the guidance of the research questions. The discussion also presented the implications of organisational right-sizing for all stakeholders (management and survivors). Whilst the retention of critical skills is supported to provide a sustained competitive advantage, there are some insufficiencies within TAP in the implementation of the initiative of organisational right-sizing and the retention of critical skills as participants acknowledged the absence of retention and talent management policies.

Chapter Six, which follows, presents the conclusion of the study and provides a summary of the key outcomes linked to the study objectives. It will also offer recommendations which could assist TAP in the retention of critical skills.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1. INTRODUCTION

This chapter presents the conclusion of the study. The summary of the study and recommendations provided are based on the findings of the previous chapter. The purpose of the study was to explore the phenomenon of organisational right-sizing, which has gained momentum globally, while retaining critical skills at an engineering consultancy in South Africa. The study assesses the reason for TAP having undergone organisational right-sizing and the mechanisms employed to retain their critical skills.

The literature reviewed provided a perspective on the guiding principles that inform the process of organisation right-sizing and the impact thereof on the survivors and the organisation. The review extended to the industry practice on the retention of critical skills. In implementing the study, a qualitative research design was applied, utilising a purposive sampling method that selected the participants. Data collection was accomplished through a semi-structured interview instrument, amongst eight participants. The data were thematically analysed and the findings presented and discussed. The key findings will be presented based on the objectives of the study. The conclusion shall be based on these findings and a proposal of recommendations for further studies will be made.

6.2. CONCLUSION ADDRESSING THE RESEARCH OBJECTIVES

6.2.1. Objective One

To determine the factors informing right-sizing as an optimisation tool at an engineering consultancy in South Africa.

The findings for TAP related to **objective one** indicated that financial pressure was a dominant factor. The findings revealed the financial woes resulted in two areas, namely revenue generation and cost management, which can be further segmented. As an engineering consultancy, revenue generation resulted from the sale of professional services, typically fees for service business. The findings of revenue generation

resulted from the macro-environment, namely the contraction of the global and local economy, resulting in a reduction of industry spend on services and projects within the engineering sector that TAP serviced. A company's organisational structure (hierarchy and resources) are predicated on the inflow of work demanded from customers and clients. The retention or acquisition of resources aimed to meet this demand. Therefore, this is based on the short to the medium-term order book or financial forecast thereof. The organisational strategy and vision also guided the structural design of the firm taking the short, medium and long-term trajectory into account. The shareholders' primary goal was wealth creation and they have the leverage to influence the organisational strategy and ultimately, the structure.

The findings also highlighted that cost management posed a challenge as the declining balance sheet could not sustain the firm's overhead cost structure (salaries). An assessment of the organogram identified a disproportionate ratio of core (billable) staff versus support (non-billable) staff and an anomaly regarding the support personnel's salary scale, with the latter being the financial burden on the firm's balance sheet. Economic justification is challenged if the firm's summed production cost exceeds the product's revenue, in this case, professional services.

Therefore, the main factor that informed organisational right-sizing was the size of the organisation structure as TAP had an excess of support staff and a current staff complement that did not support the order-book. TAP had once employed more than 160 engineers (billable staff). However, this number had contracted over the past decade due to natural attrition, resignations or secondees' return. The acquisition of support services since the inception of the firm had increased to support the resource base servicing the business at its peak capacity. However, this had not been reviewed for applicability or feasibility of the current support services requirements.

The second factor that informed organisational right-sizing was the salary bands of resources. An audit of the employee job skill profiles and salary grade assessments was the human resource management output as this informed the firm of having the right person with the right skills delivering the right output at the right remuneration grade. This was underscored as an activity that was not monitored and which urgently required an intervention to manage the overhead costs. Remedying appointment and

remuneration grades was part of the right-sizing exercise that impacted morale and performance. This remediation did benefit those appointments that were deserving of being addressed.

6.2.2. Objective Two

To determine methods employed by the engineering consultancy in South Africa to achieve the desired end state.

The findings of the study related to **objective two** highlighted the success of TAP by setting forth a strategy of transparency. Transparency culminated in dialogue, both written and open communication, with all staff to appreciate the firm's current problem. The findings have shown that respect, honesty and integrity in open dialogue humbled all stakeholders (management and employees) as the current difficulties affected all within the organisation. Management was well aware of employees' potential resistance to the right-sizing process and by their own admission embarked on transparency to draw their employees into their confidence.

Communication was established by employees nominating employee champions who would engage in concerns arising with management and provide feedback. Albeit, statutory approval had been received from the Department of Employment and Labour in South Africa, as an oversight had arisen in the process of communication that required informing union representatives of the proposed process. Although union representatives represented a small percentage of the employees, this number grew as discussions surrounding employment insecurity grew.

The findings also revealed that management were novices at the implementation of organisational right-sizing, which included restructuring and strategy implementation. Although TAP management had embarked on initially driving the process internally, the respondents revealed that they were not change management specialists and would have preferred that the activity be outsourced to a specialist in this field. This confirms the interrelationship of the McKinsey 7-S model of resources, structure and systems, highlighting that organisational change is not independent. Experiencing implementation hurdles, the right-sizing process had been closely guided and advised

upon by a Department of Employment and Labour representative who availed their services at each communication session and reviewed all management's written communication. As a change agent observer, the Department of Employment and Labour offered independence and zero bias of the intended process, as perceived by the respondents.

Organisational restructuring impacted staff who no longer featured on the organogram as well as those who were retained (survivors). Instruments for staff to apply for VSP from the organisation were proposed with financial inducements to incentivise the decision-making process. Some skilled personnel applied for the separation package. However, management entered into skills retention negotiations and set aside their separation package applications. However, they still left. The probability of losing key staff in the process of right-sizing will always exist as they seek employment security from other organisations that welcome talent that is already developed.

6.2.3. Objective Three

To establish how employees with critical skills are retained within the organisational structure.

The finding of **objective three** revealed that retention could either be intrinsic or extrinsic in nature. The most common extrinsic approach by many organisations and TAP as well are financial incentives that are usually restricted to remuneration levels. While bonuses are debated on as to who would earn a bonus within a team, task composition of skills would create more organisational harm than motivation. However, there is a substantial distinction within an engineering consultancy as to who are the generators of revenue, as core staff are identified and are remunerated at higher market-related salaries than support staff due to being a critical skill in an industry that is a challenge to replace.

Furthermore, the findings did highlight the growth in intrinsic instruments that offered the retention of critical skills. The popularity of intrinsic elements had gained momentum due to changes within a multi-generational workforce, which presented varying perspectives, personalities and demands on the employer. These demands

have resulted in a paradigm shift in the management of staff. Most firms' achievements depend on the enactment and yield of the human elements of the organisation. Employees within the professional services sector are the most valued asset of the firm and, as such, their satisfaction and motivation should be at the forefront of the firm. Therefore, managers are faced with the challenge of choosing a basket of intrinsic instruments that deliver perceived value. Standard applications within the industry are flexible work time and remote working locations, as adopted by TAP. However, work-life balance instruments are gaining momentum in the professional services sector.

6.3. THE IMPLICATIONS OF THE STUDY

The study's findings have provided a perspective on the professional consultancy within the engineering sector in South Africa regarding factors that guide decisions to impose a journey of organisational right-sizing. There are moderating categories such as global-competition, the macro-environment and/or the organisation that needs to be assessed to explore the sub-categories further to determine the root cause of organisational distress. While executives and leaders are engaging in these issues, the firm's strategy in the short, medium and long-terms are equally required to be evaluated for alignment as this impacts the hard and soft elements, as identified by McKinsey's 7-S Model that states that they are interrelated. The greatest asset of the firm in the professional sector is the skills set of the staff. Therefore, understanding what instruments are required of the firm to motivate and improve the employees' performance is fundamental in the management of human resources.

6.4. RECOMMENDATIONS

Post an extensive literature review and the discussion of the research study related to organisational right-sizing and the retention of critical skills, the following recommendations are proposed concerning the findings:

6.4.1. Pro-Active Strategy Review

Strategy workshops are an essential management activity that guide the direction of any organisation. This activity type is annually held, whereby the objectives and targets of the firm are discussed. The identified inputs for organisation right-sizing, namely financial status, order-book project and overhead cost management are critical elements that inform TAP's operational strategy. Respondent three stated that the engineering consultancy's revenue model is not a fixed run-rate model, implying that the consultancy's revenue generation is cyclical, dependent on task order appointment. The analysis of the right-sizing elements are proposed to be tabled for management to be reviewed quarterly or at a more frequently (monthly) period depending on the revenue cycle TAP finds itself experiencing, thereby enabling a pro-active management response to the operational strategy. This is to be reviewed and assessed in relation to other key performance areas that management monitors. In the process, management should acknowledge the Mckinsey 7-S Model, where the change in one element impacts the interrelated elements of the 7-S value chain. The value of Human Resource Management (HRM) is not to be disregarded as this department supports the operational strategy of TAP management by the supply of talent and skills to deliver on TAP's client obligations.

6.4.2. Formalisation of Retention and Talent Management Policies

The study revealed that the employment market composition is that of a multi-generational workforce. TAP management is dancing the waltz daily, engaging the multi-generational workforce as the expectations of recruits are evolving in this dynamic sector of professional engineering consultancy. The lost opportunity in innovation, production and collaboration of minds cannot easily be quantified when skilled talent decides to resign from TAP and join competitor consultancies. Literature states that the loss is as little as two hundred per cent of the salary of the position, but can be a lot higher.

Millennials and Generation Z are deemed to be the next generation of leaders and demand clarity on their purpose, direction, future employment potential and their value to the organisation (Baba, 2015). TAP has been identified in the study as being

deficient in the drafting and publishing of policies related to talent management and skills retention. Therefore, in a bid to wage war on talent management and skills retention, the following is recommended. TAP should immediately effect policies accordingly and shift the responsibility to employees who fulfil the criteria for further development. The transparency offered by policies or a career development matrix shifts the burden of responsibility onto resources who would accept the challenge for career development, thereby stepping out of the shadows and signally to management an individual's potential to grow and personal development aspirations that are noteworthy for retention and development. This is a selection criterion that spurs individual initiative and the birth of a learning culture. Furthermore, it aids in the retention of skills with milestones that are clearly defined, eliminating career ambiguity.

6.5. RECOMMENDATIONS FOR FUTURE STUDIES

It is recommended that a future study is conducted on organisational policies related to talent management, employee retention and the skills development matrix. The study should focus on the content and application of policies of organisations within the sector and across the different sectors to understand the drivers and mechanisms instituted by organisations to retain critical skills. Further, it could be supported by a study on employees' perception of the various retention instruments applied by organisations.

6.6. CHAPTER SUMMARY

The main aim of the study was to explore the phenomenon of organisational right-sizing whilst retaining critical skills at an engineering consultancy in South Africa. The study had three research questions.

Firstly: what are the factors that have led to right-sizing as an optimisation tool at an Engineering Consultancy in South Africa? This was clearly articulated as the financial pressures of the macro-environment and the organisational environment. Further analysis identified root causes related to overhead cost management and declining demand for services due to an economic contraction.

The second question was: what methods were employed by the engineering consultancy in South Africa to achieve the desired end-state? This was answered by assessing job profiles and proposing salary bands aligned to industry benchmarking. Moreover, the restructuring of the organogram linked to the order-book is guided by a revised strategy in the short to the medium-terms.

The third question was: how does the Engineering Consultancy in South Africa ensure that critical skills are retained? The extrinsic act of remuneration is reimbursing core staff at the fiftieth percentile and support staff at the twentieth percentile. There is growing support for intrinsic retention instruments that relate to the well-being of staff and greater efficiency in the application of their time, such as reduced commuting to the office, flexibility in working hours and options related to work-life balance.

The findings of the study were as a result of the semi-structured interview instrument undertaken with participants through purposive sampling. Participants had first-hand knowledge of organisational right-sizing, having been part of a very recent journey with TAP. The findings further highlighted the value of open dialogue and transparency that creates an environment of trust. The study did identify the need for drafting retention policies and talent management policies that articulate career development milestones.

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APPENDIX 1: GATEKEEPER LETTER



TRANS-AFRICA PROJECTS

TAP DURBAN OFFICE
38
10 The Boulevard
Westway Office Park
Westville
Durban
3630
South Africa

Prof Cecile Gerwel Proches
Graduate School of Business and Leadership
University of KwaZulu-Natal
Westville Campus
Durban
3630

At: Prof Cecile Gerwel Proches

Date:
14 March 2020

Doc Reference:
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Doc Reference:
MAN_2020 Dissertation

Created:
Joy Rkold
☎ +27 (0) 31 287 4401
☎ +27 82 230 6897
✉ JoyRkold@tapsa.co.za

RE: PERMISSION TO CONDUCT RESEARCH

This letter serves to confirm that I, **Nicholas Masibi**, Acting Managing Director of Trans-Africa Projects (TAP) hereby acknowledge and approve the research of Joyra Rkold (UKZN Student Number 931318593) within TAP for the completion of his Master of Business Administration.



Nicholas Masibi
Acting Managing Director

FLUOR and Eskom joint venture company

R Singh (Chairman), R Maphahle (Non-Executive Director), C Mendi (Non-Executive Director), J Mollington (Non-Executive Director)

Tel: +27 11 225 1400 | Fax: +27 11 225 1440

Company Registered Address: Head Office | Afcardale Office | 23 Magers Crescent (West) | Midrand | Johannesburg | Republic of South Africa



APPENDIX 2: INFORMED CONSENT LETTER

UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

MBA Research Project

Researcher: Jayraj Hiralal (0832306969)

Supervisor: Prof Cecile Gerwel Proches (0312608318)

Research Office: Ms P Ximba (0312603587)

Dear Respondent,

I, Jayraj Hiralal am a MBA student, at the Graduate School of Business and Leadership, of the University of KwaZulu-Natal. You are invited to participate in a research project entitled: "*Exploring organisational right-sizing, whilst retaining critical skills at an engineering consultancy in South Africa*". The aim of this study is to assess factors informing organisational right-sizing whilst retaining critical skills.

Through your participation, I hope to understand factors informing organisational right-sizing and the methods employed to achieve optimisation. The results of the interview are intended to contribute to the body of knowledge on organisational right-sizing and methods employed to retain critical skills.

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

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

The interview should take about 45 minutes to an hour. I hope you will take the time to participate.

Sincerely

A solid black rectangular box used to redact the investigator's signature.

20 September 2020

Investigator's signature _____ Date _____

This page is to be retained by the participant

APPENDIX 3: PARTICIPANT INFORMED CONSENT LETTER

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

**MBA Research Project
Researcher: Jayraj Hiralal (0832306969)
Supervisor: Prof Cecile Gerwel Proches (0312608318)
Research Office: Ms P Ximba (0312603587)**

CONSENT

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

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

I hereby consent/do not consent to record the interview.

SIGNATURE OF PARTICIPANT

DATE

.....

This page is to be retained by the researcher

APPENDIX 4: INTERVIEW QUESTIONS

UNIVERSITY OF KWAZULU-NATAL GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

MBA Research Project

Researcher: Jayraj Hiralal (0832306969)

Supervisor: Prof Cecile Gerwel Proches (0312608318)

Research Office: Ms P Ximba (0312603587)

“Exploring organisational right-sizing, whilst retaining critical skills at an engineering consultancy in South Africa.”

Interview Questions

1. What do you understand by the terminology organisational right-sizing?
2. What do you consider to be the top five factors in determining a course of organisational right-sizing within an engineering consultancy?
3. Who in your opinion, are the affected parties during this process of organisational right-sizing within an engineering consultancy (management, resources, operations, etc.)?
4. What do you consider to be the guiding elements that are to be augmented in an engineering consultancy during the right-sizing process (structure, strategy, systems)? Please elaborate. What process was followed or adopted in your engineering consultancy?
5. What is the mode of resource engagement/communication during this augmenting process within the engineering consultancy? (e-mail, public forum, group communication) Please elaborate.
6. Are you familiar with change management strategies? Please elaborate. What strategy was applied within the engineering consultancy?
7. According to your Performance Appraisal (PA) in your organisation, what are your top five KPAs? Please elaborate.
 - a. How is your PA linked to Organisational Right-Sizing Factors as a maintenance KPA in the engineering consultancy?

8. In January 2019 our engineering consultancy underwent a Section 189 Process.
 - a. What were the drivers for Section 189 within the engineering consultancy? Please elaborate.
 - b. What were the variances on these drivers (from current to proposed position) within the engineering consultancy? Please elaborate.
 - c. Was the reason for Section 189 clearly communicated to the team effectively within the engineering consultancy? Please elaborate.
 - d. Was the Section 189 process clearly mapped out by management within the engineering consultancy? Please elaborate.
 - e. What change model was employed within the engineering consultancy?
9. What are control measures considered for optimal organisational right-sizing?
10. What is your view on resource retention within an engineering consultancy?
11. What incentives do you consider as a tool to retain critical skills within an engineering consultancy? Please elaborate.
 - a. Do you currently employ these incentives? Please elaborate.
 - b. Can resources easily be replaced (do you have redundancy of skills)? Please elaborate.
12. Is there anything else that you would like to add?

APPENDIX 5: LETTER FROM EDITOR

EDITING LETTER

696 Clare Road
Clare Estate
Durban
4091
29 November 2020

To: Whom it may concern

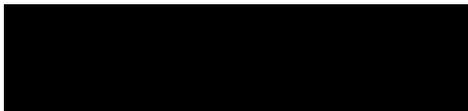
Editing of Master's Thesis: Jayraj Hiralal (931318593)

**EXPLORING ORGANISATIONAL RIGHT-SIZING, WHILST RETAINING CRITICAL
SKILLS AT AN ENGINEERING CONSULTANCY IN SOUTH AFRICA**

This letter serves as confirmation that the aforementioned thesis has been language edited.

Any queries may be directed to the author of this letter.

Regards



MP MATHEWS

Lecturer and Language Editor

Mercimathews4@gmail.com

APPENDIX 6: ETHICAL CLEARANCE LETTER



30 June 2020

Mr Jayraj Hiratal (931318593)
Grad School Of Bus & Leadership
Westville Campus

Dear Mr Hiratal,

Protocol reference number: HSSREC/00001439/2020
Project title: Exploring organisational right-sizing, whilst retaining critical skills at an engineering consultancy in South Africa
Degree: Masters

Approval Notification – Expedited Application

This letter serves to notify you that your application received on 30 April 2020 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

This approval is valid until 30 June 2021.

To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

All research conducted during the COVID-19 period must adhere to the national and UKZN guidelines.

HSSREC is registered with the South African National Research Ethics Council (REC-040414-040).

Yours sincerely,



Professor Dipane Hlalele (Chair)

/dd

Humanities & Social Sciences Research Ethics Committee
UKZN Research Ethics Office Westville Campus, Govan Mbeki Building
Postal Address: Private Bag X54001, Durban 4000
Tel: +27 31 260 8360 / 4667 / 3667
Website: <http://research.ukzn.ac.za/research-ethics/>

Founding Colleges:  Edgewood  Howard College  Medical School  Pietermaritzburg  Westville

INSPIRING GREATNESS

APPENDIX 7: TURNITIN REPORT

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