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YUNIBESITHI YA PRETORIA

DEPARTMENT OF BUSINESS MANAGEMENT

**INVESTIGATING TENSIONS EXPERIENCED BY DECISION MAKERS
DURING BUSINESS RESCUE EVENTS.**

Andria Cornelia du Toit

Student number: 10055224

(c) 081 508 3908

(e) jvrandria@gmail.com

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“Deep in the human unconscious is a pervasive need for a logical universe that makes sense. But the real universe is always one step beyond logic.”

—F. Herbert

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Vir my pa.

Hierdie is nie die MBA waarvan ons gedroom het nie,
maar ek dink jy sou daarvan gehou het.

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I thank my husband, Quintus du Toit, for carrying me through days when I could not see the way forward. Your unwavering support since the day we met has calmed many storms in me.

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I thank God for leading and protecting me in everything that I do.

ABSTRACT

INVESTIGATING TENSIONS EXPERIENCED BY DECISION MAKERS DURING A BUSINESS RESCUE EVENT

by

Andria Cornelia du Toit

Supervisor: Prof. M Pretorius

Department: Business Management

Degree: PhD in Business Management

Decision makers within a business rescue event find themselves burdened with a high-stress environment riddled with tensions which add to the complexity of their decision-making. Even though business rescue, dictated by the Companies Act 71 of 2008, has been operational for more than a decade, decision makers require training and development beyond the scope of the legal and finance realm. Investigating the tensions experienced by decision makers with their practical responses to managing said tensions and the effect on their decision-making may enrich the training and development currently available, as the industry necessitates an ameliorated generation of decision makers to ensure the prosperity of the industry.

The study endeavoured first, to report on the tensions experienced by decision makers, to categorise them, and to identify practical responses to them accordingly; second, to outline the decision-making process as a result of the tensions experienced during a business rescue event; and lastly, to pinpoint whether the skills that current decision makers use to manage these tensions, can be transferred. Previous work has failed to address the presence and impact of tension on the decision maker and on their capacity to influence the success of a business rescue event. An interpretative phenomenological analysis was completed using 12 exceptionally experienced decision makers in the context of distressed organisations and the business rescue

process to gain an insider's perspective. A multi-method approach was employed using in-depth interviews and follow-up questionnaires, validated with the literature after the completion of a pilot/pre-test study. A diverse bundle of tensions was established and categorised into puzzles, dilemmas, trade-offs, and paradoxes with appropriate responses aligned with the balanced outcome dictated by the Act.

Although decision-making remains relatively steadfast in the complex domain of the Cynefin model, informed intuition was found to play a crucial role in the outcome of effective decisions made under the immense pressures of time and data asymmetry unique to a business rescue event. Informed intuition is refined through the agency of a well-rounded team of experts in the fields of law, accounting, business strategy, and (relevant) industries, and strengthened through due diligence and lived experience.

KEY WORDS

Tension

Puzzle

Dilemma

Trade-off

Paradox

Response

Decision-making

Business rescue

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LIST OF ABBREVIATIONS

BEE	Black Economic Empowerment
BR	Business rescue
BRP	Business rescue practitioner
CIPC	Companies Intellectual Property Commission
DMR	Department of Mineral Resources
ICASA	Independent Communications Authority of South Africa
IPA	Interpretative phenomenological analysis
PCF	Post-commencement finance
SARS	South African Revenue Service

GLOSSARY

Affected person	According to the Companies Act (71/2008) an ‘affected person’ , concerning a company, means— “(i) a shareholder or creditor of the company; (ii) any registered trade union representing employees of the company; and (iii) if any of the employees of the company are not represented by a registered trade union, each of those employees or their respective representatives” (section 123(1)(a)). (Gribnitz & Appelbaum, 2015:34).
Business rescue (BR)	According to the Companies Act (71/2008) defines business rescue as “proceedings to facilitate the rehabilitation of a company that is financially distressed by providing for—(i) the temporary supervision of the company, and the management of its affairs, business and property; (ii) a temporary moratorium on the rights of claimants against the company or in respect of property in its possession; and (iii) the development and implementation, if approved, of a plan to rescue the company by restructuring its affairs, business, property, debt and other liabilities, and equity in a manner that maximises the likelihood of the company continuing in existence on a solvent basis or, if it is not possible for the company to so continue in existence, results in a better return for the company’s creditors or shareholders than would result from the immediate liquidation of the company”. (section 128(1)(b)). <i>For the purpose of this study, a ‘business rescue event’ refers to the above-described scenarios according to the Act.</i>
Business rescue practitioner (BRP)	According to the Companies Act (71/2008) a ‘business rescue practitioner’ means a person appointed, or two or more persons appointed jointly, in terms of this Chapter to oversee a company during business rescue proceedings

	<p>and ‘practitioner’ has a corresponding meaning; (e) ‘court’, depending on the context, means either- (i) the High Court that has jurisdiction over the matter; or (ii) either- (aa) a designated judge of the High Court that has jurisdiction over the matter if the Judge President has designated any judges in terms of subsection (3); or (bb) a judge of the High Court that has jurisdiction over the matter, as assigned by the Judge President to hear the particular matter, if the Judge President (section 128(1)(d)).</p> <p>“... means a person appointed, or two or more persons appointed jointly, in term of Chapter 6 to oversee a Company during business rescue proceeding, where ‘practitioner’ has the corresponding meaning.” (Gribnitz & Appelbaum, 2015: 33).</p>
CIPC	Companies Intellectual Property Commission (Gribnitz & Appelbaum, 2015:34).
Directors	“As defined by Section 1 of the Act, means a member of the board of a Company, as contemplated in section 66, or an alternate Director of a Company and includes any person occupying the position of a Director or alternate Director, by whatever name designated”. (Gribnitz & Appelbaum, 2015: 33).
Dilemma	A dilemma, as defined by De Wit and Meyer (2010:16) is “a vexing problem with two possible solutions, neither of which is logically the best”.
Experienced practitioner	Business rescue practitioner with the combined relevant experience of at least five years (CIPC, 2022).
Financially distressed	According to the Companies Act (71/2008) ‘ financially distressed ’, is described as “in reference to a particular company at any particular time, means that- (i) it appears to be reasonably unlikely that the company will be able to pay all of its debts as they fall due and payable within the immediately ensuing six months; or (ii) it appears to be

	reasonably likely that the company will become insolvent within the immediately ensuing six months” (section 128(1)(f)).
Junior practitioner	Business rescue practitioner with the combined relevant experience of less than five years (CIPC, 2022).
Paradox	“A situation in which two seemingly contradictory, or even mutually exclusive, factors appear to be true at the same time”, as defined by De Wit and Meyer, (2010:17).
Post-commencement finance	The Companies Act (71/2008) defines post-commencement finance as “to the extent that any remuneration, reimbursement for expenses or other amounts of money relating to employment becomes due and payable by a company to an employee during the company’s business rescue proceedings but is not paid to the employee- (a) the money is regarded to be post-commencement financing; and (b) will be paid in the order of preference set out in subsection (3)(a). (2) During its business rescue proceedings, the company may obtain financing other than as contemplated in subsection (1), and any such financing- (a) may be secured to the lender by utilising any asset of the company to the extent that it is not otherwise encumbered; and (b) will be paid in the order of preference set out in subsection (3)(b)” (section 135(1)(2)).
Primary decision maker	For the purposes of this study, primary decision makers refer to the business rescue practitioner assigned to the business rescue event by the court.
Puzzle	A puzzle, as defined by De Wit and Meyer (2010:15) is “a challenging problem with an optimal solution”.
Secondary decision maker	For the purposes of this study, secondary decision maker refer to any decision maker involved in the business rescue event in addition to the business rescue practitioner.
Senior Practitioner	Business rescue practitioner with the combined relevant experience of at least 10 years (CIPC, 2022).

Tension	Resonating anxiety and uneasiness amid decision makers owing to an increase in complexity in decisions with no prime strategy (Karhu & Ritala, 2018).
The Act	Refers to Chapter 6 of the Companies Act 71 of 2008.
Trade-off	A trade-off, as defined by De Wit and Meyer (2010:15), is “a problem situation in which there are many possible solutions, each striking a different balance between two conflicting pressures”.
Turnaround management	Turnaround management is an informal process (not governed by the Act) in which entities change their corporate or business level strategies (Mupa, 2021).

CHAPTER 1

Background and Context, Problem Statement and Research Questions

“Context constitutes 90% of a message, words only 10%.”

– A Naskar

1.1 INTRODUCTION AND BACKGROUND

As a result of increasingly complex and turbulent environments, organisations are faced with more tensions than ever before (Handy, 1994:12; Valentinov, 2022:536). Tensions, isolated from the business context, can be defined as an “inner striving, unrest or imbalance often with a physiological indication of emotion” (Merriam-Webster Dictionary, 2022).

Karhu and Ritala (2018:24) characterise tensions as resonating anxiety and uneasiness amid decision makers owing to an increase in complexity in decisions with no prime strategy. They continue to state that such tensions may be advantageous not only because tension may lead to a spike in creative problem-solving but that they can also be a catalyst for change, learning opportunities, and the development of relationships and communication skills (Karhu & Ritala, 2018:25).

During a business rescue event, the BRP is authorised to navigate the company to a financial recovery such that it continues to exist on a solvent basis (section 128(1)(b) of the Act). The initial ambition of business rescue is to keep companies alive and to lengthen the prosperity that numerous “stakeholders, employees, shareholders, and creditors seize from it” (Joubert, 2013:550; Rosslyn-Smith, De Abreu & Pretorius, 2019). The BRP is required to bring an array of skills to the distressed business, most of which are managerial and strategic in nature. As outlined by Janse van Rensburg (2016:16), the BRP “has the responsibilities, duties, and liabilities of the Director of the company, as set out in sections 75 (financial interests), 76 (conduct), and 77 (liabilities) of the Act as an officer (agent) of the court”. This takes place within the supreme task of compliance with the Act and its procedures (Pretorius, 2014).

Business rescue practitioners experience numerous tensions when making decisions during a business rescue event. Not all tensions experienced by BRPs are known nor are the coping methods used by BRPs for those which are known. Nevertheless, BRPs must navigate through several tensions to fulfil their duties, as set out by the Act.

Practice has shown that there are many tensions and/or disagreements on processes and thinking during a business rescue event by decision makers. Some tensions identified in the literature include social capital (Coleman, 1990; Scott, Kraimer &

Liden, 2001), which enables BRPs to obtain appointments, which are in direct conflict with the liability of independence of the BRP, as stated by the Act in section 139(2)(e). The purpose of business rescue, described in sections 128(1)(a) and (b)(iii) of the Act, sometimes contradicts directly what is 'workable' during a business rescue event (Joubert, 2013:550; Levenstein, 2008:13).

Another evident example of tension from the literature includes the philosophy (and/or purpose) of business rescue (section 128 of the Act), which appears to stand in opposition to the philosophy of business (Donaldson & Walsh, 2015; Friedman, 1970). The need to transfer skills to train new BRPs (Bradstreet, 2010; Pretorius, 2014) versus the inability to transfer tacit skills (intuition guiding BRPs) (De Wit & Meyer, 2010:32) poses great obstacles for BRPs to overcome.

The mere filing for business rescue brings management face to face with tension; the sooner management files for business rescue, the higher the probability of business rescue success. But as soon as business rescue proceedings have commenced, management is stripped of all their powers, leaving them powerless during the rescue process; thus, management postpones filing, decreasing the probability of success.

A BRP entering a business rescue event, is like a captain of a desolated ship (distressed organisation) at sea, ceaselessly searching for the light to guide the ship to the safety of the shore. Tensions, like currents and waves, toss the ship back and forth, hurdling progress, frequently resulting in its sinking.

1.2 RESEARCH PROBLEM

During a business rescue event, decision makers (which includes but is not limited to the BRP) experience an array of tensions. The awareness of the decision makers of these tensions is not evident in literature; yet these tensions must have an altering influence on their decision-making. Investigating these tensions (and possibly categorising them) and determining the most popular responses implemented by decision makers may shed some light on the elusive process followed during a business rescue event to deal with tensions and related decisions made.

1.3 PURPOSE STATEMENT

The purpose of this study is threefold; first, the study aims to identify and to categorise the tensions that decision makers experience during business rescue events into four categories, namely trade-offs, dilemmas, puzzles, and paradoxes; second, to determine the awareness of decision makers of these tensions (Have they experienced the tensions themselves or have they only heard of the tensions from another party?). Lastly, to investigate the decision-making process that decision makers follow when responding to said tensions.

The goal of the study is to shed some light on how decision makers navigate the tensions they experience during a business rescue event and hopefully to identify transferrable skills that inexperienced decision makers may require to develop in order to increase their effectiveness.

1.4 RESEARCH QUESTIONS

This study intends to answer the following research questions:

1. What tensions do decision makers experience during a business rescue event?
2. Can these tensions be classified as puzzles, dilemmas, trade-offs, and/or paradoxes?
3. How do decision makers make sense of these tensions?
 - a. Are there existing responses to these tensions?
 - b. Can we add to these responses?
4. What are the general steps in decision-making followed by decision makers during a business rescue event?
5. Can the skills that decision makers use to manage these tensions be transferred?

1.5 CONTRIBUTION

The practical contribution of this study lies in a better understanding of the management of tensions and decision-making within the context of a business rescue

event as well as the possible skill transfer to inexperienced decision makers. Since business rescue is still in its early life cycle, investigating the decision-making of relevant parties experiencing tensions might contribute to the maturing of the industry and to the training of inexperienced decision makers.

Applying complexity theory as well as the Cynefin decision-making model to business rescue phenomena may make an academic contribution to the business rescue field of research and broaden the lens through which we view business rescue and the relevant tensions experienced, building layers of theory used to investigate the field.

The application of interpretative phenomenological analysis (IPA), which originates from the field of psychology, may contribute to the methodological development of investigations within the field of business rescue to gain an “insider’s perspective” of the decision makers to aid in developing training material when using case study approaches to the development of novice decision makers.

1.6 REFERENCING TECHNIQUE

This thesis has been written in compliance with “Referencing in Academic Documents, 10th edition, 2022”, the official referencing guidelines of the Department of Business Management, authored by Dr. Theuns Kotzé, University of Pretoria. Adapted from the Harvard referencing style, this style is used across various commerce faculties at the University of Pretoria.

1.7 ARRANGEMENT OF CHAPTERS

Table 1 shows the arrangement of chapters in this thesis, and the primary research method used.

Table 1.1: An overview of the arrangements of chapters and research methods

Chapter	Subject	Method
1	Background and context, problem statement and research questions	An introduction
2	Tension, paradox, and decision-making	Literature review
3	Business rescue	Literature review
4	Methodology	Contextual discussion
5	Findings	IPA
6	Discussion of the findings	IPA and contextual discussion
7		Conclusion

Source: Own compilation

Chapter 1 provides an introduction to the study by outlining the context, problem statement and the relevant research questions investigated by the study. Chapter 2 investigates the tensions and decision-making models from the literature as well as taking a brief look at paradox theory and theoretical responses to paradoxes. Chapter 3 provides a bird's-eye view of the business rescue process dictated by the Act and provides the necessary context required to understand the tensions experienced by decision makers during business rescue events.

Chapter 4 delves into the methodology followed for the study and provides a summary of complexity theory, which is used as a backdrop to the study. Chapter 5 presents the findings of the study after two rounds of data collection using the IPA method. Chapter 6 discusses the findings within the context of the study, summarising the most significant findings and contributions to the field of business rescue. Chapter 7 concludes the thesis by discussing the researcher's final thoughts and observations throughout the study, the limitations, and proposed future research to be conducted.

Various annexures are provided in support of this thesis, including the data collection instruments, an ethical clearance letter, and an example of the letter of consent used during data collection.

CHAPTER 2

Tensions, Paradox and Decision-Making

“There are two ways of spreading light; to be the candle or the mirror that reflects it.”

– E Wharton

The expectations of decision makers during a business rescue event are riddled with tensions, as depicted in Chapter 1. Almost all decisions during a business rescue event, from the appointment of the BRP, have a level of complexity contributing to the tension experienced by decision makers. This chapter will first look at the types of tensions experienced by decision makers and their relevant theoretical responses recommended by the literature. Second, different decision-making models are explored in conjunction with the Cynefin sense-making framework for complex decision-making, which may provide the decision maker with the necessary insight into the environment in which decisions are to be made. Lastly, the chapter will outline decision maker behaviour crucial to effective decision-making.

2.1 TENSIONS

Tensions, isolated from the business context, can be defined as an “inner striving, unrest or imbalance often with a physiological indication of emotion; a state of latent hostility or opposition between individuals or groups; a balance maintained in an artistic work between forces of elements.” (Merriam-Webster Dictionary, 2022). Dodd and Favaro (2006) state that leaders and companies are faced simultaneously with conflicting objectives on a regular basis. Examples include profitability vs growth, short term vs long term, and the organisation as a whole vs the parts (Karhu & Ritala, 2020; Lövstal & Jontoft, 2017).

Similarly, BRPs battle tensions throughout a BR event: social capital vs liability of independence of the BRP, as stated by the Act in section 139(2)(e), the purpose of business rescue, vs ‘workable plans’ (Joubert, 2013:550; Levenstein, 2008:13) and the philosophy of business rescue (section 128 of the Act) vs the philosophy of business (Donaldson & Walsh, 2015; Friedman, 1970). The BRP is not the only individual who experiences tension during the business rescue event; nor are they the only decision maker who holds significant sway over the adoption of the business rescue plan (refer to Chapter 3). Various decision makers experience tension during a business rescue event, and all are required to manage these tensions (Lövstal & Jontoft, 2017) to participate successfully in the event, as dictated by the Act.

Authors categorise tension into four main groups: dilemmas, puzzles, trade-offs, and paradoxes (De Wit & Meyer, 2010; Gaim & Wåhlin, 2016; Karhu & Ritala, 2018; Lewis, 2000; Lüscher & Lewis, 2008).

2.1.1 Dilemmas

A dilemma as described by De Wit and Meyer (2010:16) as an incommensurable problem with two conceivable resolutions, neither of which is logically worthy. Karhu and Ritala (2018) define a dilemma as a compromise between two opposing alternatives; an 'either-or problem' where one route is preferred over another, yet neither is superior (CFI, 2022; De Wit & Meyer 2010:16; Lövstal & Jontoft, 2017).

De Wit and Meyer (2010) consider strategic tensions to be dilemmas; a tactic where strategists are aware of the incompatibility of the resolutions available and deliberately choose one alternative while disregarding the other (Karhu & Ritala, 2018:25). Lewis (2000) labelled this response as suppression (Gaim & Wåhlin, 2016). The favourability of the chosen alternative will be contingent on the conditions of the decision-making environment. Karhu and Ritala (2018:25) indicate that fiddly dilemmas "may create a sense of being paralysed or stuck because of the difficulty of the choice, especially when both options are seen as valuable or warrant equal consideration" (Lövstal & Jontoft, 2017; Lüscher & Lewis, 2008).

Karhu and Ritala (2018) argue that dilemmas could be solved by shifting the inharmonious alternative to another place and/or time, thus utilising spatial (Lewis & Smith, 2014; Lövstal & Jontoft, 2017) or temporal separation to evade the responsibility of dealing with the specific alternative (CFI, 2022). Using spatial separation (spatialising) to solve dilemmas may imply that 'either-or' decisions be handled separately by independent teams or individuals (Pool & Van de Ven, 1989); whereas temporal separation (temporalising) may entail addressing single demands consecutively (Karhu & Ritala, 2018; Pool & Van den Ven, 1989). Figure 2.1 illustrates tension as a dilemma or an 'either-or' problem to be solved.

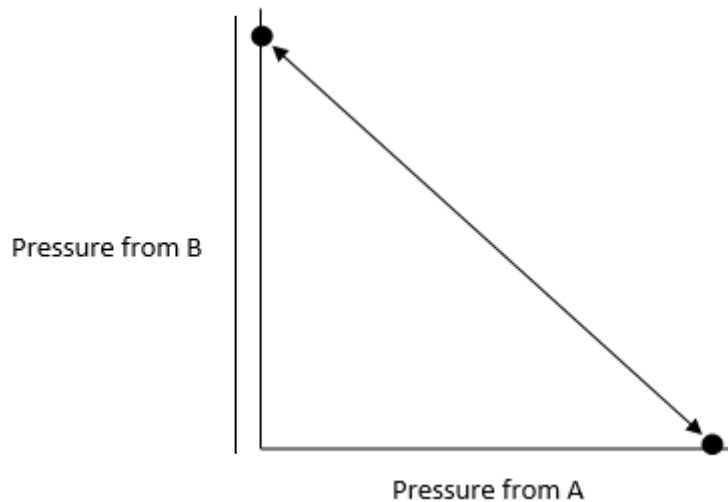


Figure 2.1: Tension illustrated as a dilemma or an 'either-or' problem

Source: De Wit and Meyer (2010:16).

2.1.2 Trade-offs

Decision makers tasked with solving trade-off-type problems are faced with a situation with diverse alternatives “each striking a different balance between two conflicting pressures” (De Wit & Meyer, 2010:16). De Wit and Meyer (2010) also state that several varied combinations between these ‘conflicting pressures’ are available with advantages and disadvantages respectively and that none of the combinations are fundamentally superior to the others (Lövstal & Jontoft, 2017). Hammond, Keeney and Raiffa (1998) note that there will be more trade-offs to be made the more options are being evaluated and the more goals that are being pursued. Unfortunately, the sheer number of trade-offs is not what makes decision-making so challenging but the fact that each aim has a unique basis for comparison. For example, one alternative may be evaluated based on percentages, whereas the next is based on broad comparative judgments or simply on descriptive terms.

Again, strategic tensions may also be classified as trade-offs, where the decision maker accepts the struggle between the conflicting pressures and continuously endeavours to discover a proper balance between them (Lövstal & Jontoft, 2017).

Morris (2022) describes trade-offs broadly as any circumstance in which choosing one course of action results in giving up another, typically a gain or an opportunity. When a gain in one area necessarily entails a loss in another, we are forced to make compromises. Morris (2022) continues to explain that trade-offs are indeed difficult to assess and that it may take some time for trade-offs to become clear to the decision maker. In complex adaptive systems, trade-offs become apparent over the long term and when one attempts to maximise one area, a price will probably have to be paid somewhere else; sometimes the equation is obviously negative. According to economist Thomas Sowell: “There are no solutions. There are only trade-offs”.

Hammond *et al.* (1998) recommend using the ‘even-swaps’ method as a practical way to manage multiple trade-offs. The even-swap method is essentially a sort of bargaining since it makes one consider the worth of one goal in relation to another. One will still need to make difficult judgments regarding the values one chooses and the deals one makes even after using the even-swap strategy. It does, however, offer a trustworthy method for executing trades as well as a clear framework for doing so. The even-swap technique allows one to concentrate all of one’s mental energy on the most crucial aspect of decision-making: determining the true value of various courses of action open to one and one’s organisation. It does this by streamlining and codifying the mechanical parts of trade-offs. The ‘even-swaps’ method is built on the use of a consequence table outlining each alternative with its relevant consequences. Alternatives are eliminated based on the perceived value compared to other alternatives, whereafter equal objectives of the remaining alternatives are discarded and the decision can be made based on the remaining objectives of each alternative, somewhat simplifying a complex decision.

Figure 2.2 illustrates tension as a trade-off or ‘one optimal solution line’ to be found by the decision maker.

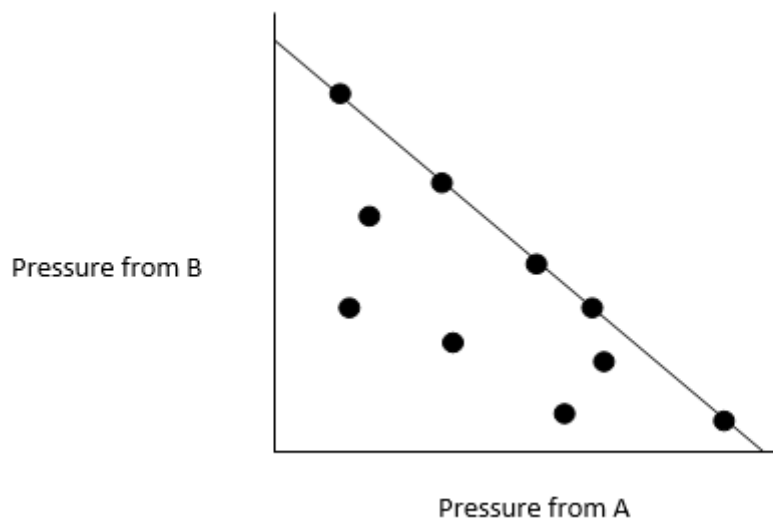


Figure 2.2: Tension illustrated as a trade-off or ‘one optimal solution line’ to be found by the decision maker

Source: De Wit and Meyer (2010:16).

2.1.3 Puzzles

Solving a strategic tension as a puzzle suggests assessing a situation as an arduous problem with only ‘one optimal solution’ and, although the principles might seem irreconcilable, as soon as the puzzle is unravelled and comprehended, the tension might be resolved. Some decision makers argue that all strategic tensions could adhere to the same set of problem-solving rules, whereas others are of opinion that the ‘one optimal solution’ is contingent on the conditions under which the tension should be solved (De Wit & Meyer, 2010).

Chimezie and Osigweh (1985) state that puzzle-solving ensues within an environment of immutable truths and that the strategic nature of said environment demands a specific approach to optimise the solution: relationships and interactions are settled and there can be no unexpected change. It is thus necessary to use well-known knowledge, techniques, approaches, and procedures to solve the puzzle. Chimezie and Osigweh (1985:71) also explain that puzzle-solving yields known solutions. The solution may not be known in advance but the solution is known to exist. What is

commonly referred to as programmed decisions (Cray, Haines & Mallory, 1994; Panpatte & Talale, 2019) are indeed puzzles or static problems which require one optimal solution.

When tackling a puzzle, the decision makers should make use of informed judgment to predict what the answer to the puzzle is likely to be. As mentioned before, puzzle-solving yields predictable results, and thus the decision maker should create a clear base of comparison against which the accomplishment or failure of the puzzle-solving activity can be measured. A specific outcome should be anticipated. In the interest of addressing puzzles (and other tensions) effectively, decision makers are advised to consult with experts or professionals with superior knowledge or specialised skills to find the optimal solution required (Chimezie & Osigweh, 1985:72).

Since puzzle-solving is static and operates within relatively stable conceptual frameworks, the decision maker should seek prescriptive solution approaches while also keeping the desired outcome in mind. Clearly defined, systematic procedures aid the decision maker in solving the puzzle; such models can be obtained by further investigating the relevant organisation or industry (Chimezie & Osigweh, 1985). Figure 2.3 illustrates tension as a puzzle or 'one optimal solution' to be solved by the decision maker.

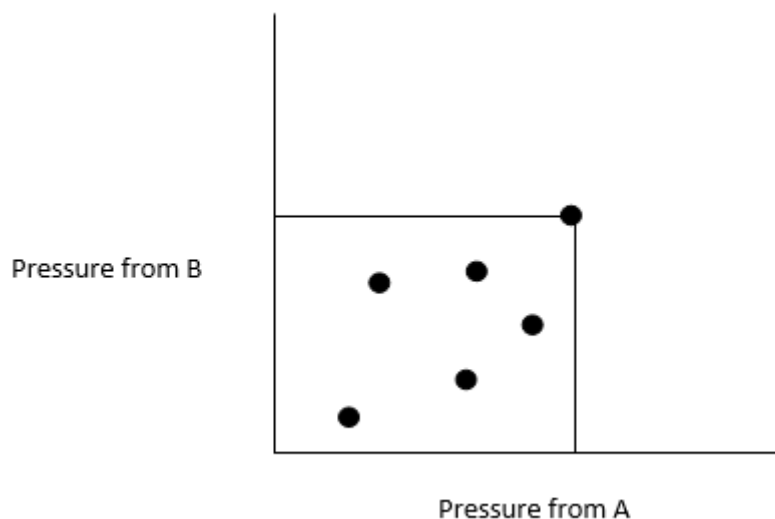


Figure 2.3: Tension illustrated as a puzzle or 'one optimal solution' to be solved by the decision maker

Source: De Wit and Meyer (2010:16).

2.1.4 Paradox and paradox theory

The concept of paradox, as defined by Lewis and Smith (2011:382; 2014:9) is “contradictory yet interrelated elements that exist simultaneously and persist over time”. De Wit and Meyer (2010:17) define paradox as "a situation in which two seemingly contradictory, or even mutually exclusive, factors appear to be true at the same time." (Karhu & Ritala, 2020; Lövstal, & Jontoft, 2017; Poole & Van den Ven, 1989:563; Smith, 2014). They continue to state that the two opposites cannot be logically integrated to obtain an internally consistent understanding of the problem.

A paradox cannot be prevented or solved (De Wit & Meyer, 2010:17); instead, decision makers must find a workable reconciliation to manage or cope with them (Handy, 1994:13); aiming to attend simultaneously to competing demands (Karhu & Ritala, 2020; Lewis & Smith, 2011:391). Lewis (2000:760) states that “paradox denotes contradictory yet interrelated elements – elements that seem logical in isolation but absurd and irrational when appearing simultaneously”. De Wit and Meyer (2010) state that a paradox can be described as a ‘both–and problem and decision makers will strive to satisfy both sides of the paradox to cope with said paradox. Researchers, such as Handy (1994) and Jarzembowski & Lê (2017), describe organisations, groups, and individuals as fundamentally paradoxical, entangled in tensions and supporting cycles at their core. Karhu and Ritala (2020:489) indicate that “[i]n departing from traditional rationality and linearity, paradox-based thinking is seen to be threatening both emotionally and cognitively because it adds complexity, vagueness, insecurity, and ambiguity” (Lewis, 2000).

Lewis (2000:761) identifies three principal characteristics of paradox. First, that paradox signifies a range of “contradictory yet interwoven elements” (Lewis, 2000:761); second, that paradox is built as a result of reality being simplified into ‘either/or distinctions’ by actors, and lastly, that paradox is exposed as an unfounded simultaneity of opposites via self-and social reflection. Paradox theory may act as an alternative to contingency theory when organisations respond to tensions experienced internally and tensions observed from the external environment; this delves into how organisations address contending demands (Lewis & Smith, 2011:381). Paradox is a universal trait of organisational life and, while paradoxes represent several stumbling

blocks to be overcome, the organisation's response to the paradox rather than the inherent properties of the paradox will dictate whether the effect of said paradox is positive or negative (Jarzabkowski & Lê, 2017:38).

Karhu and Ritala (2020) outline that dualities, which lead to paradox, exemplify opportunities concerning how a situation should/could be handled and how resources should be invested. The situation does increase in complexity, however, when both ends of the spectrum demand attention concurrently. In such a situation, no alternative can be suppressed to the detriment of the other (Jarzabkowski & Lê, 2017; Karhu & Ritala, 2020; Lewis, 2000) and a balanced outcome should be pursued for both ends. Jarzabkowski, Lê (2017), and Jarzabkowski and Van den Ven (2013) further indicate that paradox is rooted in the interactions of the everyday actions of actors. Figure 2.4 illustrates tension as a paradox or 'both-and problem' to be reconciled by the decision maker.

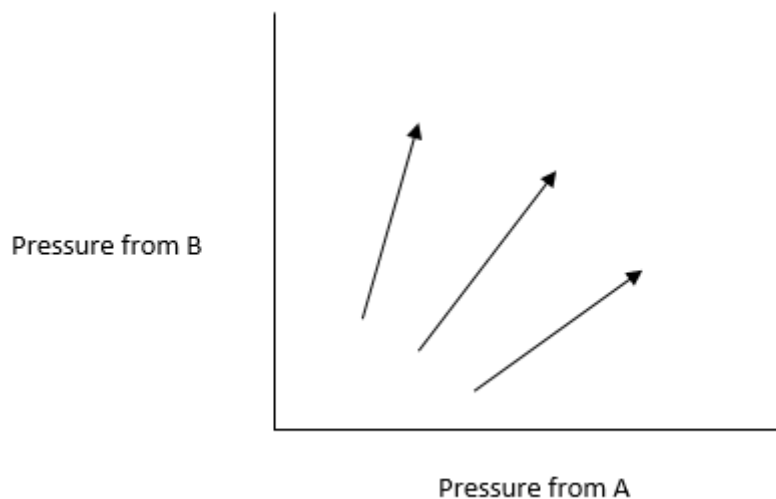


Figure 2.4: Tension illustrated as a paradox or 'both- and problem' to be reconciled by the decision maker

Source: De Wit and Meyer (2010:16).

Jarzabkowski and Lê (2017) summarise paradoxes in four categories of organising, belonging, performing, and learning:

(1) Organising paradoxes can be found at the macro level, among subsystems that must "act independently within an interdependent overarching organisational system"

(Jarzabkowski & Lê, 2017:38; Lewis, 2000; Lewis & Smith, 2011) eliciting tensions among structure and action (Lüscher, Lewis & Ingram, 2006).

(2) Paradoxes of belonging may be experienced at the meso level, sprouting from divisional and group memberships, loyalties, and identities (Jarzabkowski & Lê, 2017; Lewis, 2000). These paradoxes are regularly aimed towards diverse ideas of success and failure that might be strenuous to resolve (Jarzabkowski & Lê, 2017; Lewis, 2000).

(3) Performing paradoxes are experienced on the micro-level via contrasting roles and tasks (Lüscher *et al.*, 2006), which are observable in opposing analyses and behaviour of actors driven by different goals (Jarzabkowski & Lê, 2017).

(4) The paradox of learning is not only embedded in but extends across the above-mentioned paradoxes, “based on the need to both build on and unlearn concepts from the past to move forward” (Jarzabkowski Lê, 2017; Lewis, 2000; Lewis & Smith, 2011).

Tensions may be the underlying source of paradox (Lewis, 2000:761) and can take the form of self-referential loops, mixed messages, and system contradictions (Lewis & Smith, 2014). When ambiguities are rooted in cohesive statements, self-referential loops are at play where mixed messages indicate the presence of inconsistencies between statements (verbal and nonverbal during social interaction). Lüscher *et al.* (2006:492) linked the paradoxes of performing, organising, and belonging to the communication patterns of Putnam (1986), namely mixed messages, recursive cycles, and systematic contradictions. The authors continue that pinpointing which communication pattern is consistent with the different paradoxes respectively, alludes to a deviating process “through which actors seek to make sense of change, but that often foster anxiety and paralysis” (Lüscher *et al.*, 2006:491).

Figure 2.5 illustrated the types of paradoxes as discussed by Lüscher *et al.* (2006:494), integrated with the communication patterns of Putnam (1986) used to inform the types of paradoxes that decision makers may encounter during complex decision-making.

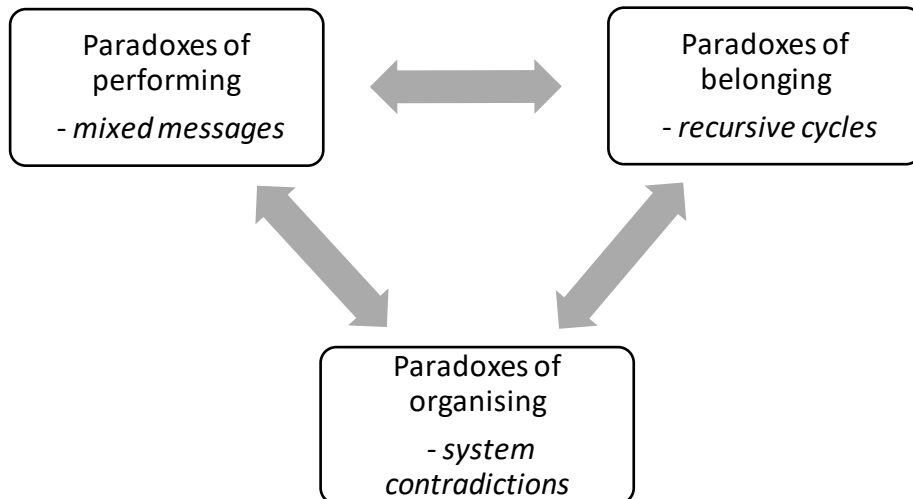


Figure 2.5: Types of paradoxes

Sources: Lüscher *et al.* (2006:494); Putnam (1986).

Several authors have studied the responses by management and other role players faced with a paradox. Table 2.1, reproduced from Lewis (2000), Poole *et al.* (1989), and Jarzabkowski & Lê (2017), provides a summary of their recommendations on how to respond to paradox.

Table 2.1: Repertoire of responses to tension and paradox

Response	Definition
Slitting*	A response that involves separating contradictory elements either temporally (dealing with one; then the other) or spatially (compartmentalising elements into different areas or groups).
Regression *	A response that involves returning to past understanding or actions.
Repression *	A response that involves denial, i.e., blocking awareness of paradoxes and subsequent tensions.
Projection *	A response that involves transferring paradoxical elements or tensions to a scapegoat.

Response	Definition
Reaction formation *	A response that involves focusing on only one element by excessively engaging in practices aligned with that element, and opposing the other element.
Ambivalence *	A response that involves quick but marginal compromises.
Acceptance *	A response that involves an understanding of contradiction, tension, and ambiguity as natural conditions of work.
Confrontation *	A response that involves bringing tension to the fore and discussing it critically.
Transcendence *	A response that involves altering or reframing thinking to see elements of paradox as necessary or complementary (both/and thinking).
Suppressing **	A response that involves dominating or overriding one element of the paradox while fostering the other.
Opposing **	A response that involves parties working to each side of the paradox asserting their own needs, despite evidence that these would oppose the needs of the other party and occasion a head-on confrontation.
Adjusting **	A response that involves recognising that both poles are different, and interdependent and have to be achieved.

Source: Reproduced from Jarzabkowski & Lê (2017), Lewis (2000), Lewis & Smith (2014), Poole & Van den Ven (1989).

* Original responses from Lewis (2000); supported by Lewis & Smith (2014).

** Responses added by Jarzabkowski & Lê (2017)

In the situation where decision makers embrace paradoxical solutions, they opt to wear the metaphorical ‘paradox hat’ (Karhu & Ritala, 2020) and welcome the prominence of antithetical elements (Lewis, 2000). It is important to note that the effectiveness of decision makers hinges predominantly on their perception of the paradox, which is generally understood via their cognitive framing during the first phase of decision-making (Kaplan 2008; Tversky & Kahneman, 1981).

2.2 CYNEFIN FRAME FOR SENSE-MAKING AND DECISION-MAKING

To elicit appropriate responses to any tension, decision makers are bound to follow a decision-making process. Strategic decisions, defined by Eisenhardt and Zbaracki (1992), are crucially based on resources committed, precedents created, and actions taken, and are the types of decisions relevant to a business rescue event. Some authors refer to these 'strategic decisions' as non-programmed decisions, described as unique, volatile, and excluded from daily management routines within organisations (Brevis & Vrba, 2015:263; Shepherd & Rudd, 2014). Bronner (1993) defines decision-making as "the determination of behavioural regularities by means of the analysis of the decision-making process". A business rescue event poses various uncertainties and opposing outcomes to be met, constructing the inevitability of strategic decision-making during the process.

According to Pretorius and Holtzhausen (2015), BRPs fail to comprehend the complexity of business decline (bounded rationality, as described by Simon (1976) as well as the causes thereof within specific business rescue events even though BRPs have numerous signals (Janse van Rensburg, 2016) and tools to assist the identification of these causes (Du Toit, Pretorius & Rosslyn-Smith, 2019). Successful strategic decision-making is thus pivotal for desired business rescue results. Decision makers are required to employ various decision-making approaches to aid in their quest to find the light at the end of the business rescue event.

The basic decision-making module (derived from the classical decision-making model) (Vasilescu, 2011) is considered inappropriate for most decision-making (Beach & Lipshitz, 2015). Vasilescu (2011:69) states that the classical model presents "serious limitations" including neglect of the "reality of strategic decision-making situations" and the assumption that causal linkages are obvious. Furthermore, it ignores the political aspects of strategic decision-making and overlooks the role of intuition – a major driver behind BRP decision-making (Janse van Rensburg, 2016). Vasilescu (2011:70) comments further that the "classic yesterday's rational model" (including the military decision-making model and Mintzberg's general model of the strategic decision-

making process) appear to be ill-equipped for the ambiguity, fluidity, and uncertainty of the current business environment in which decision makers are required to operate.

This statement rings true for the decision makers during a business rescue event. Li (2008) highlights classical decision theory, which assumes an environment of absolute certainty and that the 'objective' decision maker possesses complete information including exhaustive alternatives to choose from and their respective consequences. Du Toit *et al.* (2019) established asymmetric information and the lack of data integrity as barriers to effective decision-making during a BR event; along with the background, experience, and perspectives (Du Toit *et al.*, 2019) of BRPs (and other influential members within an organisation placed under business rescue). The odds are stacked against the competence of classical decision-making models during a business rescue event.

The Cynefin model (Snowden, 2000), an innovative strategic decision process, lends the ability to make sense of complex situations where other decision-making models are lacking. The Cynefin framework advocates four main approaches to strategic decision-making (Higgins & Freedman, 2013; Snowden, 2000; Turino & Santoso, 2020; Vasilescu, 2011) based on the characteristics of the situation being scrutinised.

The approaches, summarised by Higgins and Freedman (2013), and Vasilescu (2011), are:

1. *Known* (clear domain): sense incoming data; categorise it in accordance with known schema; respond with predetermined practices.
2. *Knowable* (complicated domain): sense incoming data; analyse that data; respond by expert advice or based on analysis (respond to the outside environment).
3. *Complex*: (complex domain): a probe to clarify patterns; sense patterns; respond by stabilising desired patterns (manage the outside environment).
4. *Chaos* (chaotic domain): "act quickly and decisively; sense reactions to that action; respond further as appropriate (feel your way along)", as outlined by Vasilescu (2011:71).

Figure 2.6 illustrates the sense-making framework recommended by Snowden (2000) for sense-making of complex situations to enable more effective decision-making.

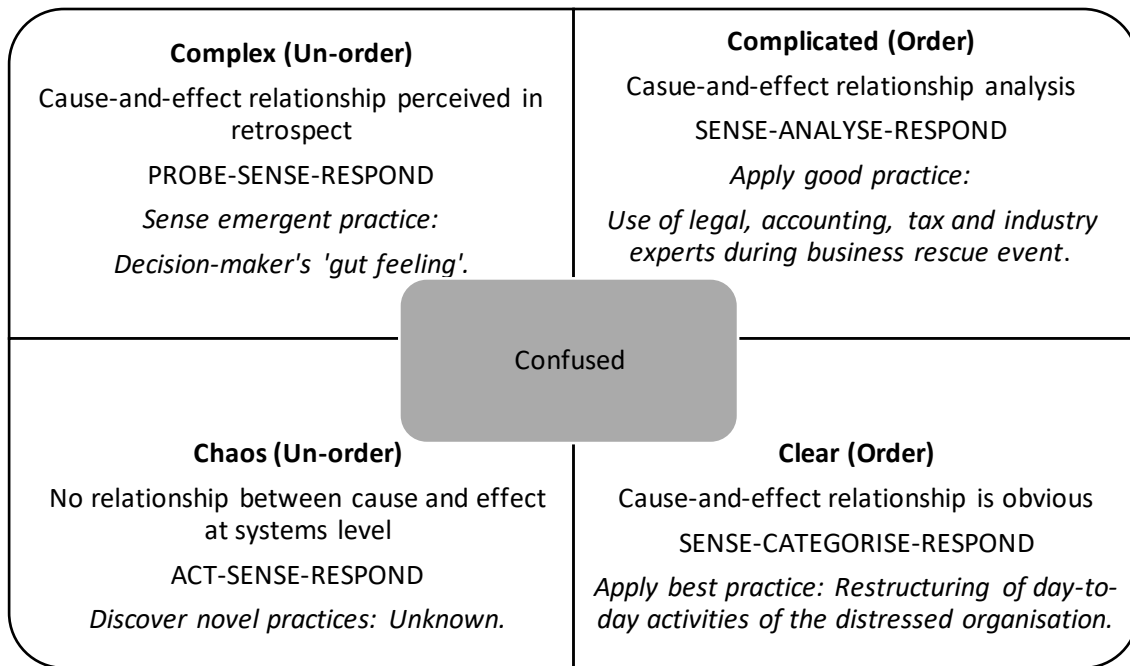


Figure 2.6: The Cynefin sense-making framework for complex decision-making

Sources: Corrigan (2020); Higgins & Freedman (2013); Snowden (2000)

In the *clear* domain, using the 'known' approach, systems are ordered. In other words, relationships can be anticipated; cause and effect are evident and visible to a reasonable person (Corrigan, 2020; Turino & Santoso, 2020). Higgins and Freedman (2013) describe the domain as 'easily observed and understood' and indicate that solutions are axiomatic. Hence, the decision-making model is 'sense–categorise–respond' (Vasilescu, 2011; Turino & Santoso, 2020) in which best practices are proven to be efficient within balanced and common circumstances (Higgins & Freedman, 2013) are implemented. Corrigan (2020) indicates that "clear systems (domain) have fixed constraints that can break catastrophically and can be repaired easily if you know what you are doing".

The *complicated* domain (or knowable approach) showcases a relationship between cause and effect, where there is a right answer, but it is not obvious. The solution is either to engage with expertise within the domain to employ good practices or alternatively, to implement an analytical method of 'sense–analyse–respond' (Turino

& Santoso, 2020; Vasilescu, 2011). Like the simple domain, the complex domain is ordered, activity is stable, and outcomes can be anticipated (Higgins & Freedman, 2013) especially by experts (senior BRPs). The complicated systems/domain allow for a little more flexibility in practice, while still having regulating restraints like rules and regulations (Corrigan, 2022).

Higgins and Freedman (2013) refer to the third domain, characterised by *complexity*, as “a system without causality and of light constraints”, where ‘probe-sense-response’ (Turino & Santoso, 2020) is the relevant decision model to follow. Vasilescu (2011) continues that vigorous and confusing interplay takes place between two or more complex systems within this domain and, as a result, it is unorganised and in contrast to the clear and complicated domains, and emergent practices (Turino & Santoso, 2020) may be appropriate and best/good practices may be unfavourable. Higgins and Freedman (2013:70) conclude that “intuitive decisions are very risky in the complicated domain unless they are subject to review and amendment by focused cognitive effort”. Corrigan (2022) argues that complex systems (or domain) may be defined through the permittance of restrictions that can be immutable but also lead to a variety of creativity, emergence and self-organisation. Corrigan (2020) further states that if the decision is complex, decision makers should use patterns to guide their decision-making.

The chaotic domain is described as an incomprehensible situation beyond attained experience, accompanied by severe turbulence (Corrigan, 2020). The appropriate decision-making model is ‘act–sense–respond’ where the priority of actors is to stabilise the situations implementing innovative practices (Higgins & Freedman, 2013; Vasilescu, 2011). According to Corrigan (2022), in the domain or system of chaos you can only choose a spot to act, impose restrictions, and perceive swiftly what will happen next because nothing makes much sense. First responders attempt to control the problem before determining whether a technical expert is required.



The Cynefin model provides four different approaches to waging decision-making under uncertain conditions where there is no one-size-fits-all technique for an appropriate solution (Vasilescu, 2011). Regularly, actors find themselves excluded from the four domains discussed; characterised as confused, which is the fifth and last domain of the model. Actors essentially revert to their own preferences and

background (Janse van Rensburg, 2016) or to comfort zones (Turino & Santoso, 2020) to make sense of the situation (Higgins & Freedman, 2013). Corrigan (2022) states that the confused domain may be divided between 'aporetic' and 'confused', where aporetic is defined as 'at a loss', demonstrating unresolved confusion or a paradox. Decision makers are advised to break down the event into smaller events and to distribute them among the other four domains.

Table 2.2 outlines the integration of the Cynefin model with the types of tensions experienced by decision makers. Each type of tension is present in two domains of the Cynefin model depending on the complexity of the tension.

Table 2.2: An integration of the Cynefin model with the types of tensions experienced by decision makers during a business rescue event

Source: Own compilation

Type of tension experienced by decision makers during a business rescue event with theoretical solutions. 	Dilemmas • Either–or problem • Solution? Make a choice OR spatial or temporal separation	Trade-offs • One optimal solution line • Solution? Strike a balance • Even-swaps method	Puzzles • One optimal solution for a static problem • Solution? Find the best • Solution is not yet known, but there is one	Paradox • Contradictory factors appear to be true at the same time • Multiple innovative reconciliations • Solution? Best of both worlds
Domains of the Cynefin model of sense-making and decision-making. 				
Clear • Order • Cause-and-effect relationship is obvious • SENSE–CATEGORISE–RESPOND • <i>Apply best practices.</i>		X Few alternatives are available to choose from	X Use of experts to solve specific problems related to tax, accounting, legal, or industry	
Complicated • Cause-and-effect relationship analysis • SENSE–ANALYSE–RESPOND • <i>Apply good practice</i>	X Enough data is available on alternatives to make an informed choice	X Numerous alternatives are available to choose from	X Development of a solution using multiple experts and predicting what the solution is likely to be (BR plan)	
Complex • Cause-and-effect relationship perceived in retrospect • PROBE–SENSE–RESPOND • <i>Sense emergent practice</i>	X Decision makers must make a choice under severe conditions of data asymmetry			X Paradox is known to decision makers (present in most BR events)
Chaos • No relationship between cause and effect at system level • ACT–SENSE–RESPOND • <i>Discover novel practices</i>				X Paradox is unknown to decision makers

2.3 DECISION-MAKING BEHAVIOUR

Bronner (1993) approached complex decision-making by developing a grid of analysis to establish decision-making behaviour and provide 'a system of order'. Decision-making behaviour is abridged by Bronner (1993) as three fundamental determinants and related interactions

- 1) the problem requiring a decision as a task (acting or behaviour) characterised by importance, complexity, and urgency;
- 2) the decision maker (responsible for making the decision), including the number of decision makers involved, their qualities and preferences; and
- 3) the process of decision-making "as the reflection of the decision-making" in conjunction with relevant barriers to the process, patterns of course (patterns of action) of decision-making and control over the process.

Figure 2.7 outlines the three fundamental determinants of decision-making behaviour and related interactions, reproduced from Bronner (1993).

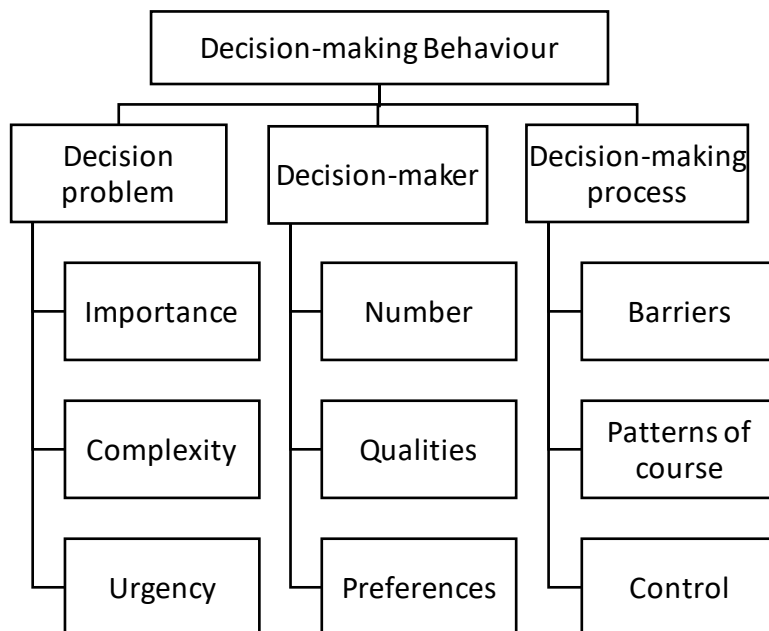


Figure 2.7: Fundamental variables of decision-making behaviour

Source: Bronner (1993).

2.3.1 Decision problem

The significance and complexity of a decision problem should be considered simultaneously since the importance of a decision hinges not only on its relevance but also on its value (Bronner, 2008). Bronner (1993) outlines that the significance of a decision problem should be investigated through four distinctive lenses: first, the economic aspect of material resources demanded by the decision (economic dimension); second, the duration and relevant implications of the decision (temporal dimension), third, the reversibility of the decision should the event change or an ineffective decision be corrected (instrumental dimension). Lastly, the effect of the decision on the number of relevant personnel as well as the psychological influence of the decision on their emotions and motivation.

Similarly, complexity can be considered from a structural perspective which includes the number of functional areas involved or influenced by the decision and the subsequent coordination required as a result. Second, the novelty of the decision should be considered (Bronner, 2008). If the decision is distinct, more innovation is required to conclude it effectively. Third, complexity is also rooted in the absence of required information (Janse van Rensburg, 2016), where the outcomes are usually negative. Lastly, complexity hinges on the volume of the decision. Volume, in this context, refers to the load of information that decision makers are required to consider, the number of alternatives available to choose from, and the diversity of criteria (Drucker, 1967) to which the decision should adhere.

The urgency of the decision problem rest on three aspects: time pressure as a result of insufficient human or time resources, strict deadlines determined by the decision problem, and the decision maker's sensitivity to stress and its related problem conditions (Bronner, 1993; 2008; Kerstholt, 1994; Panpatte & Takale, 2019).

2.3.2 Decision maker

By its very nature, decision-making behaviour does not depend only on the quality of the respective problem but also on the personal characteristics of the decision maker.

Business decisions are seldom made by individuals but rather by groups, referred to as social aggregation (Bronner, 2008; Panpatte & Takale, 2019). The ideal number of decision makers required to resolve a decision problem depends on the characteristics of the task and context (Bronner, 1993). Furthermore, the desired qualities of a successful decision maker(s) include the cognitive ability to cope with complexity, aligned motivation and related experience of the decision maker, and finally, advanced communication of conflict resolution skills (Bronner 2008; Musso & Francioni, 2012). Preferences of the decision maker focus on the assessment of information during the decision-making process (Bronner 2008; Crovini, Santoro & Ossola, 2021). Information, together with related options and consequences, is periodically vague leading to data asymmetry (Janse van Rensburg, 2016; Panpatte & Takale, 2019). Ultimately, only personal or cooperative review can lessen the uncertainty associated with them either on a conscious or an unconscious level.

2.3.3. Decision-making process

Decision makers are faced with numerous hurdles during the decision-making process. These hurdles are created by structural and organisational factors in conjunction with the capacity and personality of the decision maker (Bronner, 2008). Bronner (1993) states that the decision maker views obstacles in terms of perception, determination, and capability (Kaplan, 2008). Various models are suggested for effective decision-making, either summarised in a phase or as a process, all with the consistent reproduction of activities in which decision makers source information, produce alternatives, evaluate said alternatives and conclude and implement the best-suited option for the situation at hand (Crovini *et al.*, 2021; Kahneman & Tversky, 1984; Panpatte & Takale, 2019; Vasilescu, 2011). To conclude, control throughout the decision-making process is duly needed as barriers to decision-making, individual decision maker personality traits and diverse decision-making processes call for rigorous control over the treatment of complexity.

Although basic and/or classical decision-making models appear insufficient to tame the complexity of decisions made during a business rescue event, a basic format for approaching the relevant decision-making process is required as a starting point for

understanding the process followed by decision makers during a business rescue event. The following section provides an overview of Drucker's (1967) decision-making process recommended to executives.

2.4 THE DECISION-MAKING PROCESS MODELS BY DRUCKER (1967).

Drucker (1967) describes the decision-making process as 'sequential' and 'a risk-taking judgment', continuing that unless the decision is promoted to action, the decision will remain an intention; also, that the "action commitment should be as close as possible to the capacities of the people who have to carry it out" (Panpatte & Takale, 2019). The sequential steps included in Drucker's (1976) research are reproduced below.

Step 1:

Elucidate or classify the problem by determining whether it is common or broad, in which case the problem may be solved by a fundamental directive or distinctive/inimitable for which there is no ordinance yet developed.

To be effective, the decision maker must ask whether the event at hand is "a symptom of a fundamental disorder or a stray event?". The generic question should always be answered using a rule or principle. However, truly exceptional events must be handled as such and as they occur. To be correct, technically, the decision makers should differentiate between four types of occurrences, which Papadakis, Lioukas and Chambers (1998:4) refer to as labelling. Shepherd and Rudd (2014) collate events into three similar groups: vortex, tractable, and familiar, each with varying levels of complexity.

The first, and the one that is most experienced, is a genuinely generic event (or tension, for the purposes of this study) of which the individual occurrence is merely a symptom (Bronner, 1993). The second type of event, although unique to the organisation. Papadakis *et al.* (1998) refer to this phenomena as the inertial perspective), may still be deemed generic in nature. The decision maker is, however, urged to seek the advice of experienced decision makers to conclude the event. The

third type of event are extraordinary, one-of-a-kind events, and it is important for decision makers to recognise them because of their scarcity. When one appears, the decision maker must consider whether it is “a true exception or simply the first manifestation of a new genus” (Drucker, 1967:2). This gives way to the fourth and final classification of events in which the decision maker deals with the initial manifestation of a new generic problem (Drucker, 1967). The use of the Cynefin model (Snowden, 2000) discussed earlier may aid the decision maker in categorising the type of event.

Figure 2.8 outlines the types of occurrences, as described by Drucker (1967), into which events should be categorised during Step 1 in his decision-making process.

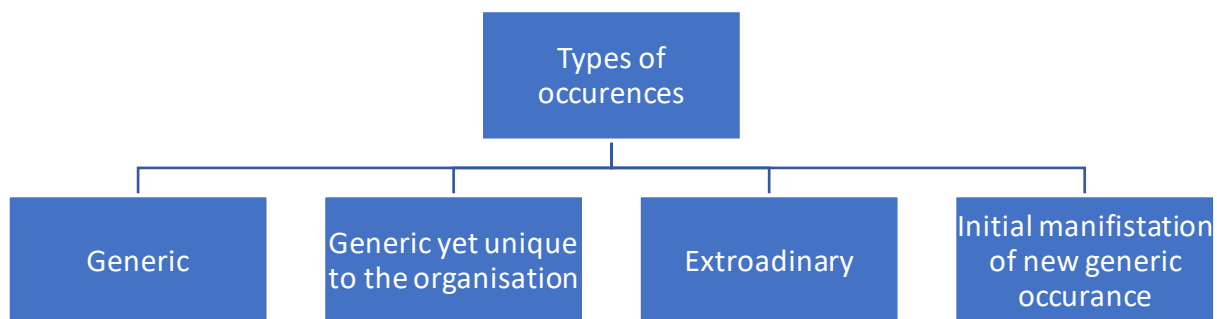


Figure 2.8: Types of occurrences as described by Drucker (1967)

Source: Own compilation

Except for the unique, all events necessitate a generic solution. They necessitate the application of a rule, policy, or principle. Once the correct principle has been established, all manifestations of the same generic situation can be dealt with pragmatically – that is, by adapting the rule to the specific circumstances of the case. True one-of-a-kind events, on the other hand, must be treated as such. The decision maker cannot make rules for the extraordinary. An effective decision maker takes time to assess which of the four events (described above) is taking place, to ensure that

the situation is categorised correctly; otherwise an incorrect or ineffective decision will be made. Drucker (1967) warns decision makers not to treat all generic events as extraordinary or new events as old ones, which may lead to disappointment and futility.

Step 2:

Defining the problem by determining: What we are dealing with?

As soon as the problem or event has been categorised correctly as generic or unique, it is usually relatively simple to define it by asking questions as 'What is this all about?', 'What is pertinent here?' and 'What is the key to this situation?' (Crovini *et al.*, 2021; Panpatte & Takale, 2019). These are straightforward questions to the decision maker, but only effective decision makers are cognisant of how detrimental the incorrect categorisation in Step 1 can be to the process since it may result in an incomplete definition (Drucker, 1967).

To bypass the situation in which an incomplete definition creates a stumbling block for the decision maker, the definition should be rechecked continuously against all the observable facts, and the decision maker should discard the definition as soon as it falls short of accommodating all of the facts.

Step 3:

Specifying the solution to the problem. What are the boundary conditions?

The third step in Drucker's (1967) decision-making process recommends that the decision maker should outline specific goals that the decision should achieve. Boundary conditions are determined by asking questions such as 'What are the objectives of the decision?' and 'What are the bare minimums it should achieve?' An effective decision appeases the boundary conditions set by the decision maker (Dean & Sharfman, 1996).

To recognise when a decision should be discarded, clarity of thought is required regarding the boundary conditions. The most common reason for a decision's failure is not that it was initially incorrect but rather a result of a subsequent shift in the goals (or specifications) that renders the previous correct decision suddenly invalid. This can

be overcome by the decision maker if they safeguard the clarity of the boundary conditions to replace inappropriate decisions instantly with an original and relevant policy.

Drucker (1967) makes an important statement regarding decisions that may only lead to success should 'nothing whatever [go] wrong':

Decisions of this sort are usually called 'gambles'. But actually, they arise from something much less rational than a gamble—namely, a hope against hope that two (or more) clearly incompatible specifications can be fulfilled simultaneously. This is hoping for a miracle; and the trouble with miracles is not that they happen so rarely, but that they are, alas, singularly unreliable. Everyone can make the wrong decision. In fact, everyone will sometimes make a wrong decision. But no executive needs to make a decision which, on the face of it, seems to make sense but, in reality, falls short of satisfying the boundary conditions.

Step 4:

Decide what is right; In order to meet the boundary conditions, one must decide what is 'right' rather than what is acceptable. What will completely meet the specifications before considering the compromises, adaptations, and concessions required to make the decision acceptable?

Because a compromise is always required in the end, an effective decision maker must begin with what is 'right' instead of with what is acceptable. However, if the decision maker does not know what will fulfil the boundary conditions, they will be unable to differentiate between the right and wrong compromises and may end up choosing the incorrect compromise (Sharma, Mithas & Kankanhalli, 2014; Vroom & Yetton, 1973). An effective decision maker recognises two types of compromise. Drucker (1967) illustrates the types of compromise by using an old proverb:

"'Half a loaf is better than no bread'. The other, in the story of the judgment of Solomon, is clearly based on the realisation that 'half a baby is worse than no baby at all'. In the first instance, the boundary conditions are still being satisfied. The purpose of bread is to provide food, and half a loaf is

still food. Half a baby, however, does not satisfy the boundary conditions. For half a baby is not half of a living and growing child.”

Decision makers are cautioned against considering what is acceptable rather than what is right as it leads to the abandonment of the important factors and thus to straying from an effective and right answer (Drucker, 1967; Sharma *et al.*, 2014; Vroom & Yetton, 1973). ‘What is right’ for decision makers during a business rescue event is subsequently guided by the Act in section 7(k), which indicates that the purpose of the Act includes to “provide for the efficient rescue and recovery of financially distressed companies, in a manner that balances the rights and interests of all relevant stakeholders”. The Act is discussed in Chapter 3, which follows.

Step 5:

Include the action to be taken in the decision: What must the action commitment be? Who needs to be aware of it?

The fifth major step in Drucker’s decision-making process (1967), is to put the decision into action, which is described as a complex process by Sharma *et al.* (2014). While pondering the boundary conditions of the decision is the most difficult step, the most time-consuming step is usually translating the decision into meaningful action. However, a decision will not be effective unless action obligations are built into it from the outset. One might go as far as to say that no decision has been made unless carrying it out in specific steps has been assigned to someone and, until then, that it is only a good intention. It is important to note that the individual or the team assigned to carry out the decision should possess the necessary skills and capabilities (Sharma *et al.*, 2014).

To translate the relevant decision into action successfully, decision makers should answer the following questions: Who has to know of this decision? What action has to be taken? Who is to take it? and What does the action have to be so that the people who have to do it *can* do it? (Crovini *et al.*, 2021; Drucker, 1967; Panpatte & Takale, 2019).

Step 6:

Contrasting the decision's validity and effectiveness with the actual course of events. How is the decision being implemented? Are the assumptions on which it is based correct or outdated?

Feedback concludes the process with the built-in monitoring and reporting of information to enable regular testing and comparison of the intended results with those of real outcomes. Drucker (1967) annotates ineffective decisions to the people (who make them) who are at their core, imperfect (Dean & Sharfman, 1996; Papadakis *et al.*, 1998). Although reports serve a necessary purpose, decision makers are advised to 'go and look' whether the premise of the decision is still aligned or whether the decision is outdated (which is true for all decisions, eventually) and requires replacement (Crovini, *et al.*, 2021; Panpatte & Takale, 2019). For feedback, decision makers require organised information in terms of data and reports, but unless they structure their feedback around what is happening in real time, in person, they are doomed to impotent dogmatism.

Table 2.3 is a summary of the Cynefin model combined with the types of decisions and basic application to the business rescue process collated from various authors and providing an overview of the phenomenon.

Table 2.3: Summary of Cynefin model, types of decisions, and simple application to the Business Rescue process

Source: Own compilation

<i>Domain</i>	Known	Knowable	Complex	Chaos
<i>Relationship between cause and effect (system):</i>	Predictable, repeatable, determined in advance, obvious	Right answer but not predictable and requires analysis	No causality and constraints are present Relationship perceived in retrospect	No relationship can be determined
<i>Approach</i>	Clear	Complicated	Complexity	Chaotic
<i>Decision model</i>	Sense–categorise–respond	Sense–analyse–respond	Probe-sense–respond	Act–sense–respond
<i>Type of decision</i>	Programmed (routine/every day)	Programmed but only for experts within the field	Non-programmed (non-routine)	Non-programmed (non-routine)
<i>Decision maker application during a business rescue event</i>	Restructuring of day-to-day activities of the distressed organisation	Use of legal, accounting, tax and industry experts during a business rescue event	Decision maker uses ‘gut feeling’ in order to make decisions	Balancing two equally important outcomes OR dividing events into smaller events that may be categorised into other domains
<i>Outcome</i>	Best practice	Good practice	Emergent practice	Novel practice

2.4 CHAPTER SUMMARY

Decision makers experience a host of tension, especially during a business rescue event. Tension may be categorised into dilemmas, trade-offs, puzzles, and paradoxes, each with its intricacies and theoretical solutions. These tensions lead to the need for an innovative decision-making method owing to data asymmetry and competing objectives which cannot be managed through classical decision-making models. The Cynefin framework provides an adequate solution to managing tensions experienced during a business rescue event in conjunction with the variables of decision-making behaviour which outline important decision maker characteristics on an individual level. Chapter 3 provides a bird's-eye view of the business rescue process as prescribed by the Act, which should be considered for context to the thesis.

CHAPTER 3

Business Rescue: A Brief Overview

“You can’t go back and change the beginning but you can start where you are and change the ending”.

– C S Lewis

In South Africa, decision makers for distressed firms are faced with a fork in the road. One path leads to liquidation proceedings consisting of the firm being stripped of its assets and all claims against the firm being settled. The other leads to business rescue, which offers financially distressed firms the opportunity to reorganise and continue operating as a going concern contributing to economic growth (Naidoo, Patel & Padia, 2017:1; Rosslyn-Smith, De Abreu & Pretorius, 2020:25). The process of business rescue, instated in the place of its less successful predecessor, judicial management, which is historically seen as an usher to liquidation (Levenstein, 2008; Naidoo *et al.*, 2017), is a modern alternative to rehabilitate distressed organisations (Rosslyn-Smith, 2018:19).

The presence of business rescue prevails in South African working society since a relatively new piece of legislation created the opportunity for financially distressed organisations to reach profitability once again. The president signed the Companies Act No 71 of 2008 on 8 April 2008, followed by the amendment published in the Government Gazette 34243 on 26 April 2011, effective 11 May 2011 (Gribnitz & Appelbaum, 2015; Joubert, 2013). Chapter 6 of the Companies Act, characterised as *complex* and *technical*, outlines the business rescue process, responsibilities, rights, and limitations of relevant parties to the business rescue event. The Act sustains affected parties with various rights, including the right to information, participation and even making an offer to save the business (Gribnitz & Appelbaum, 2015). According to section 7(k), one of the purposes of the Act is to “provide for the efficient rescue and recovery of financially distressed companies, in a manner that balances the rights and interest of all relevant stakeholders”.

Figure 3.1 provides a bird’s-eye view of a business rescue event as dictated by the Act. Within Figure 3.1, timelines required by the Act are indicated in days, referring to business days. All blocks in the colour green are activities required from the BRP but not specified within the Act.

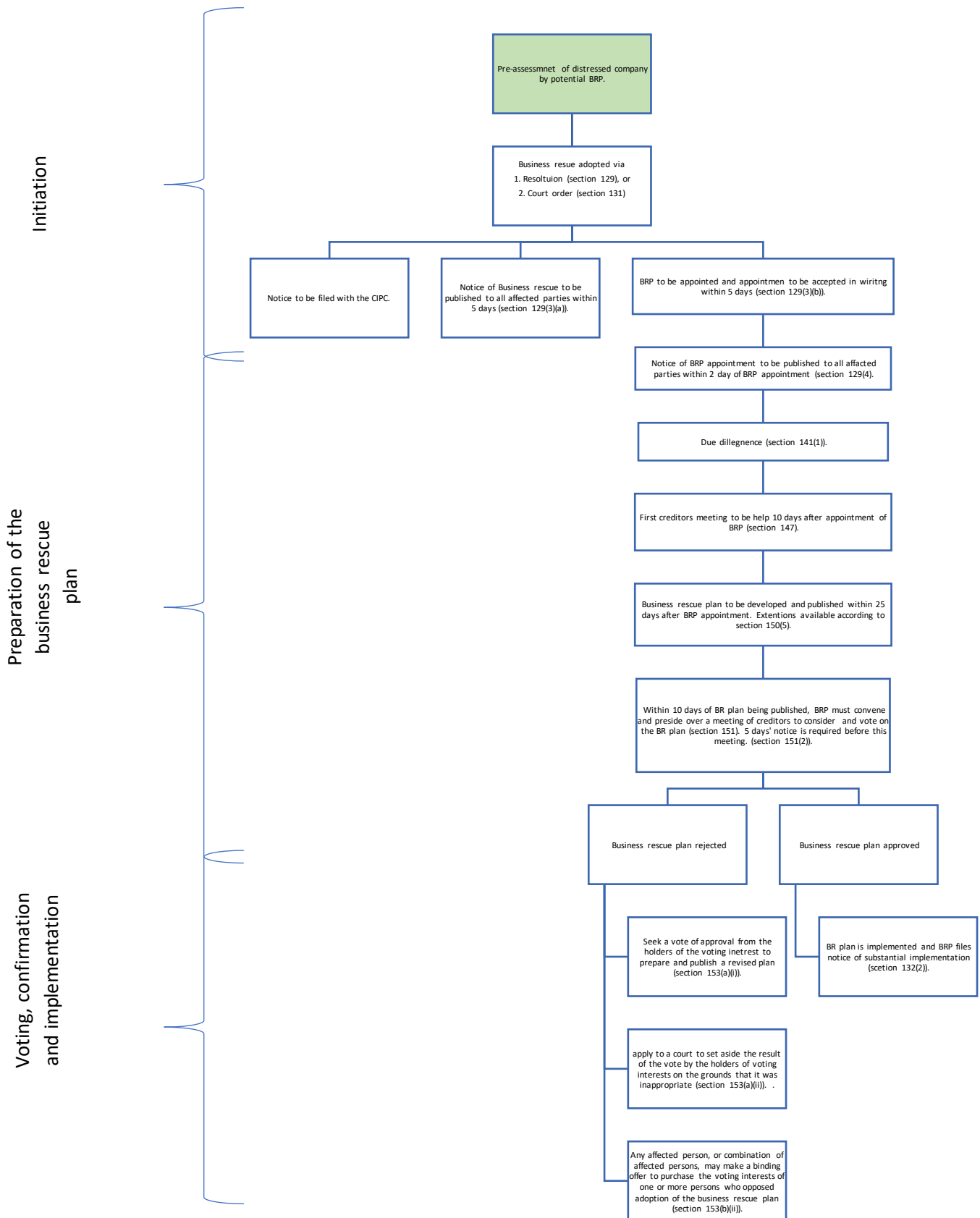


Figure 3.1: A bird's-eye view of a business rescue event as dictated by the Act

Source: Own compilation

3.1 COMMENCEMENT OF BUSINESS RESCUE PROCEEDINGS

Business rescue proceedings may be collated into three broad phases, namely initiation, the preparation of the business rescue plan, and lastly, voting, confirmation, and implementation of such plan (Rosslyn-Smith, 2018:19). Business rescue, as defined by the Act in section 128(1)(b), “means proceedings to facilitate the rehabilitation of a company that is financially distressed by providing for:

1. the temporary supervision of the company and the management of its affairs, business, and property;
2. a temporary moratorium on the rights of claimants against the company or in respect of the property in its possession;
3. the development and implementation, if approved, of a plan to rescue the company by restructuring its affairs, business, property, debt and other liabilities, and equity in a manner that maximises the likelihood of the company continuing in existence on a solvent basis or, if not possible for the company to so continuing in existence, results in a better return for the company's creditor or shareholders that would result from the immediate liquidation of the company”.

The two ambitions of business rescue are: first, to keep a company viable and to prolong its prosperity to benefit the relevant stakeholders, including employees, shareholders, and creditors (Joubert, 2013:550). The core purpose of business rescue (also known as reorganisation), as stated by Rosslyn-Smith *et al.* (2019), is to avoid liquidation and to preserve jobs. This option is viable when the firm “not only has substantial value as a going concern, but its going concern value exceeds its liquidation value” (Rajaram & Singh, 2018b; Rosslyn-Smith *et al.*, 2019;).

Second, when the attempt to rehabilitate the firm (to regain solvent status) is futile, the business rescue may result in better returns for creditors and all/ most affected parties (section 128(1)(b)(iii) of the Act) compared to returns generated through prompt liquidation (Levenstein, 2008:13); also commonly referred to as Better Return than in Liquidation (BRiL). Both routes offer a range of preparatory measures intended to

increase value to creditors, the approach emblematic of the new rescue regime (Rosslyn-Smith, 2018: 77) and accepted by South African courts (Nedbank limited v Bestvest 153 (Pty) Ltd; *Essa v Bestvest 153 (Pty) Ltd*, 2012; *AG Petzetakis International Holdings Limited v Petzetakis Africa*, 2012).

Janse van Rensburg (2016:15) states that “Chapter 6 of the Companies Act 71 of 2008 came into effect on 1 May 2011 thus, allowing rescue procedures somewhat comparable to Chapter 11 in the USA and administration in the UK” (Balovich, 2002; Joubert, 2013; Pretorius, 2014; United Kingdom, 2006). Commencement of business rescue proceedings may happen in two ways: either the board of the company can voluntarily (out of court) place the company under supervision (section 129(1)(2), Wassmann, 2014), or via an affected person applying for a court order to place the company under supervision (section 131(1)) (Rosslyn-Smith: 2018:19). The business rescue practitioner must initiate the proceedings through conducting their due diligence into the affairs and financial position of the distressed organisation in determining whether or not a reasonable prospect exists of rescuing the distressed organisation (section 141) (Naidoo *et al.*, 2017), regardless of this being previously established by either the distressed organisation itself or by an affected party.

The business rescue practitioner’s findings are submitted to the court, which will scrutinise the application and may elect to place the organisation under business rescue should the application adhere to the requirements of section 131(4)(a). Alternatively, the court may decline the application as set out in section 131(4)(b). Should the business rescue practitioner determine that a reasonable prospect does not exist of rescuing the distressed organisation, this too must be relayed to the court and all affected persons. The practitioner should then apply to the court for the cessation of the business rescue proceedings and the commencement of liquidation proceedings (section 141(2); Naidoo *et al.*, 2017).

The Act mentions two main requirements for business rescue to commence, which must satisfy the court, including :

1. “the company is financially distressed” (section 129(1)(a) and section 131(4)(a)(i)).
2. “there appears to be a reasonable prospect of rescuing the company” (section 129(1)(b) and section 131(4)(a)(iii)) (Joubert, 2013).

Financially distressed, as defined in section 128(1)(f) includes, “the scenario where the company is unable to pay creditors or where the company will become unable to pay creditors in the next six months” (Levenstein, 2008:12; Naidoo *et al.*, 2017). Rajaram and Singh (2018b: 1) describe financial distress as “a situation in which a company is reasonably unlikely to be able to pay all of its debts as they become payable and due within the immediately ensuing six months (commercial insolvency), or it appears to be reasonably likely that the company will become insolvent within the immediately ensuing six months (factual insolvency)” (Rosslyn-Smith *et al.*, 2019, Werksmans, 2022). Wruck (1990: 421) draws a parallel definition of financial distress as “a situation where cash flow is insufficient to cover current obligations”. These obligations can include unpaid debts to suppliers and employees, actual and potential damages from litigation, and missed principal or interest payments.

Reasonable prospect is not defined by the Act. “‘Reasonable prospect’ does not automatically mean reasonable possibility; however, it means a prospect based on reasonable grounds and not speculative suggestions or vague averments” (Southern Palace Investments 265 (Pty) Ltd v Midnight Storm Investments 386 (Pty) Ltd). Joubert (2013:554) differentiates between reasonable probability and possibility, and reasonable prospect by defining the latter as “the possibility or likelihood of some future event occurring”. Joubert (2013:554) further highlights the importance of distinguishing between the requirements of reasonable prospect outlined in the new Act, from reasonable possibility associated with the old Act. Rosslyn-Smith (2018:76) states that reasonable prospect ought to be read as “reasonable prospect of rescuing the company” (Joubert: 2013:554), derived from section 128 of the Act which refers to ‘rescuing’ as one of the objectives of business rescue, discussed earlier in this chapter.

3.2 THE BUSINESS RESCUE PRACTITIONER

During voluntary filing, the Act states that the distressed company must “appoint a business rescue practitioner who satisfies the requirements of section 138, and who has consented in writing to accept the appointment” (section 129(3)(b)) (Rosslyn-Smith, 2018:19), whereas, when business rescue proceedings are initiated via court order, “the court may make a further order appointing as an interim practitioner” in accordance to the requirements of section 138, “who has been nominated by the affected person” (section 131(5)). Characterised as an autonomous and capable individual, the BRP must act as “an officer of the court” (section 140(3)(a)) as prescribed by the Act and is essentially appointed to operate the company back to financial well-being, enabling the continuation of company activities in a solvent state.

BRP licences are issued by the CIPC (2022) to a “member in good standing of a legal, accounting, or business management profession; not be subject to an order of probation; would not be disqualified from acting as a Director of the company; and not have any other relationship with the company” (section 138(1)) (Pretorius, 2014). However, no mention is made of further qualifications, skills or competencies required to act as a BRP, and it is left in the hands of the regulator (Pretorius, 2014:3). Individuals are required to provide evidence of experience, independence, qualifications, and registration with relevant professional bodies to obtain a BRP licence (CIPC, 2022), which may have been derived from section 139(2) of the Act, on grounds for disqualification of a BRP. The Act outlines these grounds as “incompetence or failure to perform the duties of a business rescue practitioner of the particular company” (section 139(2)).

Rajaram and Singh (2018a) reiterate that the BRP is required to be a person in good standing of legal, accounting, or business management profession accredited by the CIPC (the Act, section 71). “As an officer (agent) of the court, the BRP has the responsibilities, duties, and liabilities of the Director of the company, as set out in sections 75 (financial interests), 76 (conduct), and 77 (liabilities) of the Act” According to Janse van Rensburg (2016), Pretorius (2013) explains that business rescue

proceedings described above transpire “within the supreme task of compliance with the Act and its procedures” and essentially centres around three groups of affected parties: shareholders, creditors, and/or their relevant trade unions, their engagement in developing and approval of the business rescue plan being indicators of their recognised interest (Rosslyn-Smith: 2018:19).

Furthermore, the BRP has total command over the firm before they present the business rescue plan (section 128(1)(a)(iii)) to the creditors and the power is instilled in them (the creditors) through their votes. Should the creditors affirm the business rescue plan, business rescue proceedings continue and the BRP will remain in command of the company by implementing the business rescue plan to “rescue the company by restructuring its affairs, business, property, debt and other liabilities, and equity” (section 128(1)(a)(iii); Janse van Rensburg, 2016; Pretorius & Rosslyn-Smith, 2014).

3.3 THE BUSINESS RESCUE PLAN

Business rescue practitioners are to adhere to an array of deadlines set out by the Act made up of notices, meetings, and the publication of the business rescue plan. The Act also instructs BRPs to assemble two meetings with the company's creditors of which the second is reserved to vote on the approval of the business rescue plan presented by the BRP. The business rescue plan is only accepted with a minimum of 75% approval of creditors' voting interest and 50% of the independent creditors' voting interest (Rosslyn-Smith, 2018:20). Should the minimum votes to approve the business rescue plan not be gained, the BRP may pursue approval for an amended plan, or alternatively, reroute the business rescue to liquidation. Lastly, BRPs have the opportunity to approach the court in order to set aside an inappropriate vote by creditors if they should have significant arguments to support it (section 153).

The business rescue plan is not only one of the most pressing but momentous responsibilities of the business rescue practitioner. The business rescue plan will act as the compass for the captain (BRP) who navigates the ship (distressed company)

from the tumultuous sea to calmer shores. Pretorius and Rosslyn-Smith (2014) conclude that the business rescue plan serves five major principles during business rescue proceedings.

1. Feasibility declaration: The business rescue plan outlines a workable solution to the relevant organisation's distress and serves as a strategic management tool (Holtshauzen, 2010) that guides the BRP and affected parties through the inevitable complexity of the business rescue event. According to Pretorius and Rosslyn-Smith (2014:27), "This principle requires the plan to explain how the business will remain operational and successfully reorganised, how the implementation of the plan will be supervised, and the timeframe for its implementation" and continues to state that this principle enables warding of key resources.
2. Medium for communication: Section 150(2) of the Act implies that adequate communication is required by stating that "the business rescue plan must contain all the information reasonably required to facilitate affected persons in deciding whether or not to accept or reject the plan". Owing to time pressure dictated by the Act, the business rescue plan will serve as a communication tool in relaying reasons for distress and the proposed turnaround strategy (section 150(2)(b)) while building credibility, confidence, and trust in the prospects of the business (Pretorius & Rosslyn-Smith, 2014).
3. Enabler of transparency: As required by legislation, transparency and predictability, encourages stability and understanding with lenders and creditors. Transparency provides the much-needed context to assess the rights and risks of relevant parties, define priorities and prevent arguments. Ambiguous plans may contribute stress to the already skittish participants and also hinder their willingness to invest in the distressed company. Pretorius and Rosslyn-Smith (2014:130) advise that the plan should outline all provisions relating to the rights of the creditors and their associated risk profiles.

4. Contractual obligations: As set out in section 152(4) of the Act, the business rescue plan becomes a binding document on the company and its affected parties, after being adopted by its creditors and shareholders. These affected persons include any person present or not present at the meeting, regardless of whether they voted for the implementation of the plan or whether they have proven a claim against the distressed company (Pretorius & Rosslyn-Smith, 2014). Under the supervision of the BRP, the distressed company must endeavour actively to fulfil all the conditions set out in the business rescue plan while implementing said plan. Once the business rescue plan has been implemented substantially, the BRP is required to file a notice to that effect, and the contractual obligations are concluded (section 152(8)).

5. Post-commencement finance: The business rescue plan should not only synthesise all types of post-commencement finance required, approved and/or recommended by the BRP but should also outline how the post-commencement finance will contribute to the rehabilitation of the distressed company and serve the interests of the affected parties to enable objective decision-making. In some cases, the main purpose of the business rescue plan is to appeal to the investors to provide post-commencement finance to the distressed company (Pretorius & Rosslyn-Smith, 2014).

A business rescue plan has various requirements and standards (section 150). BRPs are expected to stand by and uphold and are an essential component of the successful turnaround of the business. Twenty-five (25) business days, plus extensions, are given to the BRP after the appointment to devise and disclose an appropriate business plan. The aspiration of the plan is to detail the strategy and resources to be implemented for the company to overcome its financial calamities and restart typical commercial operations on a solvent basis (Pretorius & Rosslyn-Smith, 2014:27).

Alternatively, the plan may outline a proposal with the outcome of a better return for the company's creditors or shareholders than with immediate liquidation. Arbitrary content for the business rescue plan is outlined in section 150 of the Act and “distinct

fundamentals to be included in the document” are included in section 150(2) (Janse van Rensburg, 2016). Pretorius and Rosslyn-Smith (2014:29) state that the requirements detailed in the Act usually result in BRPs presenting plans which comply with the bare minimum and that BRPs should aspire to develop plans that exceed them. “The overarching mandate is to provide satisfactory direction to the affected parties for them to reach a judgment regarding its ratification” (Janse van Rensburg, 2016:16).

According to section 150(2) of the Act, the business rescue plan must consist of the following three sections:

Part A – Background

This opening section of the business rescue plan must at least contain a layout of the material assets of the company; a complete list of creditors with their relevant claims, and the probable dividend that would be received by creditors (according to their classes) in the case of liquidation; a list of the company’s issued securities holders; written agreement of the BRP’s remunerations (section 150(a)) and lastly, a “statement whether the business rescue plan includes a proposal made informally by a creditor of the company” (section 150(a)(vi)). This section of the plan endorses the principles of feasibility, communication, and transparency (Pretorius & Rosslyn-Smith, 2014).

Part B – Proposals

The second section of the business rescue plan focuses on the durations and nature of moratoriums; the management or release from debt; the treatment of ongoing agreements; creditor claims on company property and order of preference thereof; and the effect of the business rescue plan on holders of each class of the company’s issued shares (section 150(b)). This section of the plan endorses the principles of feasibility, communication, and attraction of post-commencement finance (Pretorius & Rosslyn-Smith, 2014).

Part C – Assumptions and conditions

The concluding section of the business rescue plan must outline the conditions under which the business rescue proceedings will be undertaken. Conditions directed by the Act include, but are not limited to, circumstances under which the business rescue will wrap up, proposed financial statements, and a certification that the information provided is accurate, complete, and in good faith (section 150(c)). This section of the plan endorses the principles of feasibility and transparency (Pretorius & Rosslyn-Smith, 2014).

Werkmans (2022) explains that if a business rescue plan is supported by the holders of 75% of the creditor's voting interest voted, including 50% of independent creditor's voting interests that were voted, it is preliminarily approved (section 152(2)). An adopted business rescue plan is then binding on the company and its creditors and holders of the company's securities, regardless of how they voted. Section 154 of the Act echoes the binding effect of an approved plan, as discussed by Pretorius and Rosslyn-Smith (2014) and outlines that once a business rescue plan "is implemented under its terms, a creditor will lose its right to enforce the relevant debt or a part of it on the basis that it has acceded to the discharge of the debt" (section 154(1); Werkmans, 2022). The creditor will also be expunged from enforcing a debt that arose before the commencement of business rescue proceedings, against the company, except if the business rescue plan states differently (section 154 (2)).

3.4 CONCLUSION OF BUSINESS RESCUE PROCEEDINGS

According to section 132(2) of the Act, "Business rescue proceeding end when –

- (a) The court-
 - i. Set aside the resolution or order that began those proceedings; or
 - ii. Has converted the proceedings to liquidation proceedings;
- (b) The practitioner has filed with the Commission a notice of termination of business rescue proceedings; or
- (c) A business rescue plan has been –

- i. Proposed and rejected in terms of Part D of this Chapter*, and no affected person has acted to extend the proceedings in any manner contemplated in section 153; or
- ii. Adopted in terms of Part D of this Chapter *, and the practitioner has subsequently filed a notice of substantial implementation of that plan”.

**Refers to Chapter 6 of the Act.*

DeRebus (2014), aligned with section 132 provided above, states that business rescue proceedings do not conclude through effluxion since there is no time clause included in the Act, and that business rescue proceedings can theoretically continue indefinitely. Section 132(3) continues by dictating that, should business rescue proceedings not conclude within three months of commencement, a required monthly report by the business rescue practitioner is initiated. This report must be submitted to the court (section 132(b)(i)) and all affected parties (section 132(b)) to the business rescue event. The ‘indefinite’ application of business rescue to a distressed company is undesirable as the company will enjoy the continued advantages of the moratorium (section 128(b)(ii)) with no ramifications for not paying its outstanding debts, leading to despondent creditors and disgruntled employees and shareholders (DeRebus, 2014).

For a textbook-type business rescue event, proceedings will conclude with the filing with the CIPC of a notice of substantial implementation by the BRP in terms of section 132(2)(ii). This notice can only be filed if the business rescue plan is approved by the creditors. The company will stay bound to the business rescue plan and the performance expected from it but the company itself will no longer be under business rescue. The directors of the company will reclaim the reins of daily operations (Brexchange, 2022).

3.5 CHAPTER SUMMARY

This chapter provided a broad outline of the business rescue process and the expectations of the BRP throughout the business rescue process. Although rigid in nature, the Act guides the BRP through the complex process of business rescue and allows for various avenues to rehabilitate the distressed company. In the case where a reasonable prospect is lacking, the Act provides sufficient guidance to conclude a BRIL process, ending in liquidation for the distressed company. Supported by the Act, this study was conducted within the context of business rescue and this chapter served to provide a backdrop against which the findings should be considered.

CHAPTER 4

Research Methodology

“The essence of strategy is choosing what not to do.”

- M Porter

4.1 RESEARCH DESIGN

For this study, an interpretive phenomenological analysis (IPA) approach was followed. The IPA approach entails the in-depth examination of “personal lived experience” and “inevitably involves an interpretive process” of the researcher as well as the participant (Cope, 2011:10; Jayawardena-Wills, Pio & McGhee, 2021:155). IPA involves the intricate exploration of particulars first to provide an exhaustive account of each case, and second, to seek patterns of convergence and divergence over numerous cases (Eatough & Smith, 2017:1). The goal of IPA is to investigate “how participants are making sense of their personal and social world” (Smith & Osborn, 2015:53; Saunders, Lewis & Thornhill, 2016). They continue to state that the pursuit of an IPA study is to discover “an individual’s perception or account of an object or event”, in other words, to gain “an insider’s perspective” (Dörfler & Stierand, 2020:7; Smith & Osborn, 2015:53).

The appeal of IPA lies within its clear commitment to understanding phenomena from a first-person viewpoint (Eatough & Smith, 2017:1) which, in the context of this study, would be that of the decision maker during a business rescue event. Van Rensburg and Kanayo (2021) outline that the purpose of IPA is to endeavour to classify the pivotal mechanisms of certain practices and incidents that differentiate individuals from one another as well as to formulate the true meaning of the participants’ experience by getting as close to them as possible. The flexible and responsive nature of the IPA method enables an unhindered flow of questioning, interpretation, and important sense-making by the researcher and participant (Smith, Flower & Larkin, 2009).

IPA is a relevant approach to adopt when the examination is directed towards complexity, process, and novelty (Smith & Osborn, 2015:55). Since this study is exploratory in nature (Saunders *et al.*, 2016), using in-depth open-ended interviews allowed the researcher to pursue avenues of interest as they reveal themselves (Rajaram & Singh, 2018a), which slots in with an IPA approach of open and broadly framed research questions (Eatough & Smith, 2017). An exploratory study is appropriate since the researcher intended to delineate their understanding of an entangled phenomenon (Saunders *et al.*, 2016).

4.2 SAMPLING

The unit of analysis in this study consists of the decision makers (primary and secondary) during a business rescue event. The context, therefore, will be decision makers experiencing tensions during a business rescue event. The study is unique to South Africa, since business rescue is regulated by the Act as described earlier and is valuable owing to the need for BRP (as primary decision makers) and the development of secondary decision makers with the hope of increasing individual effectiveness during a business rescue event.

Participants were purposively selected according to their experience in business rescue and their reputation within the business rescue industry to ensure the richness of the data collected. Participants' experience in informal turnaround management has also been considered as the tension experienced would be similar to tension experienced during a formal business rescue, without the restrictions of the Act.

The researcher aimed to interview an initial calculated sample of 16 participants; however, saturation was researched at six participants but data collection continued and was concluded with 12 participants. An estimated 30 suitable participants were identified and contacted. Of the potential candidates 18 were contacted up to six times with no feedback or were unavailable to participate in the study. The 12 participants who did participate in the study were contacted up to four times before agreeing to be participants in the study.

Participants included business rescue practitioners (as primary decision makers), and individuals who acted on the behalf of banks (as secondary decision makers) during a business rescue event. Male and female participants, with ages ranging from 32 to 60 years participated in the study. Opportunism and convenience were contributing factors in the selection of participants for this study (Cope, 2011). Table 4.1 provides an anonymised profile of the participants.

Table 4.1: Anonymised profile of research participants

Participant	Type of decision maker	Experience*	Background	CIPC registration
1	Primary and secondary	19 years	Banking	Experienced BRP
2	Primary	25 years	Chemical engineering and business management	Senior BRP
3	Primary	20 years	Management and finance	Senior BRP
4	Secondary	18 years	Banking	N/A
5	Secondary	26 years	Banking accounting and management	N/A
6	Primary and secondary	22 years	Banking	Senior BRP
7	Primary	24 years	Management and cost accounting	Experienced BRP
8	Primary	26 years	Accounting	Senior BRP
9	Primary	13 years	Accounting	Senior BRP
10	Primary	15 years	Investment banking	Senior BRP
11	Primary	10 years	Banking and insolvency	Experienced BRP
12	Secondary	10 years	Law	N/A

* Experience includes restructuring, turnaround, and business rescue.

Source: Own compilation

4.3 DATA COLLECTION

Employing a multi-method approach by means of in-depth interviews and customised follow-up questionnaires to gain qualitative data. Data collection for this study may be characterised as non-standard; the researcher may alter procedures and/or include emerging questions during the research process. This is due to the naturalistic and interactive nature of the study (Saunders *et al.*, 2016).

Interviews were conducted in person and online to accommodate the participants' preferences and to limit travelling costs to participants outside of the Gauteng area. The use of online interviews allowed the researcher to conduct safe interviews while still adhering to the South African lockdown regulations owing to the COVID-19 pandemic. All interviews were recorded to be transcribed for thematic coding purposes. Figure 4.1 illustrates the research process followed during this study.

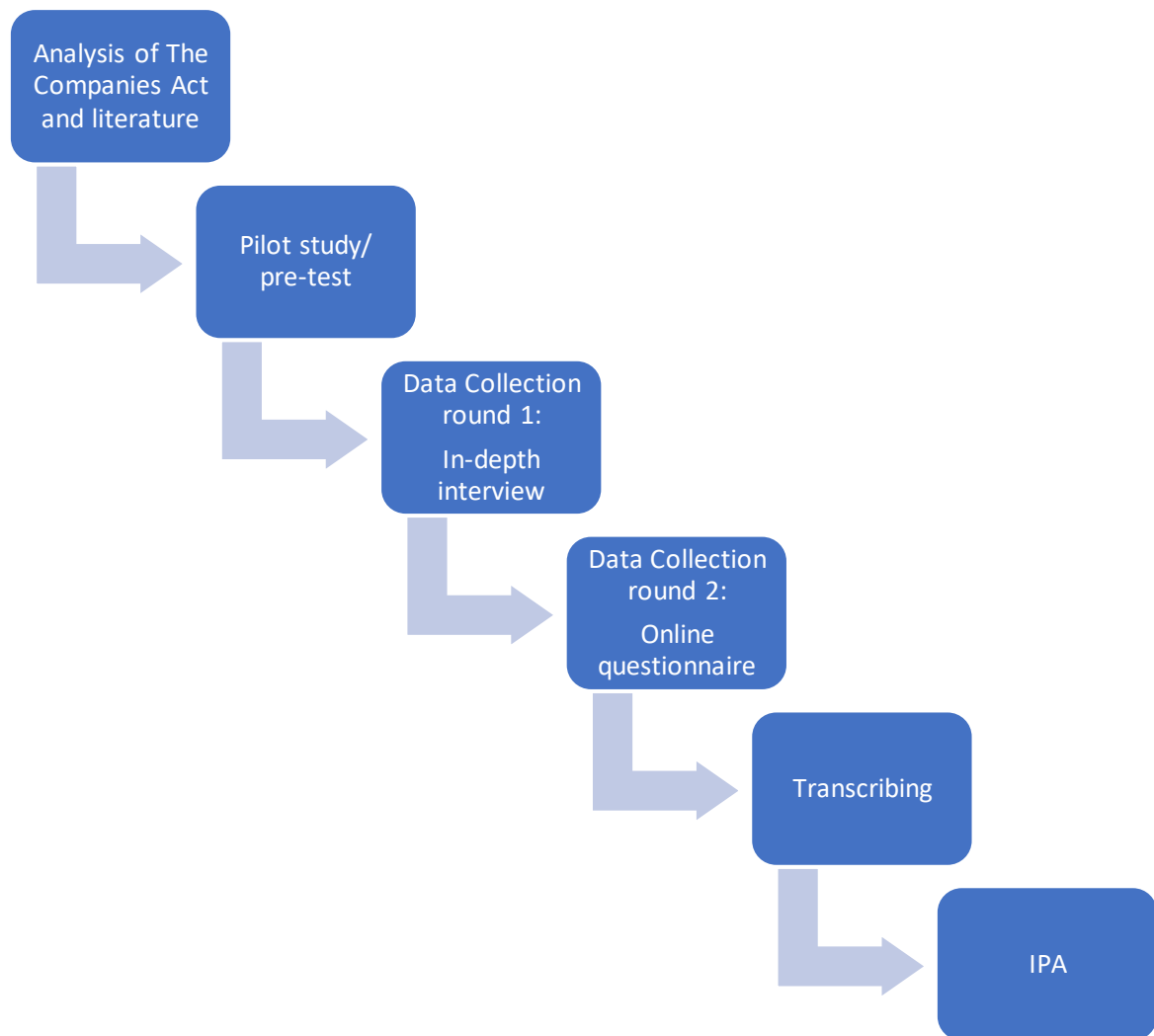


Figure 4.1: An overview of the research process used

Source: Own compilation

A two-fold interview process was followed:

Round 1

Participants were required to answer a set of questions assisted by probing questions and statements to identify the tensions experienced by decision makers during a business rescue event (Appendix B). The interviews were open-ended (Dörfler & Stierand, 2021:782; Jacob & Furgerson, 2012) to encourage participants to provide any relevant information regarding the subject and to explore areas of interest as they revealed themselves. The interviewer employed probing questions to guide participants through the interview and to ensure the quality of data recorded. The 12

interviews conducted ranged from 40 min to 1 hour 45 min, with an average of 56 min per interview. The interviews were recorded and transcribed for analysis.

The participants' responses were analysed and coded thematically to determine the most prevalent tensions experienced by decision makers and their general responses to said tensions. These tensions were combined with tensions evident in the literature to compile the Round 2 customised online questionnaires in order to delve deeper into the experience and understanding of the decision maker during a BR event. Informed consent was obtained for Round 1 via the signing of a letter of consent (Appendix A) as well as through recorded verbal consent before the commencement of the interview.

Round 2

During Round 2 of the study, participants received a customised online questionnaire (developed after the conclusion of Round 1 data collection) to follow up on any uncertainties from the interviewer's side. Participants were required to elaborate and explain in detail how they responded to certain tensions identified from the Round 1 interviews. The responses were analysed and coded thematically to provide well-rounded findings in conjunction with Round 1 findings. The main purpose of Round 2 data collection was to verify the findings of Round 1 data collection. Informed consent was obtained by prompting participants to tick a box at the beginning of the questionnaire which contains the relevant consent information before the questionnaire could be completed.

Pilot study/pre-test

The pilot study/pre-test (Jacob & Furgerson, 2012) was conducted with four purposively selected senior BRPs to inform questions and test the interview protocol. The interview protocol was scrutinised to ensure that participants understood the context and purpose of the study. Probing questions were also tested during the pilot study/pre-test to ensure that participants were provoked enough to provide rich, high-quality responses.

4.4 DATA ANALYSIS

Previously used by Cope (2011), the six-step interpretative phenomenological analysis (IPA) was employed to analyse the findings of this study. The relevant six steps include reading each case, interpreting the case, developing intra-case themes, developing inter-case themes, writing up findings, and lastly, enfolding literature (Cope, 2011; Jayawardena-Wills *et al.*, 2021; Smith *et al.*, 2009). As the main researcher, I immersed myself in the data and once the inter-case codes emerged they were compared to other cases to conclude intra-case themes. As a thematic approach was followed, an extensive discussion was produced on the major themes in conjunction with the analysed literature (Rosslyn-Smith, 2018). The research prioritised the most significant statements from the bulk of the data collected, grouped them into intra-case themes and thereafter into inter-case themes. Table 4.2 outlines the levels of interpretative phenomenological analysis applied during data analysis.

Table 4.2: Levels of interpretative phenomenological analysis applied

Source: Reproduced from Kempster and Cope (2010:15).

Process of analysis	Level of analysis	Description of analysis
Familiarisation/ gaining insight	Reading the case	Reading and re-reading of the transcribed interview to gain an appreciation of the whole story and recall of the interview in both a cognitive and affective sense, thereby becoming 'intimate' with the account (Senior, Smith, Michie & Marteau, 2002). Memos were captured as reflective notes on the issues identified (Patton, 1990).
Immersion and sense-making	Diagnosis of the case (interpreting the case)	During this process of immersion and sense-making, a 'free textual analysis' (Smith and Osborn, 2008) was performed, where potentially significant excerpts were highlighted. Building out from Hycner's (1985) technique, units of meaning were

Process of analysis	Level of analysis	Description of analysis
		<p>identified for each transcript. The units were then grouped to form common clusters of meaning. The clusters were colour coded throughout the transcript.</p>
Categorisation	Developing intra-case themes	<p>Linking the holistic reflective analysis (Stage 1) with the clusters of meaning (Stage 2) led to the emergence of themes that appeared to be salient to a particular interview in terms of leadership learning. This process of clustering units of relevant meaning (Hycner, 1985) led to a 'master-theme list' (Smith, Jarman & Osborn, 1999) for each transcript.</p>
Association/ pattern recognition	Developing inter-case themes	<p>With stages 1-3 completed for all interviewees, a meta-level analysis across the cases was conducted. The master-theme lists were compared to identify and explain similarities and differences, thereby creating 'links' between accounts (Easterby-Smith, Thorpe & Lowe, 2002). This involved looking for shared aspects of experience, creating superordinate categories that aggregated themes from across the accounts (Smith <i>et al.</i>, 1999). This included both general and unique themes for all the interviews (Hycner, 1985).</p>
Interpretation/ representation	Writing up	<p>This stage of analysis involved a formal process of writing up a "narrative account of the interplay between the interpretative</p>

Process of analysis	Level of analysis	Description of analysis
		<p>activity of the researcher and the participant's account of her experience in her own words" (Smith & Eatough, 2006:338). Although the emphasis was on conveying shared experience, this process allows the unique nature of each participant's experience to re-emerge (Smith <i>et al.</i>, 1999). To maintain an inductive, phenomenological approach to theory development, nascent theoretical propositions were written up from the data without the use of any relevant academic literature. This allowed the data to 'speak for itself' (Cope, 2005).</p>
Explanation and abstraction	Enfolding literature	<p>During the analytical discussion of the data the theory-building process of "enfolding literature" was conducted, which is required to produce a theoretical explanation at a higher level of abstraction (Eisenhardt, 1989). Hence, the research was phenomenologically grounded but also interpretative and hermeneutic. This involved an iterative and comparative process of tacking back and forth between existing theory and the data (Yanow, 2004), while remaining sensitive to the unique situated experiences of the participants.</p>

After concluding the analysis of the Round 1 data, a sum of 284 descriptive codes were yielded. These descriptive codes were revised and divided into the relevant

categories in relation to the research questions, which yielded the master-theme list, which consists of 17 codes.

Table 4.3 provides an overview of the master-theme list categorised according to the data collection instrument utilised during Round 1 data collection. The relevant data collection instrument is included in Annexure A: Interview protocol.

Table 4.3: Overview of research questions and related themes

Source: Own compilation

Annexure A	Research questions	Themes	Sub-themes	Codes
Section A: Background	Data from this section were used to establish context and background for each participant discussed in sampling.			
Section B: Tension	<ol style="list-style-type: none"> 1. What tensions do decision makers experience during a business rescue event? 2. Can these tensions be categorised into puzzles, dilemmas, trade-offs and/or paradoxes? 3. How to do decision makers make sense of these tensions? <ol style="list-style-type: none"> a. Are there existing responses to these tensions? b. Can we add to these responses? 	Tension	Awareness Categories Response	<ol style="list-style-type: none"> I. Cognisance II. De-escalation <ol style="list-style-type: none"> I. Dilemma II. Trade-off III. Puzzle IV. Paradox <ol style="list-style-type: none"> I. Sophisticated stakeholder II. Unsophisticated stakeholder

Annexure A	Research questions	Themes	Sub-themes	Codes
Section C: Decision-making	4. What are the general steps in decision-making followed by decision makers during a business rescue event?	Decision-making process	Team approach	I. Team approach
			Use of experts	I. Experts
			Informed intuition	I. Intuition
			Time pressure	I. Decisiveness II. Time restrictions (the Act)
			Acceptance of decision by affected parties	I. Balanced outcome (section 7k of the Act)
Section D: Skills	5. Can the skills decision makers use to manage these tensions be transferred?	Decision maker attributes	Knowledge	I. Knowledge
			Skills	I. Skills
			Training	I. Training

4.5 QUALITY AND RIGOUR

To ensure the quality and rigour of this qualitative study, the following characteristics were monitored and tested continuously. Trustworthiness was ensured by persistent observation and prolonged engagement with participants, whereafter reflection and triangulation of findings with the literature took place. Interrater reliability was scrutinised throughout the analyses and coding process (Bell, Bryman & Harley, 2019:89-91). Transferability was enabled by providing thick descriptions of findings. Dependability and confirmability were tested by audit trails of transcriptions and field notes (Nkomo, 2017).

Table 4.4 evaluates the trustworthiness of the study by outlining the techniques and application of each criterion of credibility, dependability, transferability, and confirmability.

Table 4.4: Evaluating the trustworthiness of qualitative data

Source: Adapted from Bell *et al.* (2019: 89–91); Jayawardena-Wills *et al.* (2021)

Criteria	Evaluation (Jayawardena-Wills <i>et al.</i> , 2021)	Techniques	Application
Credibility	Reflect on how believable the findings are.	Triangulation	The findings of interview data were compared to the findings of follow-up questionnaires and literature. Participants from various organisations and backgrounds were included in the study to reduce the influence of local

Criteria	Evaluation (Jayawardena- Wills <i>et al.</i> , 2021)	Techniques	Application
			factors specific to one organisation.
Dependability	Are the findings likely to apply to other times? This required the research to be conducted dependably so that it can be audited.	Detailed record keeping of all decisions with substantiations	As the researcher had never participated in a business rescue event, she had no perception or opinion on the research themes and could thus report objectively on the experiences of the participants (Shenton, 2004:66).
Transferability	Can the findings be applied to other contexts?	Preparation of thick descriptions of each participant and their setting (Shenton, 2004:70)	Application of the six-step IPA analysis to the data collected (Cope, 2011).
Confirmability	How much does the researcher allow his/her values to interfere with the findings?	Research journaling, bracketing (Dörfler & Stierand, 2021: 783; Tufford & Newman, 2010: 83,) and brindling (Vagle, Hughes & Durbin, 2009:351)	The researcher conducted brief reflective journaling as the data was collected. All notes, transcripts, and audio recordings were stored (Milne & Oberle, 2005:416).

Table 4.5 provides a comprehensive summary of the research components relevant to this study.

Table 4.5: Adapted Yin Table

Component	Description
Topic	<p>Investigating tensions that decision makers experience during a business rescue event.</p> <p>Theory underpinning study: Complexity theory</p>
Research problem	<p>Decision makers experience an array of tensions throughout a business rescue event. By investigating these tensions and how they are managed, we might be able to understand the decision-making process used by decision makers better.</p>
Research questions	<ol style="list-style-type: none"> 1. What tensions do decision makers experience during a business rescue event? 2. Can these tensions be classified as puzzles, dilemmas, trade-offs, and/or paradoxes? 3. How do decision makers make sense of these tensions? <ol style="list-style-type: none"> a. Are there existing responses to these tensions? b. Can we add to these responses? 4. What are the general steps in decision-making followed by decision makers during a business rescue event? 5. Can the skills decision makers use to manage these tensions be transferred?

Component	Description
Propositions	<ol style="list-style-type: none"> 1. Decision makers experience an array of tension during a business rescue event. 2. These tensions can be categorised (as trade-offs, dilemmas, puzzles, or paradoxes). 3. There are existing responses to these tensions available in the literature as well as in industry. 4. Decision makers can verbalise how they make sense of these tensions. 5. Decision makers use a decision-making process to manage tension during a business rescue event. 6. Only some of the skills decision makers use to manage these skills can be transferred.
Context	Decision makers identify and manage tensions during a business rescue event, governed by Chapter 6 of the Companies Act 71 of 2008 (South Africa).
Phenomenon investigated (UoA)	Tensions that decision makers experience during a business rescue event.
Unit of observation	Decision makers identifying and managing tensions during a business rescue event.
Method	<ul style="list-style-type: none"> • Qualitative research • Use of interview aid and protocol • In-depth interviews (Jacob & Furgerson, 2012) to investigate how BRPs manage tensions. • Thematic analysis of interview transcriptions. • Interrater reliability (Belotto, 2018).

Component	Description
Logic linking the data to the propositions	Decision makers experience various tension during a BR event and each uses their custom skill set to manage these tensions. The tensions may be ironed out by analysing the process followed by decision makers during the BR event and categorised by probing their decision-making and management of said tensions. A framework for managing these tensions by adapting the Cynefin model to the BR context may prove beneficial to decision makers to better understand the extent of the tensions and the decision-making relationship.
Criteria for interpreting the findings	Analysing participant responses within predetermined categories and communication patterns, and responses to tensions found in the literature. Identifying the consistencies and concluding that such consistencies are indicative of how decision makers manage/cope with tension during business rescue events.

Source: Adapted from Yin (2003).

4.6 ONTOLOGY

The ontological position rests on the researcher's view of the very nature and backbone of research reality (Maedche, 2002:13). The researcher is an acceptant rationalist (Katz,1998) who believes that knowledge germinates from coinciding findings sequential to investigations/ experimentations by various individuals from different situations (Janse van Rensburg, 2016). Should the findings be in support of one another, they can be regarded as patterns from which precedents may be formed. "Rationalism views the main source and test of knowledge to be the reason; the theory in which the criterion of the truth is not sensory but intellectual and deductive – reality has a logical structure" (Janse van Rensburg, 2016:31).

The quest for open-minded, non-biased analysis of data is followed, and findings, even when against the beliefs and norms of the researcher, are acknowledged to produce conclusions lateral to actual practices. Should the researcher find it difficult to conduct

non-biased research, structured data-gathering methods are utilised to prevent contamination of the study. The context and content of situations have an impact on the study and should not be accepted as simple observations (Loewenstein, Thompson & Bazerman, 1989). Multiple realities do exist where contrasting causes and responses should be addressed; patterns are not constantly clear (Janse van Rensburg, 2016).

4.7 EPISTEMOLOGY

With the intention of answering the research questions in mind, the researcher is aware of her own methodological beliefs (which incorporate values and assumptions) as well as the influence that these beliefs would evidently have on her research; probably forming bias when interpreting the data. The following information is provided to notify readers of the 'intellectual climate' under which the research would be managed (Janse van Rensburg, 2016).

The epistemology of the researcher, also referred to as the theory of knowledge, describes how one may explore underlying principles about social phenomena and show distinctly the presence thereof (Pretorius & Holtzhausen, 2013:474). The interpretive or constructionist paradigm will be implemented for this research study – this paradigm approaches the world from the angle of an individual or group collaborating in it and with it (Denicolo & Becker, 2012). Interpretivist research can also be summarised as research with collectiveness; descriptive or qualitative research, which is usually conducted when a theory or previous research is inadequate. In this case, the presence and navigation of tension during a business rescue event have not been investigated before, but the related field of paradox during strategising has been studied. Interpretive research focuses on the comprehension of social reality in an explicit situation, from the participants' perspective of sense-making. This paradigm depicts numerous realities, based on the context and content of the situation, insisting on a holistic approach to address the variables being studied in the system.

Answering research questions is crucial in this paradigm, whereas hypothesis testing is not suitable and, even though the data will usually be qualitative (Berniker & McNabb, 2011), quantitative data/findings will not be disregarded. Authentication of

the data is essential and may be verified by contrasting findings from various sources employing triangulation (Decorp, 1999). An example of triangulation would be to analyse the findings of interviews compared with the findings of observation and responses on questionnaires (Denicolo & Becker, 2012).

For the purpose of this study, the researcher selected the interpretivist paradigm over the positivist paradigm, since she aims to divulge the intricate practices of decision makers and not the relationship resulting from a specific phenomenon during the business rescue event. "Most of the data collected will be in the form of interviews, descriptive questionnaires, and open-ended discussion with predetermined individuals, who ha[ve] the data necessary to conduct the research (purposive selection)" (Janse van Rensburg, 2016).

4.8 RESEARCH ETHICS

The researcher endeavoured to achieve the highest standards of excellence and rectitude in her research activities, as outlined in the Code of Ethics for Research of The University of Pretoria, and adhered to the professional standards of the occupation including integrity, quality, and accountability. The researcher is committed to the collection of non-biased, objective data and to minimising any poor data liability by avoiding all negligent and careless errors through accurate and rigid reasoning.

The subjects' consent to participate was attained under the guidelines of the University of Pretoria. All subjects who conceded to participate in the study were furnished with relevant information about the study, such as the aim of the study, who the researcher is and how the findings of the study will be utilised. Participation in the study was entirely voluntary and participants had the choice of disengaging from the study at any time with no repercussions (Rosslyn-Smith, 2018).

All subjects benefitted from confidentiality and anonymity during as well as after the study to protect against any tarnishing to their person and/or organisation. Confidentiality and anonymity contributed to the safeguarding of the study since no private details or the names of the participants are included in the analysis and the final findings of the study. All interview audio and transcriptions are password protected and stored online.

4. 9 THEORY UNDERPINNING THE RESEARCH

4.9.1 Complexity theory

Complexity theory is defined by Weaver (2009:5) as “how order and patterns arise from apparently chaotic systems and conversely how complex behaviour and structures emerge from simple underlying rules” (Cooke-Davis, Cicmil, Crawford & Richardson, 2007). Eisenhardt and Piezunka (2011:508) describe the considerable conversion from a reductionist to a holistic perspective, as they recall Descartes (2006:17) pursued “to divide all the difficulties under examination into as many parts as possible, and as many as were required to solve them in the best way”. They continue to explain that this emerged as a result of bigger obstacles being unpacked into uncomplicated, constituent obstacles since the reigning hypothesis was that the insight into the system's constituent parts would be sufficient to grasp the system collectively. Not without its benefits, the division of components may obscure the comprehension required to discern an entire system's complex and emergent behaviour (Eisenhardt & Piezunka, 2011; Levy & Lichtenstein, 2011).

Levy and Lichtenstein (2011:591) suggest that complexity theory “provides a grounded theoretical basis for this more optimistic perspective by explaining how networked actors can display adaptive learning and emergent self-organisation.” The idea of ‘complexity’ was denoted from a set of ideas included in systems theory together with complex dynamic systems theory, chaos theory (Eisenhardt & Piezunka, 2011; Kellert, 1993; McBride, 2005), and emergence. To grasp a complex system fully, the investigator is required to scrutinise the design, connections, and interaction in and among the elements of the system (Eisenhardt & Piezunka, 2011).

The moniker, ‘complexity’ is attributed not to the system itself, but to the sort of behaviour that sprouts from complex adaptive systems (Eisenhardt & Piezunka, 2011). Complex adaptive systems contain an array of autonomous agents which act in alignment with specific rules and respond to available information provided through connections within the systems; all coevolving within their relevant environment. Eisenhardt and Piezunka (2011) continue to explain that the behaviour of more structured systems can be defined through the consistencies created by their

structures, resulting in ordered and foreseeable outcomes, whereas the behaviour of less-structured systems can be defined by its explicit hallmark of randomness.

More to the middle of the spectrum, moderately structured systems show emergent behaviour, which is neither foreseeable nor random, but rather *complex*. The margin between randomness and order is referred to as the edge of chaos, where paradoxical and complex behaviour emerges (Eisenhardt & Piezunka, 2011; Langton, 1990).

Figure 4.2 illustrates the behaviour of complex adaptive systems based on the level of structure.

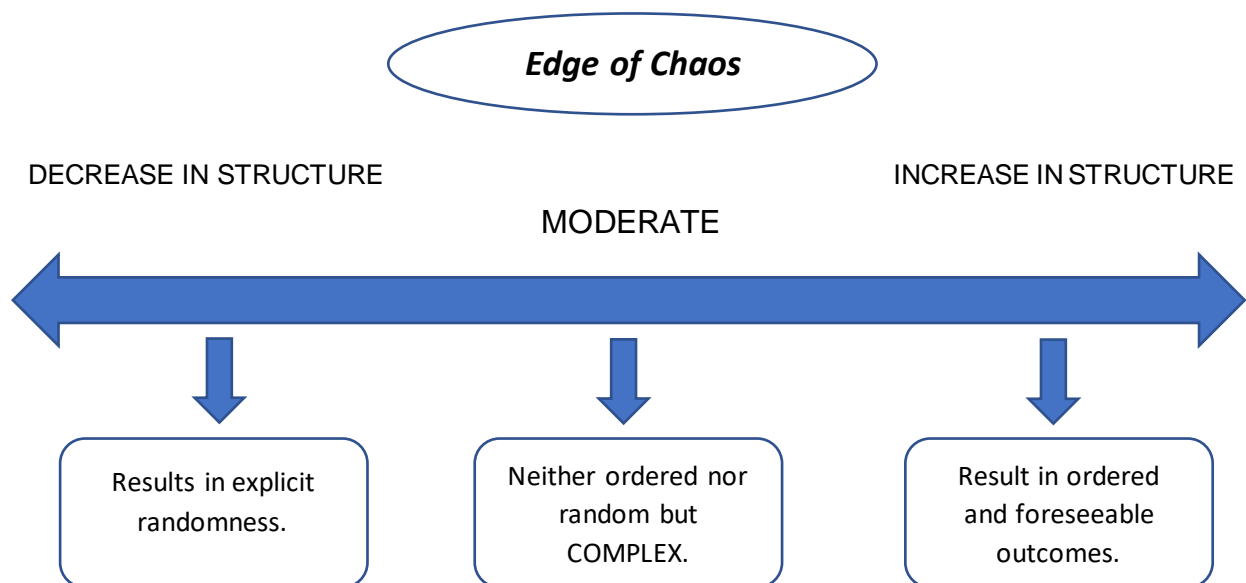


Figure 4.2: Illustration of the spectrum of structure within complex adaptive systems and their related behaviour

Source: Own compilation

Complexity theory is centred around two premises: the first focuses on the ideal amount of structure with its relevant trade-off between flexibility and efficiency. This premise contends that “partially connected agents are higher performing than ones that are highly coupled or high decoupled” (Eisenhardt & Piezunk, 2011:509; Langton, 1990). A system becomes gridlocked when its basic elements are overconnected and the adaptation to new opportunities is limited. A ‘complexity catastrophe’ may be

reached when a system is acutely gridlocked and a minute number of opportunities are exploited. At the other extreme, the under-connectedness of elements in a system may result in an unorganised and fault-heavy system when pursuing opportunities; this is referred to as an 'error catastrophe', which is characterised as the inability to seize an adequate number of opportunities. In other words, moderately connected systems are flexible as well as efficient.

The second premise contends that, as the unpredictability in the environment depresses, so will efficiency improve and structure within the system generate more benefits; the inverse is also true. This premise effectively looks at the correlation between *optimal structure* and the *environment*. Eisenhardt and Piezunk (2011: 509) state that "since such limited structure is highly mistake-prone and attention-demanding, the range of optimal structures narrow to the edge of chaos that is difficult to find and maintain". Therefore, the ideal amount of structure hinges on the environment's unpredictability (Eisenhardt & Sull, 2001).

Complexity theory may be considered at macro- and micro levels. Utilising complexity theory at the macro level clarifies why systems regularly are difficult to grasp, predict and regulate (Okes, 2003), while a micro-level approach delivers tools and hypotheses to assist advanced organisations to rally sustainability using local initiatives of roughly clustered agents (Levy & Lichtenstein, 2011; Okes, 2003). In other words, complexity theory provides a bridge between macro-level analysis of systems and micro-level comprehension of organisational initiatives that might contribute to possible solutions. Okes (2003) highlighted that organisations are complex adaptive social systems that function within technical systems and processes to fulfil customer needs. Complexity theory acknowledges that economic and environmental systems consist of an array of different agents with unique characteristics at the macro and/or micro levels.

The premise of complexity theory was used to guide the researcher in making sense of the tensions experienced and decision making processes described by participants. The business rescue process can be seen as a chaotic system in which decision makers must function and fulfil their different responsibilities by breaking down complex decisions into small uncomplicated tasks to be completed. With the

experience of the business rescue process, decision makers can recognise and exploit the patterns and “rules” in a business rescue event and evidently manage these “rules” more effectively. This approach allows decision makers to create structure (in conjunction with the structure provided by the Act) within the chaotic system which is required for more effective decision making.

4. 10 CHAPTER SUMMARY

To delve into the lived experience of the decision makers when managing tensions and decision-making during a business rescue event, an interpretative phenomenological analysis was completed. IPA is most suited to gaining an insider’s perspective of the tensions experienced by decision makers and consequentially, their effect on the decision-making of decision makers. Although saturation was reached at six participants, the researcher concluded data collection with 12 exceptionally experienced participants with diverse backgrounds to ensure the richness of the data collected.

CHAPTER 5

Findings

“The dip of the light meant that the island itself was always left in darkness. A lighthouse is for others; powerless to illuminate the space closest to it.”

– M L Steadman

Chapters 1 and 2 investigated the relevant literature on tensions, paradox, and decision-making within the context of business rescue, outlined in Chapter 3. Chapter 4 discussed the methodology (including the demographics of participants in the study) followed throughout the study and explained how the data were collected and analysed. The key findings of the study are now collated in the chapter to follow, providing crucial artefacts and thematic analysis of the data. The findings are grouped according to the relevant research questions being answered, namely tensions (research questions 1 – 3b), decision-making (research question 4), and attributes and skills of decision makers (research question 5).

Although the informal turnaround and restructuring were considered during data collection, only findings pertaining to the formal business rescue process, as prescribed by the Act, were included in the study. To protect the anonymity of the participants, supporting quotes are labelled as 'Participant A–L'.

Throughout this chapter, participants make use of the following descriptions for stakeholders. These are not terms dictated by the Act, but rather an informal grouping of stakeholders used by decision makers when managing tension during the business rescue event.

- 'Sophisticated stakeholder': Any party well versed in business rescue proceedings, as dictated by the Act. These individuals or groups have had extensive exposure to business rescue proceedings and understand the process and purpose of a business rescue event well. Usually (but not limited to) white-collar workers.
- 'Unsophisticated stakeholder': Any party unfamiliar with business rescue proceedings. These individuals have had little to no exposure to business rescue proceedings and do not understand the process and purpose of a business rescue event. Usually (but not limited to) blue-collar workers, who may be unionised.

5. 1 INTERVIEW FINDINGS: TENSIONS

Section B of the data collection instrument focused on interrogating participants on their awareness and management of tension during a business rescue event. Round 2 data collection was used to verify the findings. The following research question was used to guide the interview questions with relevant probing questions to extract detailed responses from participants.

1. *What tensions do decision makers experience during a business rescue event?*
2. *Can these tensions be classified as puzzles, dilemmas, trade-offs, and paradoxes?*
3. *How do decision makers make sense of these tensions?*
 - a. *Are there existing responses to these tensions?*
 - b. *Can we add to these responses?*

5.1.1 Awareness of tension during a business rescue event

Of the 12 participants, 11 indicated swiftly that they experience tension throughout the entire business rescue process. One participant indicated that they do not experience tension as a decision maker but later continued to elaborate on specific tensions they experienced during past business rescue events. The following statements illustrate participants' unabashed awareness of tension during a business rescue event by explaining whether they have 'experienced' tension during a business rescue event.

Participant B: "If someone says to you they haven't, then they're not doing their job or they have, I don't know, nerves of steel."

Participant C: "Yes, constantly, even now as I sit here."

Participant D: "Tension is the name of the game, my dear ... I don't think I've ever seen, whether formal or informal proceedings, that [have] not had tension. Because, uhm ... unfortunately, in those types of circumstances you have got multiple parties who have got different, I'll say, needs ... desire different outcomes."

Participant H: “The short answer is, yes!”

Participant I: “... all the time, I think it is what business rescue is about.”

One participant indicated that the tension may be a result of how the business rescue event is approached by a decision maker. This is illustrated below:

Participant G : “Uh, I suppose it depends on your approach. I mean if you, if you embrace the fact that you are joining their team to try and rescue the business. Uhm, typically you will have debates around where to go, uhm, but also, we quite clear to set out the goals and objectives of the practitioner, the duties of the practitioner versus the duties of the directors and the existing management. So, if you split that out clearly and you set out the guidelines at the beginning it avoids sort of the misconceptions or conflict areas where they may say, they maybe do try to do things that you haven’t authorised or agreed to or dealt with. So ... depending on the entity and the size of the shape of the entity we’ll set up clear guidelines of what is expected of them as a team, what we’ll do as a business rescue team and how we’ll divide it up.”

Two participants contradicted participant G by concluding fear and anxiety as the main reasons for tension, especially during the initiation phase of the business rescue event.

Participant C: “So when you arrive, these guys (directors) are off the scale. They don’t know what to do. They are so scared for their reputations, for the issues around reckless trading, uhm, you know, have they dropped the ball as a Director under the Companies Act? Uhm, so as a practitioner, that tension in the room is something we have to immediately deal with. ... They create a lot of noise, there is a lot of emotion, there is a lot of anxiety.”

Participant H: “And it (tension) generally arises from some form of, I suppose anxiety or fear.”

Awareness of tension is apparent through the removal of stakeholders from the business rescue event to soothe the tension that is present or may be experienced later in the process. Participants illustrated this as follows:

Participant C: “How do you reduce this [tension]? Well, guys for 20% of the creditor's book I can take 80% of the creditors in persons out of the room. Ok. So if I can get PCF from you ‘sophisticated’ guys to take a whole lot of these people out of the room to reduce the complexity, with your permission, I can do that? ”

Participant J: “Yes.”

Participant K: “The smallest dog barks the loudest.” *Referring to smaller, unsophisticated stakeholders.*

Awareness of tension is confirmed by participants explaining their pre-assessment process of not only investigating the finance and management problems of the distressed organisation but also the possible conflicts that may arise during the business rescue process.

Participant B: “You know what, I don’t think, Andria, we do it in a formal way. We do sit and we look at the cash flow, we look at the regulatory environment, we look at the management team, we look at the underlying value, the extent of the creditor's book and the contractual figures that will be set off. We look at something and say, ‘*What are the conflicts we’re going to come across?*’ But we do recognise them”.

Participant C: “Ja, I do. I do identify specific tension before I accept an appointment. But I've never identified tensions that I did believe could be resolved.”

Participant D: “Oh, we identify those (tensions) literally at the day we start hearing that the company went into business rescue.”

Participant L: “The best way, in my opinion, is first of all before we get involved ... to do your own investigation.”

5.1.2. Categorising of tension with decision maker responses

All 12 participants reported an extensive amount of tension experienced during a business rescue event. These tensions were categorised into dilemmas, trade-offs, puzzles, and paradoxes in Table 5.1. Each tension was linked to one of the three main phases of the business rescue proceedings, namely initiation, the preparation of the business rescue plan, and lastly, voting, confirmation, and implementation. Some tensions were experienced throughout the entire business rescue event and were labelled as such.

The researcher categorised the tensions according to the literature investigated in Chapters 2 and 3. Participants were not asked to elaborate on the type of tension (theoretically) but rather to explain their lived experience and to provide any detail they deem important on the matter.

The tensions reported are major tensions experienced repeatedly during business rescue events and may be generalised as such. Tensions unique to a business rescue event were not considered. A total of 16 major tensions were identified consisting of one puzzle, two dilemmas, four trade-offs, and nine paradoxes. Illustrations of the participants' experiences are included in the table of findings.

Table 5.1: Types of tensions experienced by decision makers as supported by the data collected.

Type of tension		Description of tension	The phase of the BR event in which the tension occurs	Response
Puzzle	1	<p>Participants discussed how each rescue event is different and that the solution (the business rescue plan) should thus be unique to the event. Finding the solution is like building a puzzle and decision makers will attempt to fit pieces together and make some ineffective decisions before finding the one optimal solution required for success. The puzzle must incorporate appropriate legal, accounting, tax, and business-related strategies customised to the event at hand. All of the pieces must fit together in the correct format to work effectively. The business rescue plan, however, presents numerous paradoxes, which are discussed under paradox 7, the paradox of the business rescue plan.</p> <p>Participants illustrated as follows:</p> <p>Participant C: “This puzzle that you need to put together and package for everybody ... that is I think the best part of rescue. ... There is no cookie-cutter approach. Sometimes you can revert to some</p>	Throughout the entire business rescue event.	Balance must be found in the outcome for all stakeholders (section 7(k) of the Act).

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>information that may be helpful but often we end up being kinda the writers of our own recipe. ... You, as the business rescue practitioner need to balance the interest of everyone.... it's better to make a decision than to not make a decision and wait [until] the whole thing imploded. So, make the decision and if it's wrong, deal with it and correct it.”</p> <p>Participant E: “Business rescue is more of an art than a science.”</p> <p>Participant H: “... the requirement by the Act is to consider all the affected parties.”</p> <p>Participant I: “... I suppose it also differs from business rescue to business rescue.”</p> <p>Participant J: “Each case is on its own merit.”</p> <p>Participant L: “Ja, complex is if you have to restructure the entire company. Do you retrench? Do you have to swap management around? Do you have to get rid of certain people?” <i>Referring to issues specific to each business rescue event.</i> “... the fact that you</p>		

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>have to balance the various parties' interest and demands to certain extent so that everybody gets a balanced outcome.”</p>		
Dilemma	<p>1 Participants explain how BEE regulations present decision makers with a dilemma of either adhering to regulation or not. Decision makers should consider the following aspects of the dilemma:</p> <ul style="list-style-type: none"> I. Adhering to BEE regulations may obtain new contracts for the distressed company which are required to generate cash flow. II. Adhering to BEE regulations may assist the distressed company in obtaining post-commencement finance. III. In certain circumstances, BEE candidates may not possess the necessary specialised skills required to assist in the rescue of the distressed company. IV. Acquiring a BEE status may require the distressed company to share profit with the new partner which is limited owing to distress. <p>Participants illustrated as follows:</p>	Throughout the entire business rescue event.	The decision maker must make a choice based on the information available at the time.

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>Participant C: "... the whole BEE thing and uhm, availability of finance and the contracts that we couldn't renew ... certain contracts because of BEE issues, the BEE stuff is not viable."</p> <p>Participant F: "It (BEE) reduces the options for equity partners."</p> <p>Participant G: "Mostly on the revenue generation line of the income statement. It hampers a business's ability to tender or perform projects for corporates and other firms enforcing the supply chain requirement of using B-BBEE qualified firms."</p>		
2	<p>Participants specifically focused on the choice practitioners must make between commencing 'normal' business rescue proceedings vs commencing with BRiL proceedings. This choice frames the mindset of the practitioner and subsequently that of other decision makers to adhere to section 7(k) of the Act, which requires a balance of interest among the stakeholders. Some participants indicated that a pre-assessment is necessary to make this choice.</p>	Commencement of proceedings.	Decision makers must make a choice, keeping in mind section 7(k) of the Act.

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>Participants illustrated as follows:</p> <p>Participant A: "... we do a very thorough due diligence investigation and we quickly decide." <i>Referring to the decision on an appropriate course of action for the distressed company.</i></p> <p>Participant B: "... you will always do a really good long pre-assessment, normally a couple of weeks, to say whether you're going to do something. ... You've got a choice you make ... In the Act, in section 128 when they define business rescue as being either returning a company to solvency or giving a better return to creditors that they would get under immediate liquidation, you've got to get your head round it that, which road am I running, because it makes a difference to the way that you structure your rescue and the way you go about your rescue."</p> <p>Participant D: "... the question of sustainability. ... We do all the computational numbers, we look at the quality of our collateral hand, we do evaluations formally, in desktops, the whole shebang."</p>		

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p><i>Referring to how they start they choose between proceeding with either business rescue or BRiL.</i></p> <p>Participant F: "I always look at the movie <i>Pearl Harbor</i>. There will always be casualties, but for some that is terminal, you just have to give them some morphine and put them in the corner. Because you know they are gonna die. But you have to deal with those you can save." <i>Referring to how they start they choose between proceeding with either business rescue or BRiL.</i></p> <p>Participant K: "... we automatically know. These won't work." <i>Referring to the choice to start BRiL proceedings because of sustainability issues.</i> "Initial assessment of an hour is basically free."</p> <p>Participant L: "You determine [if] there [is] a company to rescue."</p>		
Trade-off	1 Various participants indicated that lenders are generally best positioned to provide post-commencement finance. Decision makers representing lenders may consider providing post-commencement finance to collect outstanding debt in the future, contrasted with the option of not assisting with post-	Appointment of BRP to the approval of	Find one optimal solution for both parties

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>commencement finance and receiving a smaller pay-out on debt owed. In the case of post-commencement finance, banks are generally best positioned to provide the additional funding required to continue with the business rescue process but may also be the biggest creditor to the business rescue event. Decision makers should aim to find the best solution for both parties through continuous collaboration. This situation is also paradoxical, refer to paradox 3, the paradox of lender management.</p> <p>Participants explained as follows:</p> <p>Participant A: “.... you know there was a lot of working capital in the debtors, but we had to work with the bank because the debtors were ... uhm, giving us scrutiny which made it a bit complicated. But we negotiated with the bank successfully in the sense that, ok, the bank allowed us to use the debtors but as long as we don't dilute their security which we could prove that we don't because we</p>	business rescue plan.	through collaboration.

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>bring in fresh debtors every month and we were willing to collect old debt which would have been a problem for them.”</p> <p>Participant C: “Not only are we saying ‘Sorry but I have kicked you where it hurts... but I need money as well to keep going. Because if I don’t get the money then it’s Armageddon and it’s a heap of ashes and you lose everything ... typically I will give you an idea, you’re exposed in one of our matters. Exposure combined by all the lenders is of the order of R 3. 5 billion. Ok. If you give me PCF, I reckon I can save two and a half billion rands worth of guarantees for instance in the construction industry, uhm, against a hundred and fifty to two hundred million PCF. If I can’t get the PCF everything falls flat and you lose the whole lot. So to save two and a half billion exposure is gonna cost you a hundred and fifty million. That equation works’.”</p> <p>Participant D: “Uhm, you know that saying that says ‘If you owe the bank R100 000 it’s literally your problem, but if you owe the bank R100 000 000, it’s the bank’s problem.’”. <i>Referring to the situation where the</i></p>		

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p><i>distressed company owes the bank enough to entice them to provide PCF to enable the company to generate cash flow and repay their debt.</i></p>		
2	<p>Participants explained that during a business rescue event, each affected party is working in their own self-interest and not necessarily in the interest of the distressed company. This creates various tensions between decision makers, and the primary decision maker (BRP) must choose which ‘fights’ to pursue because pursuing all ‘fights’ is unsustainable.</p> <p>Participants illustrated as follows:</p> <p>Participant B:”... I think everybody is jockeying for position and for better treatment in the business rescue plan. When you’re trying to create that balanced solution that I spoke about, everybody pats you on the back and says, ‘Yeah, we love a balanced solution, as long as the balance goes towards me.’”</p>	Throughout the entire business rescue event.	Finding balance between which ‘fights’ to pursue and which to let go of.

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>Participant C: "Find a way that could pave the ground for a compromise or a solution between the two. ... The Act tells me I can and if we don't resolve this thing today it's gone. I've had enough."</p> <p>Participant D: "Unfortunately in those types of circumstances you have got multiple parties who have got different, I'll say, needs ... desire different outcomes."</p> <p>Participant E: "... each affected person has their own agenda which is not always evident from the beginning ... SARS being unreasonable in terms of their expectations and payment of debts and using their leveraged position when they are a major creditor of have the majority of the voting percentage."</p> <p>Participant F: "We look at what is best for the bank."</p> <p>Participant G: "If you can't de-escalate matters then you are fighting that all day every day."</p>		
3	Participants indicated that, in certain business rescue events, unsophisticated stakeholders with small claims against the distressed company may make up	Appointment of BRP to the	Find a balance between

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>a significant portion of the creditors' pool. Tension increases in such events because of the level of sophistication of these small creditors. Decision makers may decide to pay these parties the estimated pay-out they would receive in liquidation and remove them from the business rescue event to decrease tension. This process removes cash flow from the already distressed organisation but enables the more sophisticated parties to find a workable solution for all parties through collaboration. This has been discussed previously and linked to awareness of the tension of the decision makers during the business rescue event.</p> <p>Participants illustrated as follows:</p> <p>Participant C: "How do you reduce this (tension)? Well, guys for 20% of the creditor's book I can take 80% of the creditors in persons out of the room. Ok. So if I can get PFC from you sophisticated guys to take a whole lot of these people out of the room to reduce the complexity, with your permission, I can do that."</p>	approval of business rescue plan.	affected parties by removing unsophisticated stakeholders and collaboration with sophisticated stakeholders.

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<i>This solution was confirmed by other participants.</i>		
4	<p>Participants outlined that regulators, government bodies and unions are notoriously difficult to work with during a business rescue event. Participants recalled numerous events during which the ineptness and unsophistication of regulators and government bodies led to increased tension and significant delays. Participants indicate that collaboration has shown to be somewhat successful, especially proactive collaboration from the side of the primary decision maker (BRP).</p> <p>Participants outlined as follows:</p> <p>Participant B: “I spent a month fighting the DMR – that wasn’t the only fight, there was probably a dozen fights ... so government departments have been, by far, my biggest adversary. ... I learnt with Eskom. I eventually went to higher powers at Eskom, and</p>	Appointment of BRP to the approval of business rescue plan.	Find a balance between affected parties though proactive collaboration.

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>so Eskom I resolved. The competition commission, I learnt, I took the case to the competition tribunal; the only thing to do was to hit them with a big stick. The DMR, no, I'm afraid it's a dysfunctional department. I mean, the country is suffering because it is so dysfunctional." <i>Referring to the Department of Mineral Resources.</i></p> <p>Participant C: "So, instead of being reactive with the regulators we try and be proactive and we say 'Ok, let's engage with the DMR or let's engage with ICASA', for instance, in one of my other matters. Let's go and sit with them and say 'Ok, this business is in business rescue. What is it that you need us to do so that you can do your job? And let us then discuss what we can and what we can't do and see if there is a workaround.' Are there any special concessions we can ask for? What is the process? That type of thing. ... We can show you we are moving closer to the goal post ... we are not there yet ... we need a tax clearance certificate, otherwise we are dead in the water. Can you help us?"</p>		

Type of tension		Description of tension	The phase of the BR event in which the tension occurs	Response
		<p>What are the concessions we need to ask for? And that then gets resolved in a collaborative way.”</p> <p>Participants I: “But it’s often the unions. You know they are probably the single biggest irritant and tension that you have.”</p>		
Paradox	1	<p>The paradox of time.</p> <p>a. Time constraints dictated by the Act.</p> <p>Participant indicated that the time constraints dictated by the Act are contrasted by the time required to conduct an appropriate due diligence to enable effective decision-making. Participants indicated that the time frames outlined in the Act are not sufficient to complete all the necessary investigations and/or to source all the appropriate information before the first creditors’ meeting. The mere influx of documentation to work through is difficult to manage within the timelines of the Act.</p>	Appointment of BRP to the approval of business rescue plan.	<p>Multiple reconciliations through a team approach and collaboration with other decision makers.</p> <p>Refer to section 5.2.1 Team approach to</p>

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>Participant B: "You've got to apply your mind, which you do before you go into a rescue, and if you are a decent practitioner, you will always do a really good long pre-assessment, normally a couple of weeks, to say whether you're going to do something."</p> <p>Participant C: "It's like drinking water from a fire hydrant." <i>Referring to the information overload and due diligence required to make sense of it.</i></p> <p>b. Time required to make effective decisions:</p> <p>Participants indicated that the time constraints dictated by the Act are extremely difficult to adhere to (depending on the size of the rescue) while simultaneously managing the time pressure from a business perspective to take advantage of opportunities immediately and/or effectively. Participants discussed how they are pressured to perform certain duties within a small period of time to adhere to the Act but are simultaneously required to make 'good' business decisions for the distressed organisation, which may include</p>		<p>decision-making.</p>

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>either acting fast to take advantage of an opportunity or taking more time to evaluate the options available to the organisation.</p> <p>Participants discussed as follows:</p> <p>Participant A: "... you know there's normally people going into business rescue, there is two things they don't have, money and time. You always look for both of those things. You cannot, you don't have the luxury of lingering on uhm, uh, uh, those situations and decisions."</p> <p>Participant B: "So you've got a multitude of people fighting for your time and it takes two to three months before it subsides properly. It's chaotic, absolutely chaotic."</p> <p>c. Timing of decisions:</p>		

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>Participants indicated that even after considering all the above variables, BRPs are faced with the paradox of <i>timing</i>. In other words, when is the right time to publish the business rescue plan? Although the business rescue plan should be published within 25 days of appointment of the BRP, this may not be the best business timing.</p> <p>The statement below illustrates the predicament:</p> <p>Participant B: “Let me give you two extremes. Let’s say that my plan involves me selling part of the business, raising some money, and compromising creditors to a small degree. Now, I can write a plan on day one, it will be on one page and it will say, <i>Here, creditors, I am going to compromise creditors, I am going to raise some money and I’m going to sell something and that’s my plan. Do you approve it or not?</i> Now, it’s just a bit flimsy, and what does that mean? What are you going to sell, how much are you going to raise, what is going to be the write-off,</p>		

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>what's the prospects for the company going forward? None of that is included because I've written it on day one on a piece of paper. Alternatively, I can wait until the day before I have raised all of the money and everything is now in legal agreement and it's legally binding, and that might have taken two years, and in two years' time I'll put a plan down; in the meantime there's nothing. In two years' time I'll put a plan down that says, <i>I'm going to sell a business, this is the business, I've sold it, and subject to you approving, this is how much we're going to get, and, I'm going to raise some money and these people have agreed to provide the money and I've got all the agreements in place and subject to you approving this plan, they will put the money in. Here's how much it is and here's how it works, and, in terms of writing off your debts, here is the exact amount, here is the amount of your debts and I will be writing off 27,8%, or 82,3%, or whatever it might be, of your debt, so you will get the balance.</i> Now, both those extremes, as with any extreme in life,</p>		

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>are stupid. What you need is something that's early enough to give people a direction as to where you're going but late enough that you've had a good chance to think it through and you understand what it is that you're trying to achieve because you've unpacked the business and there is enough substance to your thinking for you to be able to do it."</p>		
2	<p>The paradox of saving costs in smaller business rescue events.</p> <p>The Act dictates the hourly rate for BRPs appointed to a business rescue event. These billable hours may accumulate to a substantial amount of money which an already distressed company cannot afford. This is especially true for smaller rescue events, where BRPs attempt to keep their billable hours to a minimum to assist the struggling business. This contradicts the fact that decision makers require numerous hours conducting their due diligence/ investigations and make effective decisions.</p>	Throughout the entire business rescue event.	Decision makers are required to find multiple innovation reconciliations through continuous collaboration.

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>Participants illustrated as follows:</p> <p>Participant A: “You know to learn what they do, to find out who they are and to try and understand their jobs. Uhm, but you know, I must also be careful because I cannot, my fees, the fees are high. I cannot sit in a business for 12 hours you know, that is going ruin the business. Uhm so, I also have to do it in such a way that I can quickly see who in the company is with me, who is not with me and uhm, you know you know, because a lot of times people, a lot of people that I work with, the employees they are happy you there to might save their job for them. ... you know there’s normally people going into business rescue there is two things they don’t have, money and time. You always look for both of those things. You cannot, you don’t have the luxury of lingering on uhm uh, uh those situations and decisions.”</p>		

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>Participant B: "So you've got a multitude of people fighting for your time and it takes two to three months before it subsides properly. It's chaotic, absolutely chaotic."</p> <p>Participant K: "Initial assessment of an hour is basically free." Referring to their cost-saving strategy for smaller rescue.</p>		
3	<p>The paradox of lender management.</p> <p>Participants indicated the paradox of lender management as decision makers representing lenders may be required to provide more funding, which contradicts the fact that they have substantial outstanding debt from the distressed company without an absolute guarantee that they will be able to collect the initial debt or the post-commencement finance in full. They are faced with the juxtaposition of collecting the debt while they are forced to provide more finance to the distressed company. Refer to trade-off 1.</p>	Appointment of BRP to the approval of business rescue plan.	Decision makers are required to find multiple innovation reconciliations through continuous collaboration.

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
4	<p>The paradox of purpose during a business rescue event.</p> <ul style="list-style-type: none"> a. Participants indicated that the purpose of business rescue is to restore the distressed organisations to a solvent basis (save the business) OR commence with BRiL proceedings, as dictated by the Act. b. Various decision makers indicated that their personal purpose during a business rescue event is to ‘save jobs’, which may require sacrifice to restore the distressed businesses. This sacrifice may come at the expense of debtors, who may receive a smaller settlement to save jobs. c. Participants also indicated that the individuals or groups responsible for the organisation’s distress might have to be retrenched to save the business and/or the other jobs. Thus, some jobs must be sacrificed to save others. d. Various participants discussed how mismanagement and ineptness of family members in a family business led to the distress of organisations. BRPs may decide to remove family members from the board and to replace them with capable individuals. This change is in 	Throughout the entire business rescue event.	<p>Decision makers are required to find multiple innovation reconciliations by:</p> <ol style="list-style-type: none"> 1. Working towards a balanced outcome for all affected parties, as dictated by the Act (section 7(k)).

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>direct contrast to what a family business is and, as stated earlier, to 'save jobs'. Again, some jobs must be sacrificed to save others.</p> <p>Participant A: "It was a family business, family issues, uhm children being overpaid, useless, uhm, not supposed to be there, long stories..." <i>Referring to individuals who would be retrenched to save other jobs and the distressed organisation.</i></p> <p>Participant B: "If I give you a simple example, let's just say that you've got a company that has R100.00 worth of creditors and it got a business which you could sell for R100.00. If you closed it down and sold all the assets, you would get R100.00. You could close it down and give the creditors all their money back and then no one would have any jobs. It's a solution; you've given the creditors more than they'd get under liquidation, it kind of works quite nicely. But by contrast, you could say to the creditors, <i>Listen, you guys can take 60 cents in the rand, if we take 60 cents in the rand we can keep the business running and keep all</i></p>		<p>2. Following the moral conviction of BRP is to 'do the right thing'.</p>

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p><i>the jobs</i>, because then somebody will put a bit of money in and it will work. So, there is another solution to exactly the same problem and now the employees and the unions are happy and the creditors are not so happy. ... the sensible thing to do would have been to close it down because that, economically, would have been the smartest thing to do. But it employed 900 people, 850 of whom are at the bottom end of the economic chain in South Africa, so doesn't work for me in terms of a balanced solution.... you've got to fire management, when you get into turnaround or restructuring, fire the management team and start again because they've backed you into a dark alley, they're not going to get you out."</p> <p>Participant C: "We fix businesses? No we don't fix businesses. We save jobs. That's our key priority is we save jobs. In the process, we might save maybe not the whole business. Parts of the business we'll save."</p> <p>Participant F: "We are there to save the majority, not all."</p>		

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>Participant G: "... we have removed or had members of the team leave or you not participate in the rescue and be replaced. Uhm, but that happened relatively quickly. You know if they weren't on board with what was happening; you know they were encouraged to move over, make space."</p>		
5	<p>The paradox of mismanagement</p> <p>Some participants indicated that the mismanagement (ineptness rather than fraud) of the smaller businesses by owner management led to the distress of the organisation. The organisations were placed in business rescue and had made a recovery to a solvent basis with the management of the BRP. According to the Act, the business rescue event must conclude, and control of the organisation must be released back to the owner management, who still is unable to manage the organisation effectively.</p>	Conclusion of the business rescue event.	Decision makers are required to find multiple innovation reconciliations.

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	Participant A: "... we can't stay in the business and keep running it for the people."		
6	<p>The paradox of the business rescue plan:</p> <ul style="list-style-type: none"> a. Participants discussed the various expectations of the business rescue plan. The business rescue plan should be flexible enough to make provision for the uncertain nature of the business rescue event and be able to accommodate changes with limited amendments required yet be specific enough to win buy-in and trust from affected parties regardless of their background and technical understanding of the business rescue process. b. Participants indicated that the business rescue plan must adhere to all the legal specifications dictated by the Act but also be simple enough for individuals inexperienced in business rescue and the Act to comprehend and make an informed decision about whether to support the proposed business plan or not. 	Appointment of BRP to the approval of business rescue plan.	Decision makers are required to find multiple innovation reconciliations through continuous collaboration.

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>Participants illustrated as follows:</p> <p>Participant B: "... I beat the lawyers up because the lawyers try to write a legal document and I'm trying to write a document that a layman can read. We need to get a balance in those two things because, ultimately, it's a binding contract once approved between the company and its creditors and all of its stakeholders, so it needs to be legally sound but it can't be a legal agreement that the layman doesn't understand because the purpose of the document is to inform creditors and shareholders, to the extent that they vote, to inform them what your plans are in order that they can make an informed vote as to whether they approve it or not approve it, and if it's full of jargon and mumbo-jumbo and it's cross-referenced and it's just this crazy legal document, the poor man on the street hasn't got a clue; they've got no idea how to read that and it's just not fair."</p>		

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>Participant C: "... putting that plan together is the great challenge, the great rush to get that plan approved. And to make sure that you've drafted a plan that's implementable. If you too specific in the plan you gonna cut yourself in the fingers. If you too loose and fuddy-duddy in the plan, it makes no sense and no one is gonna vote for it. You need to have sufficient detail in the plan so that people understand what it is they are voting on and for. But you have to leave sufficient flexibility in the plan so that if life happens during the implementation you can cater for it without having to amend the plan. ... So we work together with the creditor's committees, with the banks, with the employees. We say 'this is what the plan is gonna look like. These are the key issues of the plan. Here are the salient issues of the plan. We can't give you the plan because we haven't got the plan yet. But this is what the skeleton of the plan is gonna look like. Are you guys ok with this sha na na?' The alternative that you proposing and when we invite proposals the alternatively brings the</p>		

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>unworkable. We can't do it because and these are the reasons. ... Ok. That's why we've gone through that thought process and we do it with you now to land where we are now and we don't want to put this in a plan. Which when the time comes and you gotta vote on it you just gonna say, 'No, what's the point of doing that?'"</p> <p>Participant G: "You gathering information, you outlining it, you engaging with creditors, to say 'are you happy with this sort of plan?' And they say 'yes, no but, ah mmm. You know, change this, change that'. And there's ultimately lots of competing views as to what should be in it and what shouldn't be in it and how you should compromise it and deal with it. You know then you have creditors like SARS, you say have to include these clauses in the plan. So, you just ignore. You know and you have other creditors who say 'Yes, but I don't wanna compromise, I want to remain a creditor'. And you can't, you kinda have to say 'No, you can't do that, you know you gotta be bound by the plan'."</p>		

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
7	<p>The paradox of information</p> <p>Participants indicated that, during a business rescue event, tensions spout from a combination of information overload, lack of relevant information, data asymmetry, and misinformation received during due diligence. Decision makers are required to sift through all the information to solve the puzzle of the business rescue event during immense time pressure. Refer to paradox 1, the paradox of time. Decision makers are thus forced to rely on their intuition and to adopt a team approach under such circumstances. Refer to Section 5.2.1 team approach to decision-making.</p> <p>Participants illustrated as follows:</p> <p>Participant A: "... we do a very thorough due diligence investigation ... We always work in a team uhm, to start off with a rescue we have a team of five or six doing the analysis..."</p>	<p>Appointment of BRP to the approval of business rescue plan.</p>	<p>Decision makers are required to find multiple innovation reconciliations through continuous collaboration with their team as well as the distressed organisation's employees and directors.</p>

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>Participant B: “So the beginning, I think time is the biggest issue.” <i>Referring to the time required to work through the information.</i> “It’s chaotic, absolutely chaotic.”</p> <p>Participant C: “It’s like drinking water from a fire hydrant.”</p> <p>Participant D: “We do all the computational numbers, we look at the quality of our collateral hand, we evaluations formally, in desktops, the whole shebang.”</p> <p>Participant G: “It does help the workload, really. That’s all. So at the beginning, there’s a steep workload where you do need some assistance to get some tasks done.”</p> <p>Participant I: “Just the size of the transactions that we get involved in we can’t do it as an individual.”</p>		
8	<p>The paradox of communication to achieve ‘buy-in’.</p> <p>Participants indicated that to get buy-in from all affected parties, BRPs must communicate with them at their level of sophistication. This may include simplifying language, employing empathy, and allowing parties to vent their</p>	Appointment of BRP to the approval of business rescue plan.	Decision makers are required to find multiple innovation

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>frustration. This process contradicts the fact that affected parties are usually addressed together, regardless of their level of sophistication. Participants discussed that, through proactive collaboration, this tension may be soothed. Refer to Section 5.2.5. Acceptance of decisions by affected parties.</p> <ul style="list-style-type: none"> ○ Participants discussed how employees, sophisticated and unsophisticated, are addressed together during employee committee meetings. ○ Participants indicated that all creditors, sophisticated and unsophisticated, are invited to the same creditor meetings. <p>Participants illustrated as follows:</p> <p>Participant C: "... and if you are sensitive to that, you can immediately pick up why that question was asked, where it is coming from. ... So speak to him on that level ... It might be unique to the situation but the way you package it is different. ... It frustrates. So let them vent. Let them expand as much as they like in there. ...</p>		<p>reconciliations through continuous collaboration.</p>

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>dealing with them, you need to use something that is not written in the Act and that is called empathy. ... Now, if you start communicating with different groups of employees differently and at different times you are gonna create a mistrust between the unionised and the ununionised.”</p> <p>Participant B: “... if it’s full of jargon and mumbo-jumbo and it’s cross-referenced and it’s just this crazy legal document, the poor man on the street hasn’t got a clue; they’ve got no idea how to read that and it’s just not fair.” <i>Referring to the tone of the business rescue plan that should consider all parties who are voting on it.</i></p> <p>Participant F: “You need to have empathy with a client. ... Sometimes it is important just to listen and let them vent. Often he will raise issues that you weren’t even aware of.”</p> <p>Participant K: “The one is the actual... like a flowchart with charts and arrows ...the other one is a typed-up document setting out all the dates and everything.” <i>Referring to the different documents provided to stakeholders to communicate the business rescue process;</i></p>		

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p><i>stakeholders may use either one of the documents depending on which aligns with their level of sophistication.</i></p>		
9	<p>The paradox of independence</p> <ul style="list-style-type: none"> a. All participants discussed in detail how they adopted a team approach to decision-making during a business rescue event; refer to Section 5.2.1 Team approach to decision-making. This contrasts with section 139(2)(e), which calls for independence of the BRP appointed to a business rescue event. Although BRPs are appointed individually to a business rescue event, BRPs work in teams (required because of the amount of work required to conclude the event successfully). b. Participants discussed how each business rescue event is unique and should be treated independently. However, the actions of decision makers (primary and secondary) during current business rescue events may influence the actions/ attitudes of future business rescue events. BRPs and lenders both build reputations for being ‘difficult’, 	Throughout the entire business rescue event.	Decision makers are required to find multiple innovation reconciliations through continuous collaboration within the parameters of the Act. Bona fide attitude going into each

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>'unwilling to play ball' or 'dishonest' in their actions, which bleed into future business rescue events and the inability to build a trusting relationship; refer to Section 5.2.5. Acceptance of decisions by affected parties. The independence 'issue' has led to unwillingness of decision makers to work with certain parties based on past experiences.</p> <p>Participants illustrated as follows:</p> <p>Participant C: "It's a slog to manage the banks and the PCF issued and all of that." <i>Referring to the difficulty of working with certain banks.</i></p> <p>Participant D: "Yes. That's the best one ... to always ask who is the business rescue practitioner? If I'm not familiar with the business rescue practitioner, unfortunately, Andria it's because of experience within the proceedings themselves. Over the years we have had some rogue business rescue practitioners. Uhm ... and there is an element of trust, it affects the whole leading</p>		<p>business rescue event knowing that current decisions have prolonged effects.</p>

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>business. It is cemented in our trust.” <i>Referring to voting for or against a business rescue plan based on the appointed BRP.</i></p> <p>Participant F: “And there I would say first of all practitioners...” <i>Referring to the most difficult stakeholder to work with from a secondary decision maker’s perspective.</i> “We are by far the biggest creditor ... usually ... so what does that mean? It means we carry the boat as you know, so ... they (BRPs) should be consulting with us, which they often not. And that’s a major shortcoming. So, it’s a behavioural thing... but sometimes we cannot even get hold of them, they don’t even want to respond to us. And then you immediately say ‘Oh, there is something wrong here. ... The interaction before presentation of the plan is very important, so, I am a strong advocate for having pre-packs.”</p> <p>Participant G: “... you get a number of lenders who get very grumpy with practitioners because we question the validity of their security. ... It does uhm, help the workload really. That’s all. So, there’s at the beginning there’s, there’s</p>		

Type of tension	Description of tension	The phase of the BR event in which the tension occurs	Response
	<p>a steep workload where you do need some assistance to get some tasks done. Uhm, but effectively business rescue in our views it's a personal appointment. Uhm, and if you get appointed to larger matters you must use the team that exists within the company. You've gotta work with that team.”</p> <p><i>Referring to working in a team but taking responsibility as the individual appointment practitioner.</i></p>		

5.2 INTERVIEW FINDINGS: DECISION-MAKING

Section C of the data collection instrument focused on interrogating participants on their decision-making process during a business rescue event. The following research question was used to guide the interview questions with relevant probing questions to extract detailed responses from participants.

4. What are the general steps in decision-making followed by decision makers during a business rescue event?

5.2.1 Team approach to decision-making

All participants indicated that they either currently work in a team or prefer to work in a team. Participants provided various reasons for working in a team, including the need for various decision makers to manage the workload, the need for various perspectives to aid in effective decision-making, less-experienced decision makers taking advantage of more-experienced decision makers in a team setting and the benefit of a 'witness' or individual who may keep the decision maker accountable in their decision-making. The following statements illustrate opinions and reasoning of participants on a team approach to decision-making during a business rescue event.

Participant A: "We always work in a team uhm, to start off with a rescue, we have a team of five or six doing the analysis. ... I'm a junior, it depends on the turnover and the size ... the public score of the company, I have to be accompanied by a senior practitioner but just, in general, we never take a case on our own ... there is always two of us. Two involved."

Participant B: "Very much a team."

Participant C: "This is a team thing. ... Even when I was operating as myself in the early days, that's June 2011 to about 2016 or so ... even then I would create a team for every business rescue. ... There is no answer to all

questions in one individual. Ever. You show me a business rescue practitioner that has all the skills required ... doesn't exist."

Participant D: "I think you get better solutions when you have that type of diversity and experience and exposure. As I mentioned with coming from different backgrounds in a work environment, so that type of team effort is very much useful in solutioning customers. Because our main function as a unit is that we need to find workable solutions for both the bank and the client."

Participant F: "My team is comprised of three people." *Continued to discuss each team member's qualifications and experience all of which are in different fields of expertise.*

Participant G: "It does help the workload really. That's all. So, at the beginning, there's a steep workload where you do need some assistance to get some tasks done. But effectively, business rescue in our views, it's a personal appointment ... and if you get appointed to larger matters you must use the team that exists within the company. You've gotta work with a team."

Participant H: "I use a team when there's a specialist skill. So, there will always be at least two. So, I will never work absolutely alone. But I don't know if it qualifies as a team. But I will always take a joint appointment with a practitioner and there will always be a lawyer."

Participant I: "Just the size of the transactions that we get involved in we can't do it as an individual. ... each of us have got our strengths and we each got our weaknesses. And when we browse in a team hopefully you make up for the weaknesses."

Participant J: "I think what the last four years taught me ... don't work alone. Work with a team. ... you get more input, you get different views. If you are on your own, you get tunnel vision, you have your own ideas and think you are always right. It is better to get different inputs as well."

5.2.2. Use of experts

Although participants indicated that their teams consist of individuals with different expertise which include backgrounds in accounting/ finance, business strategy and law, they do make use of industry experts, accounting, tax and legal experts, depending on the size of the event. Participants illustrated as follows:

Participant B: “Oh yeah, all the time. No, I’m very happy to do that. I’ve got no ego. I know the limitations of where I sit and there’s lots of people, lots of times where you’re in an industry and it’s great to go to somebody who has some experience.”

Participant C: “Absolutely. Domain expertise is paramount.... domain expertise needs to be secured in every business rescue where you are ... If that person is not within the company already, which is the first place you look, I will find when somewhere else.”

Participant D: “... so it’s having a serious network ... ’cause someone in the team must have worked in something like this before, even if it’s not exactly or similar. Or know someone that has worked in this before. ... getting an expert to provide you with a little bit of more independent guidance around its sustainability in this industry in which we [are] not specialised in.”

Participant E: “... this can be queried from other BRPs...” *Referring to industry-specific knowledge and/or experience.*

Participant G: “So in a rescue, you’ve got the advantage of creditors’ committees. Some will call it a disadvantage but if you really in an industry you don’t understand, make sure there’s creditors and stakeholders, so it might be customers and it might be suppliers who can assist you with understanding how things work or where they go.”

Participant J: “So, what we normally do is we phone a senior [practitioner].”

Participant L: “... yes, get the opinion of experts ...”

5.2.3. Intuition

Participants discussed how their intuition aids them in their decision-making throughout the business rescue event. Although it is difficult for some participants to verbalise how their intuition is formed or used, they are acutely aware of its value and role in their decision-making. Participants discussed the use of intuition as follows:

Participant A: "I think I've got an intuition for people. I will read the person before I read the situation and that's gonna tell me you know more or less how these guys are gonna act. ... You know your intuition tells you that 'listen, who is running this or what?' but I'd like to talk to them because this looks good. If you come into a place and you know you can quickly ... if you start asking questions and people are trying to cover up ... we know what's happening in the business... you are trying to tell me some data is not available and I know you work with it every day ... I must check it you know, I'm not gonna take your word [for] what you tell me, I'm gonna have to go back to the source document. I'm gonna have to appoint somebody with me to check everything that you do from the beginning to the end and maybe even take you out of the process. [All] because I got that feeling that you don't know what you are [doing]."

Participant B: "It's undoubtedly based on intuition ..."
Referring to his process of making sense of a situation and then making decisions accordingly.

Participant C: "I think my intuition was certainly developed because of experiences in the past. No doubt about that. ... I do. And sometimes my intuition could be wrong. And sometimes I will get wisdom from my colleagues, fellow professionals that say 'Listen, we know how you feel. We know what your intuition is telling you to do, but consider the alternatives, because they might be workable'."

Participant D: "Call it God's fear or call it a build-up of experience ... I had nothing on my hands to say because they did this and this. I said I got a feeling they are in deep trouble and they are gonna look for an avenue to assist

themselves. ... I just knew it. ... So intuition, based on experience ... you don't have to necessarily have something tangible ... it's your experience in the industry that gets you through. To act quickly in doing certain steps that are necessary."

Participant E: "... the difficulty of defining whether your [gut] feeling about a specific situation is intuition or based on previous experience or based on facts in front of you, knowing when to follow either one is not as easy as saying A, B or C. I try to take all three factors into consideration especially when having to make difficult decisions."

Participant G: "I suppose when I started I made decision in blind face [faith], but I knew what I was doing. Uhm now, I suppose experience tells me every now and again ... you'll be faced with something and for whatever reason you don't just make the decision. ... you don't know why, on some I do and some I don't, but something, and it must be experience and having done it before. Something tells you or tells me to hang on. And you ask the rest of the team and they might say 'No, I think ja, go, we happy, go for it'. And then you make it and then it's fine. And sometimes one of them will say 'Ah, what about you know, have you thought about that or this?'. And you'll realise that was a little nag in the back of your head. And I think it is experience. ... No it didn't smell right. And I thought something was off, I couldn't put my finger on it ..."

Participant H: "I listen to my intuition, and uhm, I listen to it in the following way. If my gut tells me something different to what my head is telling me, I slow down and investigate. ... you don't have to do what your gut tells you but at least listen to it."

Participant I: "There's a lot of gut feel in making the decision ... and you gonna get that gut feel after years of experience. So I think it is important. ... But not solely on gut feelings. It's with all surroundings circumstances including gut feel."

Participant L: "I think I sort of lead with intuition. ... We've seen this move before. ... I definitely think it develops."

5.2.4. Time pressure

Participants reported numerous avenues of how time influences their decision-making. The timelines dictated by the Act were supported by some decision makers and rejected by others. There was no consensus on how the Act may be amended appropriately but participants made it clear that the timelines are more appropriate for smaller business rescue events and less for bigger rescue events. Time, as a constraint to decision-making, is explored in Section 5.1, Tensions. Refer to Section 5.1.2 paradox 1, the paradox of time experienced by decision makers during a business rescue event. Participants discussed how time constraints, not only dictated by the Act, but also the severity of the business rescue event requires decisiveness from the decision maker. Refer to Section 5.3.1 for findings on the decisiveness of decision makers as an attribute to their decision-making. Participants illustrated the pressures of time as follows:

Participant A: "... we do a very thorough due diligence investigation and we quickly decide." *Referring to determining the severity of the event and how to proceed to save time and costs.* "... I would say 80 to 90% of the cases we ask for an extension. Because 20 days is just not enough. You cannot put a plan together that's got to rescue a business that's been going downhill for 4 to 5 years. It's not possible."

Participant B: "So the beginning, I think time is the biggest issue." *Referring to the initial 10 days after the appointment of BRP to the first creditors meeting.* "Yeah, I think it should be amended, but if you're dealing with a mom and pop shop where there's really nothing to it, I would imagine that, some of these business rescue plans, they're sort of cut-and-paste jobs these guys do. They can probably do it in five weeks, but if you're dealing with anything of substance, and I was licensed right from the beginning as a senior practitioner, so I've only ever done large rescues; it's not possible. So, yeah, the Act should do it, and in fact, maybe what it should do is it should have three different time periods. Rescues are already

graded as to small, intermediate and large, so surely the time should be different as well?”

Participant C: “... you [are] working against the clock OK, so the Act says you’ve gotta have a plan in 25 days. Well, I’ve never worked a business rescue where I’ve been able to do that. But they are all big rescue.”

Participant D: “We do all the computational numbers, we look at the quality of our collateral hand, we [do] evaluations formally, in desktops, the whole shebang.”

Participant E: “Yes, the timelines in the Act are completely inappropriate to the complexity of a business rescue event.”

Participant G: “... I don’t think it’s too short. I think it’s hard to achieve everything we have to achieve in that, but I think in time we’ll be better able to do [so].”

Participant I: “I think [it] does need to be extended but the question is for how long or you know for what period? And there isn’t an answer to that because there, I think at least the 25 days should become what is it sort of three months. So it maybe 90, uh, calendar days not business days. So within three months, you must publish something but you know even some of the biggest, I could do after three months is still not gonna be ready. But that’s fine, at least you get to deal with the bulk of it and in the exceptions, you go to the creditors for extension.”

Participant J: “You just have to do your extensions.”

Participant K: “No.” *Referring to whether the timelines in the Act should be amended.*

Participant L: “ No, I think it is tight as it is but I mean it does give you the scope to postpone the plan.”

5.2.5. Acceptance of decisions by affected parties

It is clear that acceptance of decisions made by the primary decision maker (BRP) during a business rescue event by secondary decision makers are gained via two avenues.

- I. Through collaboration to reach a balanced outcome, as dictated by section 7(k) of the Act. Some participants indicated that a proactive approach to collaboration assists in de-escalating tensions experienced during the business rescue event. This avenue is usually more effective when dealing with sophisticated stakeholders.
- II. Through building a trust relationship between decision makers. This trust relationship is built on honesty and transparency between parties. This avenue is usually more effective when dealing with unsophisticated stakeholders, but also important for sophisticated stakeholders.

For both avenues, the manner in which decision makers communicate should be aligned with the level of sophistication of the stakeholder. Participants illustrated collaboration and building a trust relationship as follows:

Participant A: "... transparency and honesty is very important to get off on the right foot."

Participant B: "So, I think, being upfront and explaining how ... what you're doing fits into the whole picture tends to get most people to reluctantly accept whatever it is that you do. ... I just sat and spoke to them for an hour about where we were or why things were ... and he said it was so good because we disarmed them ... I think honest and transparent is it. ... It frustrates. So let them vent. Let them expand as much as they like in there."

Participant C: "We can show you we are moving closer to the goal post ... we are not there yet ... we need a tax clearance certificate otherwise we are dead

in the water. Can you help us? What are the concessions we need to ask for? And that then gets resolved in a collaborative way.”

Participant D: “The fact that we have not maybe advised or been brought into confidence of the company that it’s starting to go into distress ... uhm, that already breaks the trust issue on our side. ... Because our main function as a unit is that we need to find workable solutions for both the bank and the client.”

Participant F: “Based in the confidence you have you in those individuals. Which is something very difficult to put down on a piece of paper. You need to look them in the eye, you need to have dealt with them over a number of years and know with confidence that they can make it.” *Referring to the trust relationship required between decision makers.*

Participant E: “Should any creditor have a significant portion of the votes, I try and make them a part of the business [rescue] plan building process as much as possible to ensure that I build a plan which would be acceptable to them and other creditors. I also prioritise those creditors which would be willing to support the business by providing PCF in the form of a trading account during the business rescue process as they show their willingness to assist me, the business rescue practitioner, and the company.”

Participant G: “... you know if it’s a secured lender or a bank, and they [are] looking to take possession of the assets, just agree [upon] a process, agree on a plan with them. Be engaging and upfront.”

Participant H: “But keep moving forward, the main thing is to keep moving forward ... you have to keep the dialogue going.” *Referring to collaboration/ conversation between parties.* “Transparency and a reminder of what the ultimate goal is. ... I invite them to make contributions, if they can, if they can come up with a better idea, then they must present it.”

Participant L: “Play open cards with them. Give the ... worst-case scenario. Say this is the situation, what we think it is, this is what we’ll need to pull this through.”

Participants illustrated alignment of communication to the level of sophistication of stakeholders:

Participant C: "... and if you are sensitive to that, you can immediately pick up why that question was asked, where it is coming from. ... So speak to him on that level ... It might be unique to the situation but the way you package it is different. ... It frustrates. So let them vent. Let them expand as much as they like in there. ... dealing with them you need to use something that is not written in the Act and that is called empathy."

Participant F: "You need to have empathy with a client."

Participant K: "The one is the actual... like a flowchart with charts and arrows ... the other one is a typed-up document setting out all the dates and everything." *Referring to the different documents provided to stakeholders to communicate the business rescue process; stakeholders may use either one of the documents, depending on which aligns with their level of sophistication.*

5.2.6 Decision-making process

Most participants explained that there is little 'process' to their decision-making and that each business rescue event warrants a unique approach. As discussed in Sections 5.2.1 – 5.2.2, a team approach and the use of intuition play important roles in their decision-making. Participants alluded to the decrease of tension when interventions such as a team approach and the use of a pre-assessment are used. Tension increases as the business rescue process near voting on the business rescue plan, after which tension decreases again as all parties have either agreed to or accepted (refer to section 5.2.5) the proposed business rescue plan. Participants illustrated as follows:

Participant C: “There is no cookie-cutter approach. Sometimes you can revert to some information that may be helpful but often we end up being kinda the writers of our own recipe.”

Participant E: “I don’t follow a specific process as it comes down to experience and making decisions in the moment. Business rescue is more of an art than a science.”

Participant J: “Each case is on its own merit.”

Participant L: “It depends on the size of the company. And the complexity of the company.”

All participants indicated that their decision-making starts with an investigation/due diligence or pre-assessment. Participants illustrated as follows:

Participant A: “... we do a very thorough due diligence investigation and we quickly decide.” *Referring to the decision on an appropriate course of action for the distressed company.*

Participant B: “... you will always do a really good long pre-assessment, normally a couple of weeks, to say whether you’re going to do something.”

Participant D: “... let’s look at the facts and the detail on the ground, let’s look at the documentation ... We have to understand the root cause analysis. What went wrong first before we can understand ... operating mind, what the appropriate solution is.”

Participant H: “Yes, I like to Cynefin framework, which is, first of all, to understand whether you are dealing with chaos, simple, complicated or complex.”

Participant I: “... I prefer to listen first before I start reacting. So, go gather information, go gather facts, and then I’ll start reacting. ‘Cause while you are listening and gathering information, you know the whole thought process behind the starting.”

Participant J: "... usually I'll also sit and study the papers again, separately and together and discuss how to further [take the] process with the papers we've got ..."

Participant K: "Initial assessment of an hour is basically free."

Participant L: "For me, it's always important to understand the group structure. And it sounds like a simple thing, but the law is driving uhm ... that's where part of the problem starts." *Referring to where the due diligence is initiated.*

5.3 FINDINGS: DECISION-MAKER ATTRIBUTES

Section D of the data collection instrument focused on interrogating participants on the attributes, skills and knowledge that, in their opinion, aid their decision-making during a business rescue event. Although the study did not focus on decision-maker attributes, they play an important role in the management of tension and were considered accordingly. The following research question was used to guide the interview questions with relevant probing questions to extract detailed responses from participants.

5. Can the skills that decision makers use to manage these tensions be transferred?

5.3.1. Decision-maker attributes

Decisiveness was indicated by the majority of the participants as a crucial attribute required throughout the entire business rescue process. Participants illustrated as follows:

Participant B: "... when a company is in financial distress, you need to make decisions at the speed of light, you need to make lots of decisions very quickly and often you're making them on imperfect information, particularly the first month or two of business rescue. ... You have to accept that you're going to get some wrong, but it's better to get 80% right and 20% wrong than it is to defer 50% of your decisions."

Participant C: “I’ve become more comfortable making bigger decisions that are more complex, faster. Because it’s a simple equation. Out of every ten decisions you make, seven may be wrong. But the three right ones have such an amazing impact that the seven wrong ones are completely overshadowed by the three good ones.... it’s better to make a decision than to not make a decision and wait [until] the whole thing imploded. So make the decision and if it’s wrong, deal with it and correct it.”

Participant D: “To act quickly in doing certain steps that are necessary.”

Participant K: “So we don’t want to spend too much time.” *Referring to the decision on whether to place the distressed company under business rescue or to liquidate the company.*

5.3.2 Decision-maker skills and knowledge

Participants discussed various skills and knowledge required by decision makers which were collated and confirmed through the follow-up questionnaire (Round 2 data collection). The following skills and knowledge were identified by participants as most important to managing tension and making effective decisions accordingly:

- Knowledge and application of the Act.
- Knowledge of basic accounting and finance (application of analysis tools).
- Problem-solving skills.
- Business acumen.
- Interpersonal skills.
- Negotiation skills.

5.3.3. Decision-maker training

Most participants agreed that decision makers (who act in a business rescue event) should be trained ‘on the job’ by experienced decision makers. The necessary skills would not be transferred effectively through theoretical training but require experience in the field as each business rescue event is unique. Refer to Section 5.2.6.

Participant A: "... if somebody is willing to learn and they work with you, they work with you closely ... I think you can teach them ... it's gonna take two to three rescues maybe, or even more."

Participant B: "You can teach people through case studies. If you take any example, then one can do it, just take something and say 'Listen, here's the complex problem, how do you solve it?'".

Participant C: "... we've brought in junior people as part of our team from different skill sets. ... They are part of our team, they work with us, they support us, they all have very special skills. And they are through that learning from my doing."

5.3.4 Guiding principle for decision makers

Participants discussed how they use section 7(k) of the Act to guide their decision-making to achieve a balanced outcome for stakeholders. Participants do, however, also follow their personal values when making decisions, which include 'acting in good faith' and 'doing the right thing'. This guiding principle is intertwined with intuition discussed in Section 5.2.3. Participants illustrated as follows:

Participant C: "I go beyond what the Act probably asks for. Because often you sit in an environment of imperfect information with different stakeholders demanding different things. With a whole lot of anxiety and when I can't see the wood for the trees, I will step back and I will say in an open forum or with my advisors I will say 'What is the right thing to do?' Forget about what the Act says. What is the right thing to do here? And the right thing to do means what accords with my values, that is the right thing to do."

Participant G: "But nine times out of ten when you when you bring it back down to those very few simple concepts, is this a decision made in good faith, does it balance the interest of all stakeholders?"

5.4. CHAPTER SUMMARY

Chapter 5 reports on the primary data collected from participants through in-depth interviews and a follow-up questionnaire to verify responses provided during interviews. Participants articulated the tensions experienced during a business rescue event and alluded to their decision-making process and approach followed. Findings from the primary data will be discussed in Chapter 6.

CHAPTER 6

Discussion of Findings

“A lighthouse doesn’t save the ships; it doesn’t go out and rescue them, it’s just this pillar that helps to guide people home.”

- L Michele

Chapter 5 provides a detailed collation of the key findings of the study with related artefacts. This chapter elaborates on the most significant findings and proposed conclusions of the study, supported by existing literature discussed in Chapters 2 and 3. The aim of this chapter is understanding the application of these findings, considering earlier research.

The discussion of findings is grouped according to the relevant research questions being answered, namely tensions (research questions 1 – 3b), and decision-making (research question 4), combined with attributes and skills of decision makers (research question 5).

Research questions revisited:

The research questions were informed by previous literature on tensions, decision-making, and the business rescue process.

1. *What tensions do decision makers experience during a business rescue event?*
2. *Can these tensions be classified as puzzles, dilemmas, trade-offs, and/or paradoxes?*
3. *How do decision makers make sense of these tensions?*
 - a. *Are there existing responses to these tensions?*
 - b. *Can we add to these responses?*
4. *What are the general steps in decision-making followed by decision makers during a business rescue event?*
5. *Can the skills that decision makers use to manage these tensions be transferred?*

Throughout this chapter, the findings illustrated the participants' use of the following descriptions for stakeholders. These are not terms dictated by the Act, but rather an informal grouping of stakeholders used by decision makers when managing tension during the business rescue event.

- ‘Sophisticated stakeholder’: Any party well versed in business rescue proceedings, as dictated by the Act. These individuals or groups have had extensive exposure to business rescue proceedings and understand the process and purpose of a business rescue event well. Usually (but not limited to) white-collar workers.
- ‘Unsophisticated stakeholder’: Any party unfamiliar with business rescue proceedings. These individuals have had little to no exposure to business rescue proceedings and do not understand the process and purpose of a business rescue event. Usually (but not limited to) blue-collar workers, who may be unionised.

6.1 RESEARCH PROPOSITIONS

The following propositions were developed from the research and supported by the findings.

Proposition 1: Decision makers experience an array of tension during a business rescue event.

Proposition 2: These tensions can be categorised as trade-offs, dilemmas, puzzles, or paradoxes.

Proposition 3: There are existing responses to these tensions available in the literature as well as in the industry.

Proposition 4: Decision makers can verbalise how they make sense of these tensions.

Proposition 5: Decision makers use a decision-making process to manage tension during a business rescue event.

Proposition 6: Only some of the skills that decision makers use to manage these skills can be transferred.

An additional four propositions were derived from the data collected and discussed in this chapter in relation to the final themes.

Proposition 7: Decision makers are acutely aware of tension during a business rescue event.

Proposition 8: Some stakeholders in the business rescue event are more difficult to manage than others.

Proposition 9: Tensions increase and decrease throughout the business rescue process.

Proposition 10: Decision makers rely on their intuition to make decisions.

The section to follow discusses the most significant findings of the study and draws conclusions accordingly. Although an interview protocol was employed, interviews (Round 1 data collection) took a narrative form, in line with the IPA approach to gain an 'insider's perspective' (Smith & Osborne, 2015:53; Dörfler & Stierand, 2020:7).

6.2 TENSIONS

6.2.1 Awareness of tension during a business rescue event:

Findings indicate an acute awareness of tension by decision makers in four ways: First, awareness of tension is confirmed by the due diligence and/or pre-assessment process of the participants of not only investigating the financial and managerial problems of the distressed organisation, but also the possible conflicts that may arise during the business rescue process. The pre-assessment process indicates the requirement of the decision makers of making 'sense' of the distressed organisation before proceeding with their decision-making process. The pre-assessment alludes to the sense-making framework recommended by Snowden (2000), where complicated decisions are approached with a 'sense – analyse – respond' style, and complex

decisions are approached with a 'probe – sense – respond' style (Vasilescu, 2011; Turino & Santoso, 2020).

Second, awareness of tension is confirmed by distinguishing between sophisticated and unsophisticated stakeholders and the adaptation of communication methods to the level of sophistication of said stakeholders. Findings outlined that, through regression, which involves returning to past understanding and action, (Jarzabkowski & Lê, 2017; Lewis & Smith, 2014; Lewis, 2000; Poole & Van den Ven, 1989) stakeholders may be grouped according to their level of sophistication and managed according to their specific needs, including an adapted communication approach. Sophisticated stakeholders may understand the business rescue process better (decreasing tension experienced) but may use their knowledge of the process in an attempt to gain a favourable outcome for themselves (increasing tension experienced), which may be managed through proactive collaboration.

Unsophisticated stakeholders may have little to no experience with the business rescue process (increasing tension experienced) requiring decision makers to spend time employing empathy and sensitivity to build a trust relationship between parties (decreasing tension experienced). These responses are all considered 'slitting', as described by various authors (Jarzabkowski & Lê et al., 2017; Lewis & Smith, 2014; Lewis, 2000; Poole & Van den Ven, 1989).

Participant C illustrated this by stating

“... and if you are sensitive to that, you can immediately pick up why that question was asked, where it is coming from. ... So speak to him on that level ... It might be unique to the situation but the way you package it is different. ... “It frustrates. So let them vent. Let them expand as much as they like in there. ... dealing with them you need to use something that is not written in the Act and that is called empathy.”

Third, awareness of tension is confirmed through the response of decision makers to decreasing tensions as soon as possible by removing stakeholders from the business rescue process. This response is described as ambivalence, which involves a quick but marginal compromise (Jarzabkowski & Lê, 2017; Lewis & Smith, 2014; Lewis, 2000; Poole & Van den Ven, 1989).

Participant C explained as follows:

“How do you reduce this [tension]? Well guys, for 20% of the creditor's book I can take 80% of the creditors in persons out of the room. Ok. So if I can get PCF from you ‘sophisticated’ guys to take a whole lot of these people out of the room to reduce the complexity, with your permission, I can do that? ”

Lastly, the acceptance of the decision makers of tension as part of the business rescue process illustrates their awareness of tension from the initiation of the business rescue process to the implementation of the business rescue plan. Lewis and Smith (2011:4) outline that acceptance “involves an understanding of contradiction, tension, and ambiguity as natural conditions of work”. Participant D exclaimed that “Tension is the name of the game...”.

The following propositions were developed as a result of investigating the awareness of tension throughout the business rescue process:

Proposition 7: Decision makers are acutely aware of tension during a business rescue event.

Proposition 8: Some stakeholders in the business rescue event are more difficult to manage than others.

Proposition 9: Tensions increase and decrease throughout the business rescue process.

Figure 12 illustrates the increase and decrease of tension throughout the business rescue process. Methods of decreasing tensions include completing a pre-assessment/due diligence, which may lead either to proactive collaboration with sophisticated stakeholders or to the removal of unsophisticated stakeholders via collaboration with sophisticated stakeholders. Finally, decisiveness anchored in informed intuition through the use of a team approach to decision-making, will be discussed later in this chapter.

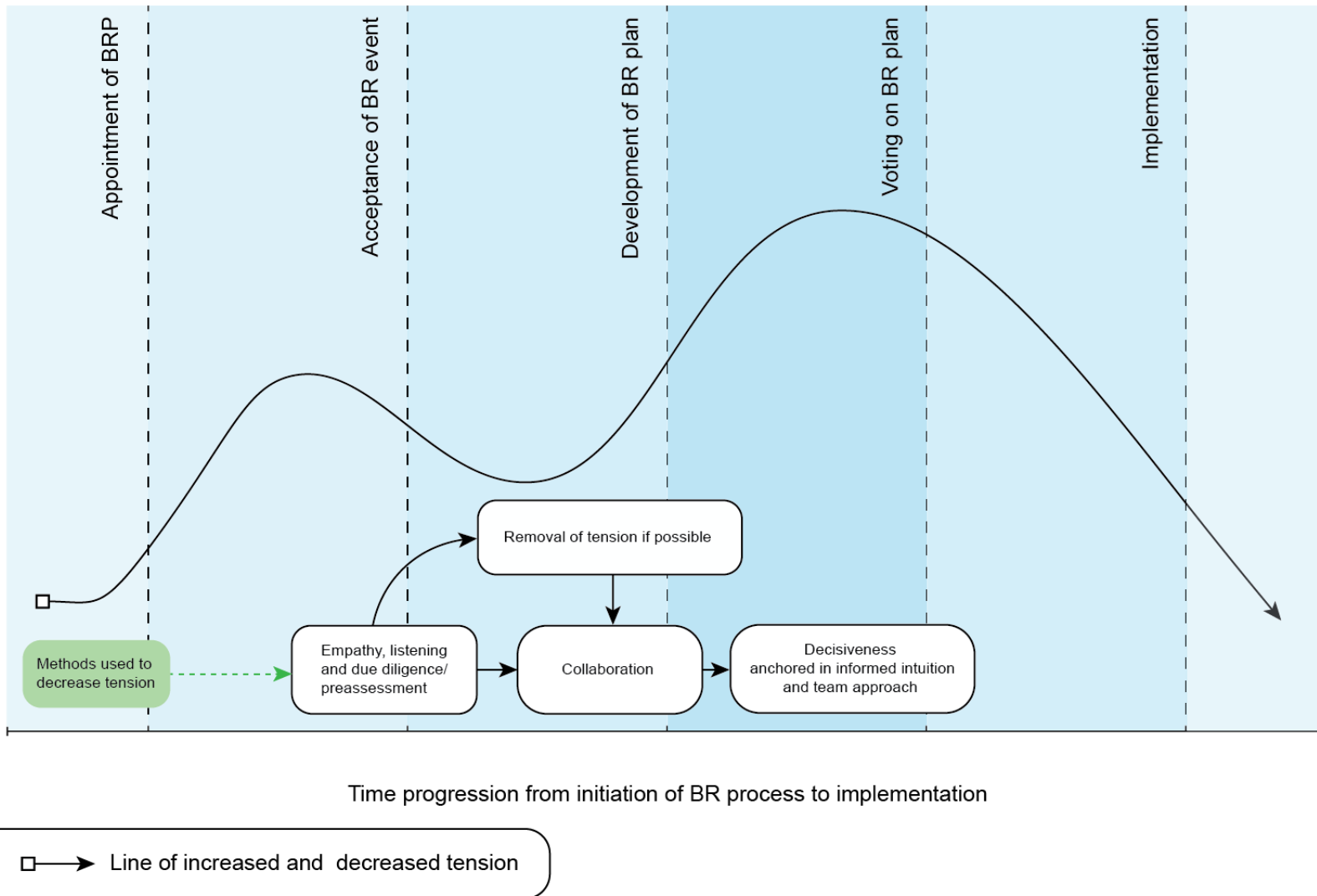


Figure 6.1: The increase and decrease of tension throughout a business rescue event.

Source: Own compilation.

6.2.3 Types of tension with responses.

Findings reported major tensions experienced repeatedly during business rescue events, which may be generalised as such. Tensions unique to a business rescue event were not considered. A total of 16 major tensions were identified consisting of one puzzle, two dilemmas, four trade-offs, and nine paradoxes. Although participants did not label the concluded tensions as puzzles, dilemmas, trade-offs, and paradoxes, the responses (to tensions experienced) they discussed indicated a categorisation of tensions experienced according to their complexity (Snowden, 2000).

Puzzles

Findings indicate one overarching puzzle to be solved by primary decision makers (BRPs) during a business rescue event, namely the business rescue plan. The business rescue plan is unique to each business rescue event and compiling the business rescue plan is comparable to building a puzzle with no box that shows the expected result. De Wit and Meyer (2010) outline that decision makers are to assess the business rescue event as an arduous problem with an optimal solution. The solution should incorporate various and appropriate legal, accounting, tax, and business-related strategies customised to the business rescue event and all the pieces must fit together in the correct format to work effectively and provide one optimal solution (Cray *et al.*, 1994; Panpatte & Talale, 2019).

Chimezie and Osigweh (1985:71) explain that puzzle-solving yields predictable results, and that the decision maker should create a clear base of comparison against which the accomplishment or failure of the puzzle-solving activity can be measured. In the case of a business rescue plan, the base of comparison would be the business rescue plan either outlining the rehabilitation of the distressed organisation to a solvent state or a BRiL approach, as dictated by the Act (section 128(1)(b)) to which the outcome of the business rescue proceedings may be compared. Findings indicate the response of participants to experiencing a puzzle as a tension, is to aim to find a balanced outcome for all stakeholders, as outlined in the Act (section 7(k)). This balanced outcome may be assisted by collaboration between different stakeholders in a business rescue event.

Dilemmas

The findings indicate two dilemmas continuously present during business rescue events, the first being the dilemma of adhering to BEE regulations. Aspects of the dilemma to consider:

- V. Adhering to BEE regulations may obtain new contracts for the distressed company, which are required to generate cash flow.
- VI. Adhering to BEE regulations may assist the distressed company in obtaining post-commencement finance.
- VII. In certain circumstances, BEE candidates may not possess the necessary specialised skills required to assist in the rescue of the distressed company.
- VIII. Acquiring a BEE status may require the distressed company to share profit with the new partner, which is limited owing to distress.

The second dilemma experienced during a business rescue event is that of choosing between commencing with business rescue proceedings to rehabilitate the distressed organisation or proceedings enabling a BRiL proceedings, as outlined in the Act (section 128(1)(b)). Findings suggest that this choice frames the mindset of all decision makers for the remainder of the business rescue event.

A dilemma holds as a compromise between two opposing alternatives, in other words, an either–or problem where one route is preferred over another, yet neither is superior (CFI, 2022; De Wit & Meyer, 2010:16; Karhu & Ritala, 2018; Lövstal & Jontoft, 2017). Findings suggest that decision makers must choose one alternative deliberately and disregard the other (Karhu & Ritala, 2018:25). Lewis (2000) labelled this response as suppression (Gaim & Wåhlin, 2016). Findings further indicate that decision makers must make a choice based on the information available at the time when the choice is necessary. This choice is, however, guided by the Act (section 7(k)), which requires a balanced outcome for all stakeholders.

Trade-offs

The findings propose four main trade-offs that decision makers are faced with during a business rescue event. Lövstal and Jontoft (2017) outline that decision makers must accept the struggle between conflicting pressures of a trade-off tension and must attempt continuously to find the balance between them.

Trade-off 1: Decision makers representing lenders may consider providing post-commencement finance to a distressed organisation in order to collect outstanding debt in the future versus opting not to assist with post-commencement finance and receiving a smaller pay-out on debt owed by the distressed organisation. In the case of post-commencement finance, banks are generally best positioned to provide the additional funding required to continue with the business rescue process but may also be the biggest creditor to the business rescue event.

Participants discussed how collaboration with the relevant stakeholders enables them to strike a balance between conflicting alternatives (De Wit & Meyer, 2010:16). This response is again aligned with the Act (section 7(k)), which requires a balanced outcome for all stakeholders. This trade-off is also paradoxical (refer to paradox 3: the paradox of lender management.)

Trade-off 2: Findings suggest a continuous race between stakeholders and decision makers to advance their self-interest during a business rescue event. Such intentions result in tension, especially by the primary decision maker (BRP). Decision makers (not limited to the primary decision maker) must find the balance (De Wit & Meyer, 2010; Lövstal & Jontoft, 2017; Morris, 2022) between which 'fights' to pursue and which to let go of and to ensure personal sustainability throughout the business rescue event while striving towards a balanced outcome for all stakeholders (section 7(k) of the Act).

Trade-off 3: As discussed under the awareness of tension, findings outlined that through regression, which involves returning to past understanding and action, (Jarzabkowski & Lê, 2017; Lewis & Smith, 2014; Lewis, 2000; Poole *et al.*, 1989) stakeholders may be grouped according to their level of sophistication and managed

accordingly. Decision makers are faced with a trade-off tension when a significant number of the stakeholders are considered unsophisticated, increasing the tension experienced by decision makers. Through collaboration, in line with section 7(k) of the Act, decision makers may decide to pay these parties the estimated pay-out they would receive in liquidation and to remove them from the business rescue event to decrease the tension experienced. This process removes cash flow from the already distressed organisation but enables the more sophisticated parties to find a workable solution for all parties through collaboration. This response ties in with the even-swaps method recommended by Hammond *et al.* (1998).

Trade-off 4: The fourth and final trade-off that decision makers face during a business rescue event is whether or not to collaborate with regulators, government bodies, and unions. Findings suggest that the unsophistication and ineptness of these entities increase the tension experienced significantly and proactive collaboration from the primary decision maker has proven to be somewhat successful in decreasing the tension experienced. Decision makers (not limited to the primary decision maker) must find the balance (De Wit & Meyer, 2010; Lövstal *et al.*, 2017; Morris, 2022) between the alternatives and work toward a balanced outcome for all stakeholders (section 7(k) of the Act).

Paradox

Paradox 1: The paradox of time includes three aspects of time that decision makers must reconcile, which include adhering to the various time constraints dictated by the Act, managing the time required to make effective decisions, and acting with the correct timing when implementing decisions.

First, the Act outlines various time constraints imposed upon the primary decision maker (BRP) from the initiation of the business rescue proceeding to the voting on the business rescue plan (refer to Figure 6.1). In principle, these time constraints are difficult to adhere to and even more so as the size of the event increases. Findings indicate that participants routinely apply for extensions on the timelines dictated by the Act (section 150(5)). Decision makers must reconcile the time required to conduct a

pre-assessment/due diligence within timelines dictated by the Act before the first creditors' meeting (section 147 of the Act). Participant C explained, "It's like drinking water from a fire hydrant", when referring to the mere influx of information to be examined with the appointment of the BRP. Decision makers manage this time pressure by approaching their pre-assessment/due diligence in a team to lessen the workload in an attempt to adhere to the Act.

The second aspect of the paradox of time refers to the time required to make effective decisions. Even if decision makers are capable of completing their pre-assessment/due diligence within the time constraints of the Act, the time required to make effective business decisions may not align. Taking advantage of an opportunity or of the intrinsic need to intervene in a distressed company's business operations to start 'saving' the business may require action quicker or slower than that of the timelines dictated by the Act. Some participants compared a distressed organisation with a severely injured patient entering an ICU where the hospital staff must 'stop the bleeding' before proceeding with any other procedures.

Lastly, the aspect of timing should be managed during a business rescue event. Findings suggest that timing plays an integral part in the acceptance of the business rescue plan by stakeholders and that environmental variables influence what is considered good or bad timing by the decision makers during the business rescue event. Referring back to the previous paragraph, decision makers must balance the time required to make decisions with what is considered to be the correct timing to implement the decision. One such decision (not limited to) is the publishing of the business rescue plan (earlier discussed as a puzzle). Decision makers are forced to reconcile these different aspects of time continuously throughout the business rescue event.

Findings indicate that decision makers employ several strategies to enable the reconciliation between performing paradoxes (Jarzabkowski & Lê, 2017; Lewis, 2000; Lüscher *et al.*, 2006; Smith & Lewis, 2011) including slitting and regression (Jarzabkowski & Lê, 2017; Lewis & Smith, 2014; Lewis, 2000; Poole & Van den Ven, 1989) by using a team approach to manage the pre-assessment/due diligence tasks and collaboration with stakeholders to find a balanced outcome for all (section 7(k) of the Act).

Paradox 2: The paradox of saving costs in smaller business rescue events is opposed by the necessity of the primary decision maker (BRP) to spend multiple hours conducting their due diligence/ investigations and making effective decisions. The Act dictates the hourly rate for BRPs appointed to a business rescue event (section 143(6)) and these billable hours may accumulate to a substantial amount of money, which an already distressed company cannot afford. This is especially true for smaller rescue events, where BRPs attempt to keep their billable hours to a minimum to assist the struggling business.

Findings suggest that decision makers employ several strategies to enable the reconciliation between these performing paradoxes (Jarzabkowski & Lê, 2017; Lewis, 2000; Lüscher & Lewis, 2006; Smith & Lewis, 2011) including slitting and regression (Jarzabkowski & Lê, 2017; Lewis & Smith, 2014; Lewis, 2000; Poole & Van den Ven, 1989) by using a smaller team to manage the pre-assessment/due diligence tasks and collaboration with stakeholders to find a balanced outcome for all (section 7(k) of the Act).

Paradox 3: Findings outline the paradox of lender management because lenders who are best situated to provide PCF to a distressed company are also regularly the biggest creditor in the business rescue event. These lenders are faced with the juxtaposition of having to provide PCF to collect the debt owed to them without an absolute guarantee that they will be able to collect the initial debt or the PCF in full. Earlier, this situation was discussed as a trade-off, which participants respond to by finding a balance through collaboration with the relevant stakeholders (De Wit & Meyer, 2010:16). Approaching this situation as a paradox, necessitates a reconciliation between the opposing demands (Handy, 1994) in conjunction with a balanced outcome, as dictated by the Act (section 7(k)).

Paradox 4: Findings suggested that there is no singular purpose in driving a business rescue event and that decision makers vary in their perspective on the purpose of an event; referred to as opposing (Jarzabkowski & Lê, 2017; Lewis & Smith, 2014; Lewis,

2000; Poole & Van den Ven,1989). Participants discussed how the purpose of business rescue should be to restore the distressed organisation to a solvent basis (Rajaram & Singh, 2018a; Rosslyn-Smith *et al.*, 2019); alternatively, to commence with BRIL proceedings (section 128(1)(b)(iii) of the Act; Levenstein, 2008) while their personal purpose during a business rescue event is to 'save jobs', which may require sacrifice at the expense of debtors, who may receive a smaller settlement to save jobs. Findings further indicated that individuals or groups responsible for the organisation's distress might have to be retrenched to restore the distressed organisation/or the remaining jobs. Thus, some jobs must be sacrificed to save others.

Lastly, family businesses present another paradox of purpose since, in some circumstances, the mismanagement and ineptness of family members led to the initial distress of the organisation. BRPs may decide to remove family members from the organisation and replace them with capable individuals (non-family members). The removal of family members from the family business contrasts the purpose of a family business, referring to a paradox of belonging (Jarzabkowski & Lê, 2017; Lewis, 2000) and, as stated earlier, to 'save jobs'. Again, some jobs must be sacrificed to save others by applying confrontation (Jarzabkowski & Lê, 2017; Lewis & Smith, 2014; Lewis, 2000; Poole & Van den Ven,1989) as a response to tension as a paradox. Findings also indicate the necessity for reconciliation between the opposing demands (Handy, 1994) in conjunction with a balanced outcome, as dictated by the Act (section 7(k)).

Paradox 5: The paradox of mismanagement (ineptness rather than fraud) in smaller businesses presents a unique paradox to decision makers. Findings suggest that primary decision makers (BRPs) may be faced with returning a rescued company to the same management team, whose mismanagement led to the initial distress of the company. Participant A explained, "... we can't stay in the business and keep running it for the people", referring to repression as a response (Jarzabkowski & Lê, 2017; Lewis, 2000; Lüscher *et al.*, 2006; Smith & Lewis, 2011). The Act outlines that the business rescue event must conclude, and control of the organisation must be released back to the owner management (section 132(2)) which, in some cases, may lead to the inevitable falling into distress again. Findings also indicate the necessity

for reconciliation between the opposing demands (Handy, 1994) in conjunction with a balanced outcome, as dictated by the Act (section 7(k)).

Paradox 6: The paradox of the business plan, earlier discussed as a puzzle, presents a variety of demands to be met. Findings indicate that the business rescue plan should, first and foremost, be flexible enough to make provision for the uncertain nature of the business rescue event and to accommodate changes without major amendments to the plan, yet specific enough to win buy-in and trust from affected parties, regardless of their level of sophistication and technical understanding of the business rescue process. Second, the business rescue plan must adhere to all the legal specifications dictated by the Act (section 150(2)), yet be simple enough for individuals inexperienced in business rescue and the Act to comprehend and make an informed decision about whether to support the proposed business plan or not.

Third, the business rescue plan should be developed within the timelines specified by the Act (section 150(5)), which may not align with the time required to conclude appropriate investigations (section 141(1) of the Act) or the timing most advantageous to gaining support for the plan. Refer to paradox 1: the paradox of time. Findings suggest that decision makers respond with acceptance and adjusting (Jarzabkowski & Lê, 2017; Lewis, 2000; Lüscher & Lewis, 2006; Smith & Lewis, 2011), and, once again, findings indicate the necessity for reconciliation between the opposing demands (Handy, 1994) in conjunction with a balanced outcome, as dictated by the Act (section 7(k)).

Paradox 7: Findings support a paradox of information throughout the business rescue event, but most severe during the initiation phase of the event. Findings indicate that tension emanates from a combination of information overload, lack of relevant information, data asymmetry, and misinformation received during investigations (section 141(1) of the Act). Decision makers are required to sift through all the information to determine the usability thereof in their pursuit of making sense of the event and finding possible solutions to the distress that the company is experiencing. This process is completed under stringent time constraints. Refer to paradox 1: the

paradox of time. Decision makers employ acceptance and transcendence (Jarzabkowski & Lê, 2017; Lewis, 2000; Lüscher *et al.*, 2006; Smith & Lewis, 2011) as responses and are forced to rely on their intuition as well as to adopt a team approach to manage the tension through reconciliation between the opposing demands (Handy, 1994) in conjunction with a balanced outcome, as dictated by the Act (section 7(k)).

Paradox 8: Findings suggest that decision makers are compelled to make use of different communication methods in line with the level of sophistication of stakeholders. This may include simplifying language, employing empathy, and allowing parties to vent their frustration. This process contradicts the fact that affected parties are usually addressed together regardless of their level of sophistication during creditors' and employee committee meetings. The method of communication is crucial in establishing a trust relationship between the parties and gaining buy-in for the business plan to be voted on. Findings suggest adjusting and transcendence as an appropriate response (Jarzabkowski & Lê, 2017; Lewis, 2000; Lüscher *et al.*, 2006; Smith & Lewis, 2011), while pursuing reconciliation between the opposing demands (Handy, 1994) and a balanced outcome, as dictated by the Act (section 7(k)).

Paradox 9: The paradox of independence presents decision makers with tension often linked to their reputations. Findings detail how decision makers adopt a team approach to decision-making during a business rescue event, although section 139(2)(e) of the Act calls for independence of the BRP appointed to a business rescue event. BRPs are appointed individually to a business rescue event but work in teams to cope with the immense amount of work during investigations (section 141(1)) of the Act. Additionally, findings suggest that each business rescue event is unique and should be treated independently. However, the actions of decision makers (primary and secondary) during current business rescue events may influence the actions/attitudes of future business rescue events. Primary and secondary decision makers have both built reputations for being 'difficult', 'unwilling to play ball' or 'dishonest' in their actions, which bleed into future business rescue events and the inability to build a trusting relationship. This independence 'issue', or lack thereof, has led to decision makers

being unwilling to work with certain parties based on past experiences. The response of regression and projection is being employed in such situations and only through confrontations (Jarzabkowski & Lê, 2017; Lewis, 2000; Lüscher *et al.*, 2006; Smith & Lewis, 2011) and collaboration may reconciliation of opposing demands be actioned.

The following propositions were supported by the findings on tensions:

Proposition 1: Decision makers experience an array of tensions during a business rescue event.

Proposition 2: These tensions can be categorised as trade-offs, dilemmas, puzzles, or paradoxes.

Proposition 3: There are existing responses to these tensions available in the literature as well as in the industry.

Proposition 4: Decision makers can verbalise how they make sense of these tensions.

Table 6.1 illustrates how decision makers may categorise the tensions experienced during a business rescue event, utilising an adapted Cynefin framework for sense-making, employing their responses.

Table 6.1: Application of adapted Cynefin model to the types of tensions experienced by decision makers during a business rescue event

Source: Own compilation.

Type of Tension experienced by decision makers during a business rescue event with theoretical solutions.	Dilemmas	Trade-offs	Puzzles	Paradox
Domains of the Cynefin model of sense-making and decision-making.	<ul style="list-style-type: none"> • Either-or problem. • Solution? Make a choice OR spatial or temporal separation. 	<ul style="list-style-type: none"> • One optimal solution line. • Solution? Strike a balance. • Even-swaps method. 	<ul style="list-style-type: none"> • One optimal solution for a static problem. • Solution? Find the best. • Solution is not yet known, but there is one. 	<ul style="list-style-type: none"> • Contradictory factors appear to be true at the same time. • Multiple innovative reconciliations. • Solution? Best of both worlds.
<p>Clear</p> <ul style="list-style-type: none"> • Cause-and-effect relationship is obvious • SENSE-CATEGORISE-RESPOND • <i>Apply best practices.</i> 		<p>Trade-off 1: Lenders providing PCF.</p> <p>Trade-off 3: Removal of unsophisticated stakeholders.</p>	<p><i>The puzzle to be solved is unique to specific BR events and managed by an expert through a team approach. Not specified in this study.</i></p>	
<p>Complicated</p> <ul style="list-style-type: none"> • Cause-and-effect relationship analysis • SENSE-ANALYSE-RESPOND • <i>Apply good practice</i> 	<p>Dilemma 1: BEE</p> <p>Dilemma 2: BR vs BRIL</p>	<p>Trade-off 2: Which 'fights' to pursue?</p> <p>Trade-off 4: Collaboration with regulators, government bodies, and unions.</p>	<p>Puzzle 1: The business rescue plan.</p>	
<p>Complex</p> <ul style="list-style-type: none"> • Cause-and-effect relationship perceived in retrospect • PROBE-SENSE-RESPOND • <i>Sense emergent practice</i> 	<p><i>Dilemma where a decision should be made under severe data asymmetry and is thus unique to specific BR events. Not included in this study.</i></p>			<p>Paradox 1: Time</p> <p>Paradox 2: Saving costs in smaller BR events.</p> <p>Paradox 3: Lender management.</p> <p>Paradox 4: Purpose during BR event.</p> <p>Paradox 5: Mismanagement</p> <p>Paradox 6: BR plan</p> <p>Paradox 7: Information</p> <p>Paradox 9: Communication</p>
<p>Chaos</p> <ul style="list-style-type: none"> • No relationship between cause and effect at system level • ACT-SENSE-RESPOND • <i>Discover novel practices</i> 				<p><i>Paradox unique to specific BR events. Not included in this study.</i></p>

6.3 DECISION-MAKING AND DECISION-MAKER ATTRIBUTES AND SKILLS

Although participants explained that “there is no cookie-cutter approach” (Participant C), to decision-making during a business rescue event, the findings outlined in Section 5.2 enabled the researcher to piece together a decision-making process, loosely used by decision makers during a business rescue event. Some steps of the proposed process may be irrelevant in certain circumstances and emphasised in others. The proposed decision-making process is aided by an array of supporting factors that encompass skills, attributes (outlined in findings Section 5.3), and approaches to decision-making (outlined in findings Section 5.2).

6.3.1 Steps followed by decision makers when approaching complex decisions (Snowden, 2000) during a business rescue event

Step 1: Complete due diligence/investigations.

Findings support that all decisions are initiated with the completion of due diligence and/or investigations (section 141(1) of the Act) into the decision at hand. This step is crucial to unpacking various aspects of the decision, described as the decision problem (Bronner, 1993; 2008) which include the importance, complexity (Shepherd & Rudd, 2014), and urgency of the problem at hand (Bronner, 1993; 2008; Drucker, 1967; Kerstholt, 1994; Panpatte & Takale, 2019; Snowden, 2000). Decision makers approach this step as a team consisting of several experts from different fields (Bronner, 1993). Teams may opt to consult with experts outside of their team who specialise in legal/accounting/tax-related problems during a business rescue event.

Collaboration and the use of customised communication approaches (to the level of sophistication of the stakeholder) and empathy are key to decision makers obtaining the appropriate information from stakeholders to define the decision problem. Findings indicate that some teams may opt to divide the due diligence between team members and reconvene to proceed with Step 2, in order to use their time efficiently.

Step 2: Sound boarding and brainstorming with team members.

Findings suggest that the teams approaching the decision at hand proceed to soundboard and brainstorm the findings of their due diligence/investigations and possible solutions to the decision problem (Bronner, 1993; 2008). Drucker (1967) identified this as setting boundary conditions to the decision problem. Collaboration between the decision-making team, experts, and major stakeholders is crucial to finding workable solutions for the distressed company.

Steps 1 and 2 of the process are aided by the adapted Cynefin sense-making framework depicted in Table 11. The adapted Cynefin sense-making framework assists in plotting the type of tension in relation to its complexity, assisting decision makers in identifying appropriate responses to tensions experienced.

Step 3: Identify the best course of action.

Findings indicate that the team of decision makers then chooses the best course of action in response to the decision problem (Bronner, 1993; 2008) using two essential factors. First, the intuition of the decision makers, informed by their experience, background, and the due diligence/investigation completed, and second, by the guiding principle of ‘what is the right thing to do?’ (section 7(k) of the Act; Drucker, 1993; Sharma *et al.*, 2014; Vroom & Yetton, 1973). The decision makers informed intuition acts as an internal compass, pointing the way forward. These two factors are not transferable but are developed through continuous experience working in the business rescue industry and related fields.

Step 4: Confirm with legal/accounting/tax experts that the course of action is viable.

Findings indicate that, after decision makers have landed on an appropriate response to the decision problem (Bronner, 1993; 2008), the chosen course of action is confirmed to be viable by experts in law/accounting/tax (Crovini *et al.*, 2021; Panpatte & Takale, 2019). This step is especially applicable to large business rescue events. In some instances, the decision-making team includes such experts who may confirm the viability of the chosen course of action.

Step 5: Confirm that the course of action is aligned with the business rescue plan.

Section 152(1)(d)(ii) of the Act only allows for amendments to the business rescue plan before adoption by creditors. The Act includes no provisions to amend the business rescue plan after adoption by creditors. Findings thus suggest that any decision made after the business rescue plan has been published should be confirmed to be aligned with the approved business rescue plan (Crovini *et al.*, 2021; Panpatte & Takale, 2019). Decision makers may opt to confirm this alignment with a legal expert internal or external to their team.

Step 6: Win 'buy-in' from affected parties.

Findings indicate that, to decrease tension and subsequently win 'buy-in' for the chosen course of action from affected parties, decision makers must employ a set of approaches customised to the level of sophistication of the relevant stakeholder. By adapting their language use and description of the decision problem (simplification without condescension), decision makers can build a trust relationship with the stakeholders. Listening and responding with empathy to stakeholder concerns may also decrease tensions and win 'buy-in' for a decision because stakeholders feel heard and included in the process. Findings support these decision-maker attributes as highly beneficial to decision makers (Bronner 2008; Musso & Francioni, 2012).

Step 7: Implement the chosen course of action.

Findings indicate that the final step in the proposed decision-making process consists of the implementation of the chosen course of action. Considered to be a complex process by Sharma *et al.* (2014), putting a decision into action requires decision makers to implement action meaningfully by truly solving the problem decision defined in Steps 1 and 2 of this proposed process. In the interest of translating a decision into action effectively, decision makers should consider the following questions: Who has to know of this decision? What action has to be taken? Who is to take it? And What does the action have to be so that the people who have to do it *can* do it? (Crovini *et*

al., 2021; Drucker, 1967; Panpatte & Takale 2019). Findings further indicate that decisiveness is an essential attribute of effective decision-making.

As a result of the immense time pressure experienced during a business rescue event, decision makers are forced to make decisions based on imperfect data, but the process requires continuous movement to adhere to the timelines dictated by the Act and the time pressure ‘to save the business’.

Participant C explained:

“Because it’s a simple equation. Out of every ten decisions you make, seven may be wrong. But the three right ones have such an amazing impact that the seven wrong ones are completely overshadowed by the three good ones. ... it’s better to make a decision than to not make a decision and wait [until] the whole thing imploded. So make the decision and if it’s wrong, deal with it and correct it.”

Participant B stated, “You have to accept that you’re going to get some wrong, but it’s better to get 80% right and 20% wrong than it is to defer 50% of your decisions.” The response of acceptance and transcendence is employed to be decisive (Jarzabkowski & Lê, 2017; Lewis, 2000; Lüscher *et al.*, 2006; Smith & Lewis, 2011).

Finally, it is important to note that findings indicate that the proposed decision-making process may take years to complete or may conclude within hours, depending on the complexity and urgency of the decision problem (Bronner, 1993; 2008). The type of decision problem, discussed in Section 6.2, may require some of the steps in the proposed process to be discarded and/or repeated before implementation of the chosen course of action may commence.

Findings suggest that decision makers require a vast set of skills and knowledge to conduct their daily tasks (during a business rescue event) successfully (Bronner, 1993). Detailed knowledge of the Act, basic accounting and finance skills, problem-solving skills, business acumen, interpersonal skills, and negotiation skills are the most important skills that make up the set required.

The following propositions were supported by the findings on decision-making:

Proposition 5: Decision makers use a decision-making process to manage tension during a business rescue event.

Proposition 6: Only some of the skills that decision makers use to manage these skills can be transferred.

The following proposition was developed as a result of investigating decision-making skills and attributes:

Proposition 10: Decision makers rely on their intuition to make decisions.

Figure 6.2 depicts the proposed decision-making process followed by decision makers during a business rescue event. The process is aided by important supporting factors in the decision-making process.

The proposed decision-making proses followed by decision makers when approaching complex decisions during a business rescue event:

The supporting factors that aid in the decision-making process:

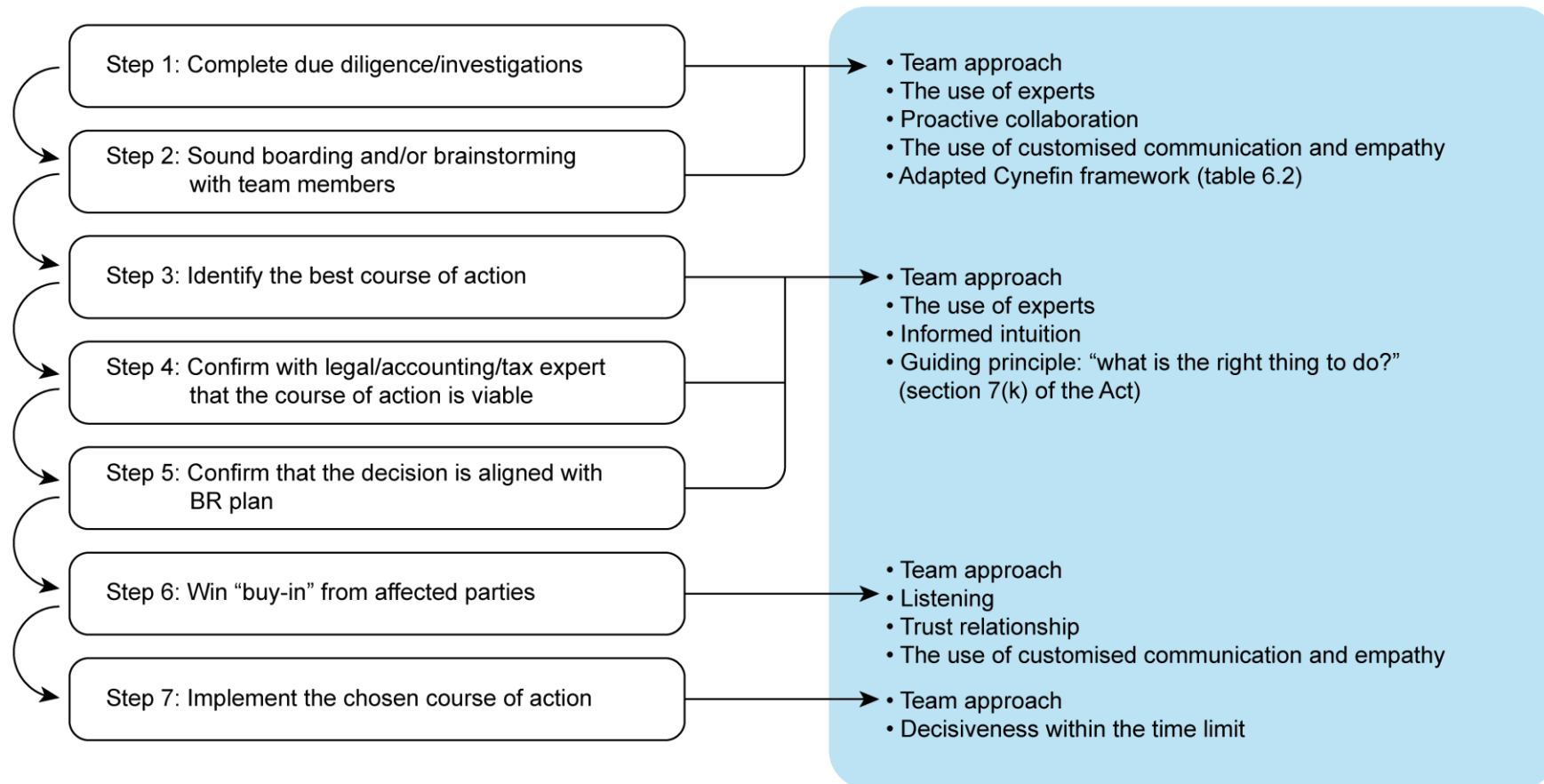


Figure 6.2: Proposed decision-making process followed by decision makers when approaching complex decisions during a business rescue event

Source: Own compilation

6.5 CHAPTER SUMMARY

Findings concluded that decision makers experience an array of tension during a business rescue event, of which one puzzle, two dilemmas, four trade-offs, and nine paradoxes are repeatedly experienced during business rescue events. Using the adapted Cynefin framework for sense-making depicted in Table 11, decision makers may categorise the tensions according to their complexity, providing some guidance for an appropriate response.

From the findings, a proposed decision-making process was collated and linked to crucial supporting factors to the effectiveness of the decision-making of decision makers. The factors include the use of a team approach to decision-making, making use of experts, employing listening skills and empathy, adapting communication approaches to relevant level of sophistication of stakeholders, and lastly, informed intuition, which acts as the internal compass of decision makers integral to guiding a ship from troubled seas to safe shores.

All six propositions are supported by the findings and an additional four propositions were derived and developed from the data collected.

CHAPTER 7

Conclusion, Limitations and Future Research

“When there is no enemy within, the enemies outside cannot hurt you.”

– W S Churchill

7.1 CONCLUSION

The purpose of this chapter is to provide a compact outline of the contents of the document, concluding with the key outcomes derived from the study, its contributions, limitations, and recommendations. A succinct summary is provided of the key extracts from the researcher's self-reflections that were recorded throughout the research process. The findings discussed in Chapter 6 contribute significantly to the body of knowledge on the business rescue industry and create a window into the experiences of decision makers during a business rescue event, the tensions they experience, and the management thereof.

The study investigated the tensions experienced by decision makers during a business rescue event, their management of said tensions, and their decision-making process as a result of the experienced tensions. The study intended to identify and categorise the most significant tensions experienced by decision makers with the appropriate responses they employed. Furthermore, the study aimed to determine the decision-making process followed by decision makers when managing these tensions and lastly, to identify the skills used to manage said tensions.

Chapter 1 provided an introduction and overview of the study, which set the tone of the study and presented the lens through which the topic was investigated.

Chapter 2 introduced the concept of tension with its four relevant groupings of puzzles, dilemmas, trade-offs, and paradoxes. Each type of tension was discussed in terms of appropriate approaches to managing the tension and relevant responses to the tension. The chapter continued to integrate the types of tensions with the Cynefin framework for sense-making (Snowden, 2000) to formulate a guiding tool that decision makers may use to make sense of a complex decision (in the form of a type of tension). The chapter concludes with Bronner's (1993; 2008) determinants of decision-making behaviour, and Drucker's (1967) decision-making model to shed light on the theoretical decision-making protocols recommended for complex decision-making.

Chapter 3 outlined the business rescue process, as dictated by the Companies Act 71 of 2008, which serves as a backdrop against which the study should be viewed.

This chapter provided the necessary context in which the decision makers' experiences should be considered.

Chapter 4 discussed the methodology applied in the study and demonstrated how data were collected, analysed, and applied to inform the study. Important demographical information was provided on the participants of the study as well as the strategies utilised to ensure the quality and rigour of the study.

Chapter 5 presented the findings from data collected through Round 1 data collection, using in-depth interviews employing the IPA method (Eatough & Smith, 2017), confirmed by Round 2 data collection using a follow-up questionnaire.

Chapter 6 discussed the findings from Chapter 5 in relation to the relevant research questions. Most significant tensions were identified, categorised, and valid responses determined according to the literature as well as the practice of decision makers (Table 6.1). After an intense analysis of participants' experiences during a business rescue event, a decision-making process was proposed for complex decision-making during a business rescue event with related supporting factors to the process (Figure 6.2).

Chapter 7 outlines the key findings, contributions, limitations, and recommendations made by the study, concluding with the answering of the research question that guided the study.

7.2 KEY FINDINGS OF THE STUDY

Findings indicate a clear distinction made between stakeholders based on their level of sophistication as decision makers. This distinction is significant as it outlines the first response to managing tension by decision makers based on the type of individual they encounter during the business rescue event. Although this distinction is not defined by all participants per se, their description of encounters and strategies when working with stakeholders led to the descriptions below.

- 'Sophisticated stakeholder': Any party well versed in business rescue proceedings, as dictated by the Act. These individuals or groups have had extensive exposure to business rescue proceedings and understand the process and purpose of a business rescue event well. Usually (but not limited to) white-collar workers.

Communication with these stakeholders may remain formal and they require less empathy and 'venting opportunity'. A trust relationship is built on collaboration and transparency.

- 'Unsophisticated stakeholder': Any party unfamiliar with business rescue proceedings. These individuals have had little to no exposure to business rescue proceedings and do not understand the process and purpose of a business rescue event. Usually (but not limited to) blue-collar workers, who may be unionised.

Communication with these stakeholders should be customised to their level of exposure to business rescue proceedings, which may include discarding legal jargon and opting to use more informal means of communication such as flow charts outlining the process to come (simplification without condescension). A trust relationship is built when these stakeholders feel 'heard' and have had the opportunity to vent their frustration and anxiety.

Findings support an acute awareness of tension by decision makers based, first, on the emphasis placed on a pre-assessment and/or due diligence/investigations during the initiation phase of the business rescue event, to determine the root cause of distress and related tensions to the event at hand. Second, the distinction between stakeholders is based on their level of sophistication, as discussed above. Third, the response of decision makers to remove stakeholders from the business rescue event in order to decrease tension experienced, and lastly, the conscious acceptance of tension by decision makers, describing it as 'the name of the game...'

Findings suggest a meaningful increase and decrease of tension throughout the business rescue event based on their identification of tension and their responses to the tension. For example, participants indicated an increase in tension as a result of stakeholders' lower level of sophistication followed by a decrease in tension when stakeholders are either removed from the business rescue event or managed appropriately and building a trust relationship. (Refer to Figure 6.1).

Findings outline an array of tensions experienced by decision makers during a business rescue event. These tensions are considered to be generic and experienced repeatedly throughout different business rescue events. A total of one puzzle, two dilemmas, four trade-offs, and nine paradoxes with related responses were identified and categorised, according to an adapted Cynefin framework for sense-making (Snowden, 2000) combining the experiences of participants and the relevant literature. (Refer to Table 6.1).

The findings enabled the researcher to collate a proposed decision-making process followed by decision makers during a business rescue event. The process consists of seven steps proposed with supporting factors required concurrent to the process. It is important to note that findings indicate that the proposed decision-making process may take years to complete or may conclude within hours, depending on the complexity and urgency of the decision problem. The type of decision problem, discussed in Section 6.2, may require some of the steps in the proposed process to be discarded and/or repeated before implementation of the chosen course of action may commence. Figure 7.1 illustrates the proposed decision-making process.

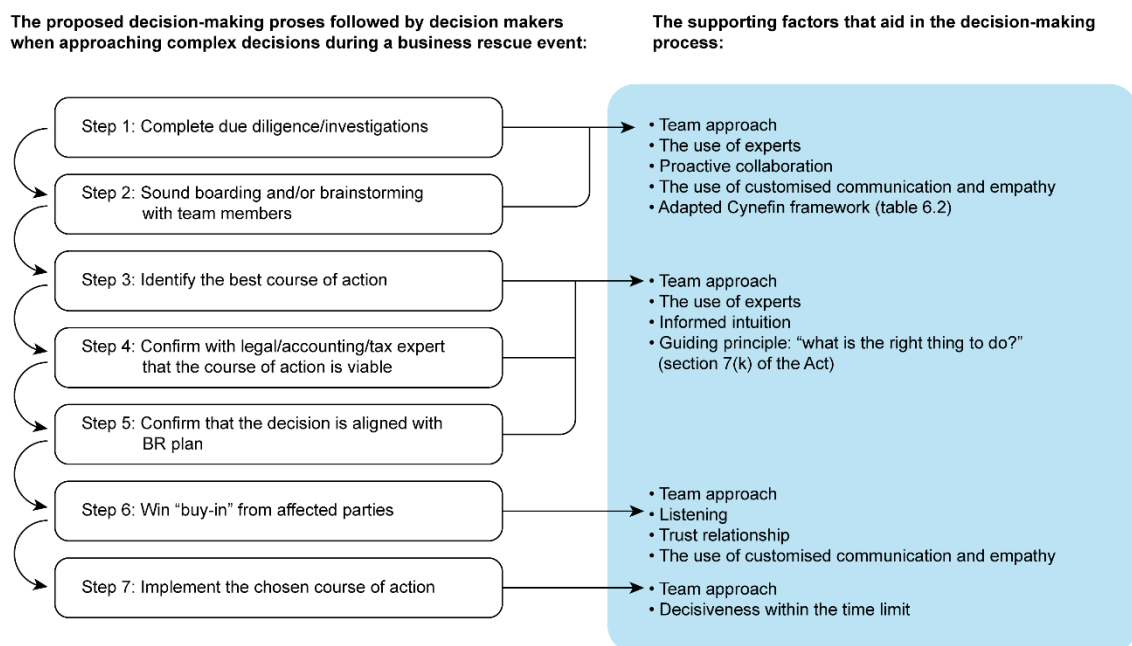


Figure 7.1: Proposed decision-making process followed by decision makers when approaching complex decisions during a business rescue event

Source: Own compilation.

Findings suggest that decision makers require a vast set of skills and knowledge to conduct their daily tasks (during a business rescue event) successfully. The informed intuition of the decision maker acts as an internal compass enabling decisiveness, especially when decision makers are forced to make decisions based on imperfect information. While the knowledge of decision makers of the Act, basic accounting and finance skills, and negotiation skills may be learnt and improved, interpersonal skills and attributes such as business acumen, decisiveness, and informed intuition cannot be taught but are gained through prolonged experience in the business rescue industry; informed intuition and decisiveness being essential to the decision maker's effectiveness.

Finally, findings conclude that each business rescue event is unique and that it requires an adapted approach to manage tension within said event. Decision makers used anecdotal evidence to verbalise their approaches and strategies to managing tension, which can be dissected and used to collate shared practice among decision makers.

7.3 CONTRIBUTION OF THE STUDY

Several novel contributions are made to the theory of tensions experienced by decision makers during a business rescue event. Layers are added to the theory of tension relevant to the business rescue process and the practical responses used by decision makers to manage said tensions. The application of the Cynefin model to make sense of the complexity of decisions posed by tensions provided a framework that may be useful to decision makers in practice. The analysis of tensions and their appropriate responses provides an insider's perspective on the experiences of decision makers and may enable the training and development of less-experienced decision makers and a better understanding of the phenomenon by experienced decision makers.

The proposed decision-making process collated from data collected may guide less-experienced decision makers when tensions experienced cloud the way forward, and may aid in the training of all decision makers. Training material may be developed for

novice decision makers to assist in case study training approaches and findings may be applied to the sense-making and solving of wicked problems

The utilisation of the IPA method of data collection and analysis demonstrated itself as a worthy contender when investigating experience and gaining an insider's perspective on a phenomenon that is difficult to document.

7.4 LIMITATIONS OF THE STUDY

The chief limitation of the study is the transferability of experience. Experience can only be fully understood when it is gained first-hand. Although the study pursued an insider's perspective in as much detail as possible, the transferability of decision makers' experience is limited to a certain degree.

The second limitation of the study is that of scope. As each business rescue event is unique and presents novel tensions to be managed, tensions experienced during a business rescue event may accumulate to an extent exceeding the capacity of this study. Thus, only tensions experienced repeatedly and somewhat generic in nature were considered for this study.

Lastly, only two of the 12 participants of the study were female, limiting the scope of tension that may arise owing to presumed gender differences between decision makers.

It is important to note the lack of literature on intuition and its role in complex decision-making.

7.5 RECOMMENDATIONS FOR FUTURE RESEARCH

Future research could endeavour to analyse tensions unique to specific business rescue events through case study research. Such case study analysis may enable a deep dive into the truly novel paradoxes that decision makers are faced with, characterised by chaos (Snowden, 2000), which fell outside of the scope of this study.

7.6 RESEARCH QUESTIONS ADDRESSED

The study proceeded to answer five research questions and two sub-research questions which, through the findings, were addressed and answered below:

6. *What tensions do decision makers experience during a business rescue event?*

Decision makers experience an array of tensions during a business rescue event, of which a total of 16 distinct tensions were identified that are experienced repeatedly during different business rescue events, including one puzzle, two dilemmas, four trade-offs, and nine paradoxes. Refer to research question 2 for further discussion.

7. *Can these tensions be classified as puzzles, dilemmas, trade-offs, and/or paradoxes?*

Yes, the tensions experienced by decision makers during a business rescue event can be classified as puzzles, dilemmas, trade-offs, and paradoxes, using the adapted Cynefin sense-making framework, as depicted in Table 5.1.

8. *How do decision makers make sense of these tensions?*

Decision makers emphasise the importance of a pre-assessment, and due diligence/ investigation for analysing and sound boarding the root cause of distress and tensions related to a business rescue event employing a team approach. Decision-maker teams usually consist of a variety of experts in law/accounting/tax and industry.

c. *Are there existing responses to these tensions?*

Yes, literature outlines a diverse range of responses to tensions that may be applied to the context of business rescue, some of which are already implemented in practice.

d. *Can we add to these responses?*

Yes, responses such as collaboration, building a trust relationship, and employing empathy are supported by the findings as effective responses to tensions experienced.

9. What are the general steps in decision-making followed by decision makers during a business rescue event?

Although the findings indicate that there is not a precise decision-making process intentionally used by decision makers during a business rescue event, a proposed decision-making model was collated from the data collected, illustrated in Figure 12. The proposed decision-making process steps are provided below.

Step 1: Complete due diligence/investigations.

Step 2: Sound boarding and/or brainstorming with team members.

Step 3: Identify the best course of action.

Step 4: Confirm with legal/accounting/tax experts that the course of action is viable.

Step 5: Confirm that the course of action is aligned with the business rescue plan.

Step 6: Win 'buy-in' from affected parties.

Step 7: Implement the chosen course of action.

10. Can the skills that decision makers use to manage these tensions be transferred?

Yes, various skills that decision makers require to make effective decisions can be transferred via training and development, including knowledge of the Act, accounting and finance skills, and negotiation skills. The findings did, however, support the necessity of certain skills and attributes which cannot be transferred but rather need to be developed through prolonged experience within the business rescue industry, which include informed intuition, decisiveness, and interpersonal skills.

7.7 RESEARCHER'S OBSERVATION AND REFLECTION

Although it was difficult to find decision makers willing to participate in the study, those who were willing to participate, were extremely generous with their time and experiences. Participants were eager to elaborate far beyond the expectations of the researcher on minor details of their daily routines and interviews often exceeded the 1 hour 30 min time frame set out in the interview protocol. Participants seemed eager to develop the industry and to improve the somewhat pessimistic view of the industry that some may have. Eleven participants were vocal about how the industry has improved over the years and how all stakeholders understand the business rescue process better resulting in an improved experience for all parties involved. One participant indicated that they no longer 'believe' in the usefulness of business rescue but proceeded to provide detailed industry insight.

Although the researcher has no field experience in the business rescue industry, participants navigated interviews in such a manner that the researcher felt understood and that her questions were noteworthy. This is a testament to their ability to communicate effectively with less-sophisticated individuals (similar to stakeholders); simplification without condescension.

The researcher was struck by the shared moral values of the participants who spoke with conviction about saving jobs and doing the right thing. Values such as transparency, honesty, openness, and being upfront were mentioned regularly during interviews and hourly rates and contingency fees were seldom referred to. The data suggest that the type of individual who chooses to become a primary decision maker (BRP) does so with the moral purpose to save businesses while enjoying the immense challenge thereof.

Employing the narrative form and open-ended nature of the IPA method, enabled the researcher to explore avenues beyond the scope of the research protocol, resulting in important data being recorded. Subjects like family businesses were included in the findings because this method created an opportunity for further discussion.

It is apparent that the size of the business rescue event has a direct link to the intensity of the tensions experienced, but the type of tensions remains similar between smaller

and bigger events and participants made use of anecdotal evidence to illustrate their experiences since each business rescue event presents unique challenges to overcome.

When the participants of this study are considered in isolation, it would appear that the business rescue industry is largely dominated by male decision makers. It is important to mention that several female decision makers were contacted to participate in the study with no success. Further investigation into the reasons for the business rescue industry being, presumably, male-dominated, may yield interesting developments in the training requirements of aspiring decision makers within the business rescue industry.

In concluding the study, the researcher enjoyed an 'insider's perspective' into the experience of participants during a business rescue event. The tensions studied theoretically proved to be significantly more intense and multi-faceted in practice than discussed on paper.

7.8 SUMMARY OF FINDINGS

The central findings of the study are:

- Decision makers distinguish between sophisticated and unsophisticated stakeholders and customise their responses accordingly.
- Decision makers' awareness of tension is apparent through their attempts to decrease it.
- Decision makers accept tensions and the management thereof as part of their responsibility as decision makers in a business rescue event.
- One puzzle, two dilemmas, four trade-offs, and nine paradoxes are supported by the findings as being repeatedly experienced during business rescue events.
- Decision makers employ responses to tensions available in the literature as well as responses developed in practice.
- A proposed decision-making process is collated from the findings in conjunction with supporting factors required to make effective decisions.
- Informed intuition and decisiveness are supported as essential attributes of decision-maker effectiveness.

In conclusion, investigating the tensions experienced by decision makers during a business rescue event proved to be a fascinating yet challenging endeavour as the study straddles the fields of law and management. The development of the business rescue literature is crucial to the future development and continued success of the industry and its decision makers. The findings of this study may assist in the training and development of less-experienced decision makers in business rescue and may illuminate new avenues of investigation required to expand the literature on business rescue from a management perspective. Finally, the study may aid in better understanding tensions and the management thereof, by experienced decision makers in the business rescue industry.

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CASE LAW:

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APPENDICES

APPENDIX A: LETTER OF CONSENT



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA
Denkleiers • Leading Minds • Dikgopolo tša Dihlalefi

Letter of consent

Investigating the tensions experienced by decision makers during business rescue events.

Research conducted by: Andria du Toit

Cell: 081 508 3908

Dear _____

You are invited to participate in an academic research study conducted by Andria du Toit, a PhD candidate at the Department of Business Management, University of Pretoria. The purpose of this study is to determine tension experienced by decision makers during a business rescue event and the relevant responses by decision makers.

Please note the following:

- This is an anonymous study and the answers you provided will be treated as strictly confidential. Your name will not appear anywhere in the study or its findings.
- Your participation in this study is very important. You may, however, choose not to participate or choose to stop your participation at any time during the study without any negative consequences.

- Kindly answer all questions honestly and provide any other relevant info you may deem necessary.
- The result of this study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.

Please contact my study leader, Prof Marius Pretorius (marius.pretorius@up.ac.za or 082 822 6333) should you have any questions or comments regarding the study.

Please sign below to indicate that:

1. You have read and understood the information provided above.
2. You give your consent to participate in the study voluntarily.

Sign

Date

APPENDIX B: INTERVIEW PROTOCOL



Mrs. AC du Toit

Ph.D. Business Management: Business Rescue

Prof M. Pretorius

Department of Business Management

Qualitative Interview Protocol

Introduction:

Good day, and thank you for your participation in my study. My name is Andria du Toit and am I a Ph.D. candidate at the University of Pretoria. Currently, I am collecting data for a qualitative study in fulfillment of the requirements for the qualification, Ph.D. in Business Management, focusing on Business Rescue.

This interview will be approximately 60min and will include questions regarding your experience and decision-making during a Business Rescue event. I would like to confirm your permission to record our conversation so I may accurately document the information you convey. If at any time during the interview you wish to discontinue the use of the recorder or the interview itself, please feel free to let me know. All your responses are confidential and will remain so after the conclusion of the study. Your responses will be used to develop a better understanding of the tensions experienced during a Business Rescue event and the decision-making by stakeholders accordingly.

Your participation in this study is completely voluntary. If at any time you require a break, need to return to a previous question, or even stop the interview, please let me know. You may also withdraw from the study at any time without consequences. Do you have any questions before we start?

With your permission, we will begin the interview.

Context of the study:

Tensions, isolated from the business context, can be defined as an “inner striving, unrest or imbalance often with a physiological indication of emotion” (Merriam-Webster Dictionary, 2019). Dodd and Favaro (2006) state that leaders and companies are faced with **conflicting objectives simultaneously on a regular basis**, examples include **profitability vs growth, short term vs long term**, and the **organisation as a whole vs the parts**. This study aims to identify the most evident tensions experienced by decision makers during a Business Rescue event, how they make sense of these tensions, and lastly, how they manage or balance these tensions.

Research questions (for interviewer use only):

1. *What tensions do decision makers experience during a business rescue event?*
2. *Can these tensions be classified as puzzles, dilemmas, trade-offs, and/or paradoxes?*
3. *How do decision makers s make sense of these tensions?*
 - a. *Are there existing responses to these tensions?*
 - b. *Can we add to these responses?*
4. *What are the general steps in decision-making followed by decision makers s during a business rescue event?*
5. *Can the skills that decision makers use to manage these tensions be transferred?*

Interview Questions:

	Question	Prompt	Research question linked to
Section A: Background			
1	Please state your name and surname.		N/A

2	What is your current title and company of employment?		N/A
3	What is your main background of work?	Management, Legal or Finance/Accounting.	N/A
4	How many years of experience do you have working in the industry?	BR and/or Turnaround? Formally and informally?	N/A
5	Do you work alone or with a team during a BR (turnaround) event?	Reasons for your approach? What type of professionals is on your team?	N/A
Section B: Tensions			
6	Have you experienced tension during a BR event?	Have you experienced any conflict/ disagreement/ misalignment of the purpose of the BR event? Do you find that your values are contradicted by other parties to the same BR event? In your opinion, does the motive for BR differ between parties? How?	1
7	Can you outline three tensions you have experienced most during the BR event?		1 & 2
8	Which stakeholders are most 'difficult' to work with during a BR event?	Why do you think they are difficult? How do you balance the expectations of the stakeholders with the purpose of the BR?	1 & 2

		<p>Do you prioritise any stakeholder over another?</p> <p>How do you choose which party to prioritise?</p>	
9	Which phase of the BR event creates the most tension?	<p>Appointment, BR plan, Creditor meetings, sourcing post-commencement finance, reorganisation, etc.?</p> <p>In your opinion, why is the most tension experienced during this phase?</p>	1 & 2
10	Have you previously considered the tensions we are discussing now?	Why not?	3a
11	(BRP) Do you identify possible tensions before you accept an appointment as BRP? OR (Creditor/Bank) Do you identify possible tensions before voting on a BR plan?	<p>How do identify the possible tensions?</p> <p>Do you categorise the tensions?</p> <p>How do you categorise the tensions?</p> <p>Do you consider the tensions to be of varying importance?</p>	3 a
12	How do you manage tension during a BR event as an individual?	<p>Do you have a process that you follow to ensure balance/alignment of your values with that of the event and/or parties to the event?</p> <p>What is this process?</p>	3 a, b
13	How do you manage the tension between yourself and the different parties/ stakeholders of the event?	<p>Do your morals guide your actions?</p> <p>How?</p>	3 a, b

14	Do you attempt to manage the tension between parties outside of your team?	<p>Why or why not?</p> <p>Do your team members assist with the management of parties/stakeholders?</p>	3 a, b
15	Have you ever used theoretical solutions to solve tensions?	<p>Have you researched to get more information on how to manage tensions?</p> <p>What types of research?</p> <p>Which sources did you consult?</p>	3 a
Section C: Decision-making			
16	Would you say that the majority of the decisions you make during a BR event are complex?	<p>What do you consider to be a simple decision?</p> <p>What do you consider to be a complex decision?</p>	4
17	Do you follow a specific process to make complex (or difficult) decisions?	<p>Please elaborate on your process.</p> <p>How did you come to this process?</p> <p>Do you think less-experienced BRPs can be taught to use this process?</p> <p>How do you know when it is necessary to spend more time considering alternatives to a decision?</p>	4

18	What role does experience play in your decision-making?	Has your decision-making changed over the past years? How has your decision-making changed?	4
19	What role does intuition play in your decision-making?	How do you know when to follow your intuition and when to follow the evidence/facts?	4
20	Which individuals usually have the most influence/ sway on your decision-making during a BR event?	Do you consult with your team before deciding? Would you consider the opinion of an external party on the decision to be made?	4
21	How does time pressure (deadlines) affect your decision-making?	Has time pressure forced you to take more risky decisions in the past? Have you made bad/ ineffective decisions under high time pressure in the past? Do you think the BR process can and/or should be adjusted to make provision for the time pressures BRPs face?	4
22	How do you approach decisions that are unique to the BR event at hand?	Do you have a different process for these types of decisions? Do you consult with industry specialists on these types of decisions?	4
Section D: BRP Skills			

23	What personal skills do you use most during a BR event?	(BRP)How does this skill promote your success as a BRP? (Creditor/Bank) How does this skill serve you during the BR event?	5
24	Which skill do you use most to balance/ manage tensions during a BR event?	Does intuition/ experience play a role in balancing tensions? How?	5
25	Which skills would you advise an aspiring BRP to gain before entering the industry?	Soft skills?	5

Conclusion:

Thank you once again for your participation in this study. Once I have transcribed and analysed your responses, I will be in contact to follow up on any uncertainties or questions from my side via a customised questionnaire. Should you wish to amend any of your responses, you are welcome to contact me.

APPENDIX C: INTERVIEW FOLLOW-UP QUESTIONNAIRE

Interview follow-up: A du Toit PhD Research

DURATION: 5 min

The following questions are based on your opinion and experience as a decision maker during a business rescue event.

* Required

1. This study is voluntary and anonymous. Kindly consent to the researcher using your responses in the completion of their research study. *

Mark only one oval.

I consent to my responses provided below being used in the research study of A du Toit.

2. From the list below, rank any 5 affected parties from most (1) to least (5) problematic during a business rescue event.

Mark only one oval per row.

	1	2	3	4	5
Lenders / creditors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SARS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Directors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Government bodies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shareholders	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. From the list below, rank any 5 of the following attributes from the most (1) to least (5) important to a decision maker during a business rescue event.

Mark only one oval per row.

	1	2	3	4	5
Transparency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Honesty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dicisiveness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tolerance for stress	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tolerance for uncertainty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Empathy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to build trust	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Listening and comprehension skills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Rank the following skills/ knowledge from most (1) to least (5) important to a decision maker during a business rescue event.

Mark only one oval per row.

	1	2	3	4	5
Knowledge of the Act	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Knowledge of basic accounting and finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Knowledge of business strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Problem solving skills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interpersonal skills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. Indicate which of the following factors strengthens your intuition.

Check all that apply.

- Life experience
- Experience specifically working with distressed firms/ turnaround/ business rescue
- Support of team members (their knowledge and skills)
- Formal education
- Studying business rescue events that you were not part of.
- Other

8. If you ticked "other" please elaborate below.

9. Has BEE regulations contributed to the complexity of a business rescue event you have been involved in? If yes, provide a brief explanation.

APPENDIX D: ETHICS APPROVAL



RESEARCH ETHICS COMMITTEE

Faculty of Economic and Management Sciences

Approval Certificate

30 May 2022

Ms AC Janse van Rensburg
Department: Business Management

Dear Ms AC Janse van Rensburg

The application for ethical clearance for the research project described below served before this committee on:
2022-05-04

Protocol No:	EMS161/21
Principal researcher:	Ms AC Janse van Rensburg
Research title:	Investigating tensions experienced by decision makers during Business Rescue events
Student/Staff No:	10055224
Degree:	Doctoral
Supervisor/Promoter:	Prof M Pretorius
Department:	Business Management

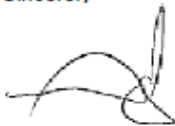
The decision by the committee is reflected below:

Decision:	Approved
Period of approval:	2021-09-20 - 2022-11-30

The approval is subject to the researcher abiding by the principles and parameters set out in the application and research proposal in the actual execution of the research. The approval does not imply that the researcher is relieved of any accountability in terms of the Codes of Research Ethics of the University of Pretoria if action is taken beyond the approved proposal. If during the course of the research it becomes apparent that the nature and/or extent of the research deviates significantly from the original proposal, a new application for ethics clearance must be submitted for review.

We wish you success with the project.

Sincerely



pp PROF JA NEL
CHAIR: COMMITTEE FOR RESEARCH ETHICS

APPENDIX E: EDITING CERTIFICATE

Ricky Woods Academic Editing Services

Editing Certificate

Ricky Woods Academic Editing Services

Editing certificate

Cell: +27 (0)83 3126310

Email: rickywoods604@gmail.com

To Whom It May Concern

University of Pretoria

Editing of Thesis

I, Marietjie Alfreda Woods, hereby certify that I have completed the editing and correction of the thesis: **Investigating tensions experienced by decision makers during business rescue events by Andria Cornelia du Toit**, submitted in partial fulfilment of the requirements of the degree **Doctor of Philosophy in the Faculty of Economic and Management Sciences** at the **University of Pretoria**. It is believed that the thesis meets with the grammatical and linguistic requirements for a document of this nature.

Name of Editor: Marietjie Alfreda Woods

Qualifications: BA (Hons) (Wits); Copy-editing and Proofreading (UCT), Editing principles and Practice (UP), Accredited Text Editor (English) (PEG)

MA (Ricky) Woods



8 December 2022

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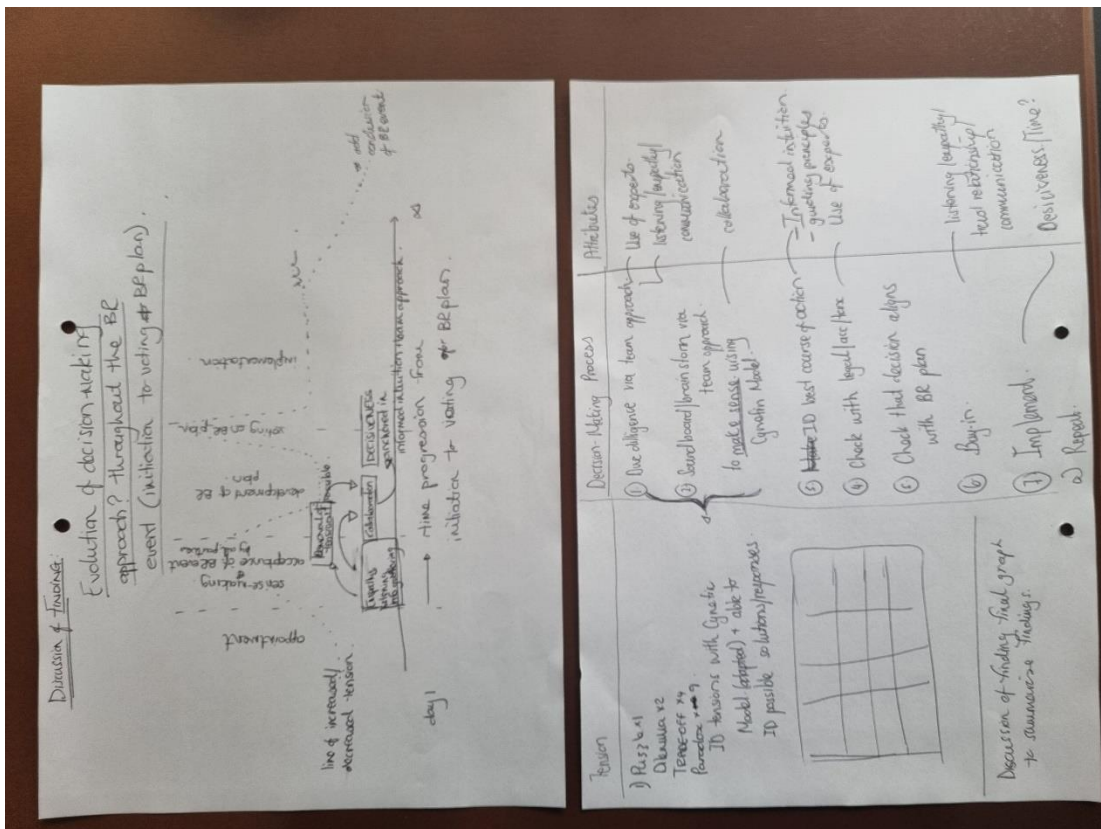
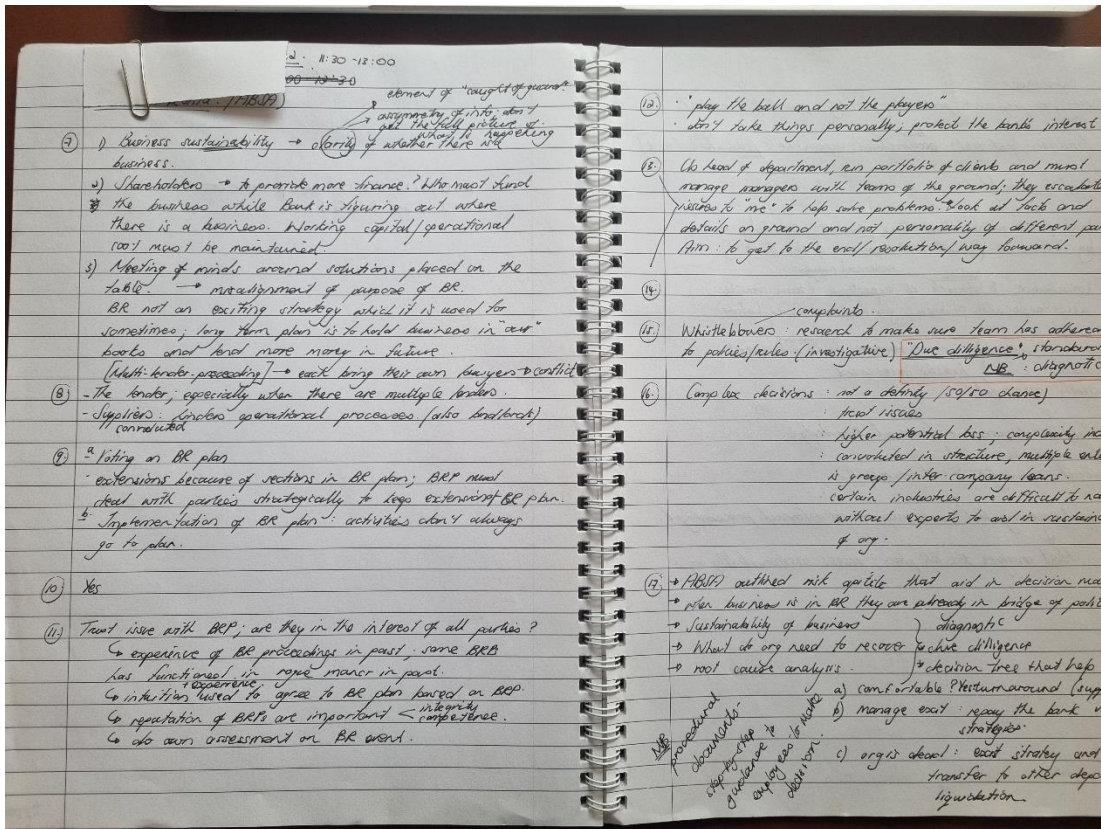
Ricky Woods
Accredited Text Editor (English)

Membership number: W00003
Membership year: March 2022 to February 2023

083 312 6310
rickywoods604@gmail.com
www.rickywoods604.wixsite.com/website

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APPENDIX F: JOURNAL SAMPLE



DATA-ANALYSIS NOTES

1 Puzzle ("FIND THE BEST")

Peter:

- ~~Event~~ After due diligence, before Brexit is voted on, one big party would be solved with affected parties
 - solved by listening to make sense, @ explicitly E-trade-offs to balance bigger picture.
 - the Brexit can be finalized and voted on.
- Affected parties "need to be heard" and this solves the significant part of the initial tension before collaborating and moving forward.

Puzzle: (complex system within complexity)
Start of BE event for Brexit appeared has a lot of tension. all into due diligence and like puzzle pieces with puzzle box. BEP must find the best solution (BEP) in order to save the business. - DL - RIS

How should I handle

BEP? Don't want to make part of my identity political.

— Lutz Smart Interview.

Most difficult stakeholder?

- Government bodies dysfunctional, Mismanagement and Fraud includes BE events to have successful outcomes
- ? How do I handle this one? DL.
- < DMK
- < Etony - Change Competitiveness

APPENDIX H: INITIAL MANUAL CODES

DRAFT 1		18 Final Codes?
Table of themes		codes
Theme	Sub theme	Category
<p>① Tension</p> <p>[RQ 1-3b]</p>	<p>1.a Awareness</p> <p>b. Categories</p> <p>c. Response.</p> <p>d. De-escalation of tensions (before solution).</p>	<p>1a. (i) awareness awareness <small>conscious of tensions before a fair due diligence or pre-assessment.</small></p> <p>(ii) removal of stakeholders</p> <p>(iii) pre-assessment</p> <p>1b. (i) Dilemma (ii) TRADE-OFF (iii) PUZZLE (iv) PARADOX.</p> <p>1c. (i) sophisticated (iii) unsophisticated</p> <p>8</p>
<p>② Decision-making process</p> <p>[RQ 4]</p>	<p>2.a Team approach</p> <p>b. Use of experts</p> <p>c. Intuition</p> <p>d. Time-pressure.</p> <p>e. Acceptance by affected parties</p>	<p>2b. (i) legal (ii) accounting (iii) tax (iv) industry</p> <p>2c. Informed by - exp. - background - due diligence.</p> <p>2d. Decisiveness Timelines of Act</p> <p>2e. Balanced outcome The Act sec k. 5</p>
<p>③ Decision-maker</p> <p>attributes attributes</p> <p>[RQ 5]</p>	<p>3.a Skills</p> <p>b. Attributes</p> <p>c. Knowledge.</p>	<p>3(a)(b)(iii) TRAINING ON THE JOB.</p>