An exploration of the anatomy of management cognition in organisations facing decline and attempting a turnaround

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Abstract

All organisations will face some form of decline in their existence. The sooner a decline is acted upon, the better chance for a successful turnaround. Cognition of a decline is the first phase within the turnaround literature to activate turnaround action. The study explores top management teams (TMTs) cognition of decline during the decline and attempting turnaround.

The underpinning theory is based on the turnaround literature, with this study focussing on the first phase, cognition of the decline. Management cognition is key for an organisation to notice its current position and act upon it if not on the desired trajectory. Understanding the metrics that can indicate the decline will assist TMTs in taking note of the decline and acting early.

The study deployed an exploratory qualitative approach. Twelve semi-structured interviews with internal and external stakeholders of the TMTs were conducted to bring forward an indication of financial and non-financial metrics that TMTs can utilise to indicate a possible decline. The study provided a base for future studies on attributes of the TMT that positively impact turnaround implementation. Only a few of the study's conclusions can be extended to lower levels of the organisation and outside of South Africa because it is focused explicitly on TMTs in that country.

Keywords

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Jordaan Jacobs
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Chapter 1: Introduction to Research Problem

The number of South African companies filing for business rescue has been stable recently, with no significant decrease from 2016 to 2017 (CIPC, 2020; Levenstein, 2022). The situation of South African Airways, which began even before the COVID-19 outbreak, has caught the attention of the South African economy (NEWS 24WIRE, 2021). A private organisation also in the public eye that has seen decline and a possible successful turnaround plan put in place is that of the Ster-Kinekor Group (Smith, 2022), with the addition of the Edcon group in 2020 filing for business rescue (Child, 2021). Is it possible to prevent business rescue filings and informally combat declining organisations in the South African economy if acted upon early enough? Panicker and Manimala's (2015) research inferred an increase in the probability of a successful turnaround if management could have identified the decline proactively and implemented turnaround earlier.

Trahms et al. (2013) state that all organisations will undergo organisational decline, which the study further defines as a decline in resources from year-on-year; it is unavoidable and necessitates regular monitoring (STATS SA, 2021). The earlier a decline is identified with turnaround strategy implementation, the better the chances of a successful reversal into a long-term sustainable organisation. Francis and Desai (2005) note that management's controlling factors are more critical than situational characteristics.

Consequently, all organisations encounter a decline because of the associated instability and uncertainty (Amankwah-Amoah, 2016). The need to strengthen turnaround strategy literature can provide organisations with tools to identify early signals of a decline and implement turnaround strategies to battle the decline. Although the financial lens can identify specific decline metrics (Andreeva et al., 2016), turnaround literature is broad that can include non-profit organisations. Thus, a decline is defined as a year-on-year resource decline (Trahms et al., 2013).

Panicker and Manimala (2015) illustrated that turnaround strategic implementation timing remains crucial to success. Other studies illustrate that filing for business rescue is a viable option if done timeously by management (Rajaram et al., 2018). Management cognition is essential to understanding how and when a decline occurs

(Trahms et al., 2013). If a turnaround is not implemented quickly enough, organisations set themselves up for failure due to the absence of understanding and continuing operations (NEWS 24WIRE, 2021). Findings from Lai and Sudarsanam (2001) and Barker et al. (2018) support this by illustrating that management's timing and speed of turnaround implementation are conditions for a successful turnaround. This cognition of decline requires further investigation and interpretation for earlier reactions.

Managerial cognition is critical in identifying the decline earlier and implementing the turnaround approach (Barker et al., 2018; Fairhurst & Pretorius, 2019). Moreover, Panicker and Manimala (2015) further note that the sooner a turnaround is implemented, the better the chances of it being effective. As a result, the study will use the lens of management cognition within the turnaround literature to improve organisations' ability to identify and combat the decline.

Management cognition is a critical starting component of successful turnarounds in the turnaround strategy literature (Santana et al., 2017; Trahms et al., 2013). The study wants to add to the turnaround literature through the lens of management cognition within turnaround. This focal exploration of the study will primarily identify decline but expand beyond this to the continuous cognition and attributes that positively affect the turnaround process after identifying decline.

Organisations will continue to function in a volatile and uncertain environment, given the current economic situation and the aftermath of the COVID-19 pandemic (Matli, 2020; Schmid et al., 2021). This volatile, uncertain, complex, and ambiguous (VUCA) climate could cause more organisations to experience a decline (Bennett & Lemoine, 2014). Organisations cannot continue operating as previously due to the dynamic nature of the economy and globally integrated levers which include customers, clients, supply chains, and many more.

Furthermore, is this uncertain global and economic crisis reflected in South Africa's unemployment rate, which is allowed to reach an all-time high of 35.9% by the end of 2021 (STATS SA, 2021). Which possibly demonstrates the scaling down or closing of organisations. Closing or scaling down organisations reveals that South Africa's national economy has had little or no growth (Kumwenda-Mtambo, 2022). The low

growth further emphasises the need for research in turnaround strategy with management cognition as a lens to improve odds by identifying a decline earlier to allow turnaround strategies to be implemented sooner.

Once a decline has been identified by top management teams, having management aligned with the essential stakeholders raises the odds of a successful recovery (Kumalo & Scheepers, 2020). Internal and external stakeholder strategic alliances create a foundation for the company's recovery through coherent and clear communication between the organisation, stakeholders, and industry experts (Park & Mezias, 2005). Scholars support this idea of stakeholder management by illustrating that stakeholder management should be seen as a worthwhile task that requires both resources and time (Fairhurst & Lusinga, 2020).

Top management teams (TMTs) are the organisations' drivers and need tools to spot declines as soon as possible (Habersang et al., 2019). Through the lens of management cognition, this paper seeks to find the makeup of management cognition that identifies decline and assists turnaround strategies to combat the decline. Because implementing a turnaround strategy is critical, TMTs must recognise the decline as early as possible to ensure that steps may be implemented quickly (Panicker & Manimala, 2015). Management cognition and its various elements can entertain the idea of possibly identifying metrics and positive management attributes to identify and combat decline (Kumbure et al., 2020).

The study will be able to fulfil a business need by using a methodology to discover good aspects of management cognition to improve turnaround success. As a result, the study will examine the extension of management cognition and its consequences in the turnaround literature, considering the broader requirement to counteract decline. The study will increase the literature's usefulness by allowing for future empirical and exploratory investigations to determine the extent of the qualities.

The study will follow a framework developed from the current literature through a literature review, thorough methodology plan, data collection procedure, findings, and analysis. A conclusion that answers the research questions will follow, which aims to create a valuable insight for theory and practice.

Chapter 2: Literature Review

2.1. Introduction

This review will examine three primary research constructs: organisational decline, managerial cognition, and turnaround strategy. Combining these constructs will form part of the basis of the study to further delve into the opportunity to add practical and theoretical value. The critical subject of study will be within turnaround strategy, with the below constructs leading to a better understanding of the many implications inside the turnaround body of knowledge.

As management within an organisation is a crucial component of turnaround, management cognition is viewed as a mechanism for turnaround success during a decline. Finally, opportunities in research are identified to further expand on the management cognition of decline within the turnaround field. The review takes a chronological form as these constructs would occur within the practice, organisational decline, management cognition, and turnaround strategy.

2.2. Organisational Decline

All organisations will experience a decline at some point in their existence; the type of decline or the degree of the deterioration will vary (Trahms et al., 2013). As the volatility, uncertainty, complexity, and ambiguity working environment rise in more turbulent economic times, these declines can become even more common (Bennett & Lemoine, 2014).

Specific organisations that have failed, either by halting operations or selling their identity or assets to purchasers, have experienced temporary performance decline at some point (Amankwah-Amoah, 2016). It is this temporary decline that requires attention and definition through the review. Defining organisational decline is not a simple task and can take on the form of a wide array of descriptions (Pretorius, 2009; Wennberg & DeTienne, 2014). According to Pretorius (2009), scholars employ these various definitions while examining specific issues or trying to find the answers to particular questions.

2.2.1. Definition and Measures of Decline

In organisational performance, it is imperative to distinguish organisational decline from crisis and stagnation. McKinley et al. (2014) noted that the most significant

differentiator is the speed at which it occurs. This study wants to distinguish between organisational crisis, stagnation, and decline.

An organisational crisis is defined as a high-impact occurrence requiring prompt management action. An additional distinguishing factor, in particular, causes the decline. From this perspective, an organisational crisis is defined as deteriorating performance faster than declining (McKinley et al., 2014). For example, Carmeli and Schaubroeck (2008) note that an organisational crisis is a high-impact, low-probability occurrence. This view is supported by McKinley et al. (2014), with examples such as natural disasters, hostile takeovers, pandemics, and other events requiring immediate attention and action from management. Scholars note that organisational crisis threatens the affected organisations' survival (Starbuck et al., 1978).

Further, McKinley et al. (2014) describe organisational stagnation as low performance that continues yearly rather than yearly decreases. Other scholars define stagnation as zero growth year-on-year and illustrate it as acts or operations that do not deliver optimal performance (Masuch, 1985). These stagnations can be caused by several factors, such as industry slowdown or market relevance deterioration. In addition, Masuch (1985) also notes that if not acted upon, stagnation can sometimes lead to decline.

The measurement of decline is critical for distinguishing it from crisis and stagnation. It makes sense for profit-making organisations to review their performance by considering financial indicators (Andreeva et al., 2016). Zone of insolvency (ZOI) provides a measure of interaction between organisations and corporate failure, which indicates an organisation is in financial distress (Fairhurst & Pretorius, 2019). Andreeva et al. (2016) successfully demonstrated that financial ratios could successfully highlight organisation performance deterioration. For example, McKinley et al. (2014) uses return on investment (ROI) and return on sales (ROS) to describe decline over a period. It is helpful to note that these ratios exclude non-financial indicators and exclude not-for-profit organisations.

The study seeks to define an organisational decline that encompasses profit and not-for-profit organisations. McKinley et al. (2014) define an organisational decline as

diminishing organisational resources over time. Further, other scholars such as Trahms et al. (2013), Santana et al. (2017), and Carmeli and Schaubroeck (2008) support this notion and define it as a decrease in performance or resources measured over a period. Carmeli and Schaubroeck (2008) further elaborate on this definition to note that it is a state of high vulnerability. This resource decrease is an appropriate description because it includes for-profit and non-profit organisations.

In addition, we distinguish decline from downsizing. The significant difference between decline and downsizing is noted as the intentional entry into the state. From this perspective, Freeman and Cameron (1993) also define decline as deteriorating resources out of involuntary entry. At the same time, Weitzel and Jonsson (1989) define downsizing as an intentional tactical proactive or reactive management decision for a strategy for sustainability or response to turbulence. On the other hand, downsizing can respond to organisational decline for improved sustainability.

The measuring period of decline is a pivotal factor, as it must be long enough to be identified and for management to react. As a result, the resource-based decline is measured as a year-on-year decline (Pretorius, 2009), with Knudsen (2019) and McKinley et al. (2014) further refining it to a decline over two years. The two-year measurement period is considered appropriate because it allows management to recognise and respond to resource decline and to indicate survival over time (Pretorius, 2009).

Thus, this study defines organisational decline as a period-on-period diminishing of resources, and if the operation continues without correction, it leads to failure. The period measurement is defined by the industry and market in which the organisation operates. This definition can be utilised toward for-profit and not-for-profit organisations. The period also allows management to recognise the decline in resources and act upon the decline. This period also considers the market, customers, economy, and internal reasons for the decline.

2.2.2. Factors Influencing Organisational Decline

Internal and external variables can cause organisations to experience a decline. Because organisations are complex, management must be aware of both impacting areas of operation (Trahms et al., 2013). Examining both operational areas of

concern is critical to determine an organisation's risk of decline in conjunction with remedial actions within the turnaround strategy.

External factors that may lead organisations to decline are comparable to those found in strategy theory on how to position an organisation to remain relevant (Amankwah-Amoah, 2016; Trahms et al., 2013). The need to change position to remain relevant shows that changes in the market, such as competitor or customer movements without a response from the organisation, might lead the organisation to lose its market position and begin the process of decline. These external influences can be on a micro- or macro level within the industry, customer base, or even advances in technology and innovation (Latham & Braun, 2014; McKinley et al., 2014). Habersang et al. (2019) add the aspect of regulation and the need for strategic actions for survival to the challenges that organisations experience in the industry.

Over the last decade, some research has shifted to an inward-looking approach, focusing on the cultural dynamics and senior management teams and their strategic decisions (Habersang et al., 2019). Internal culture (Amankwah-Amoah, 2016), management decisions, or inefficiencies (Bodolica & Spraggon, 2020; Fairhurst & Pretorius, 2019) can all impact an organisation. Internal behaviours from employees and management can also impact the organisation negatively. Carmeli and Sheaffer (2009) note that minor internal aspects such as resistance to change, risk aversion, lack of internal analysis, and managerial weakness can lead to organisational decline.

This dynamic between internal and external factors requires cognition to recognise and react when necessary (Habersang et al., 2019). Although the operating landscape of the organisation may change as technology advances, the organisation's inertia can keep it from adjusting to the environment. This internal aspect of the organisation's rigidity hinders flexibility and, as a result, organisational decline over time (Tripsas, 2009).

From the literature, it is crucial to note that the study will look at internal and external considerations when viewing management cognition. Cognition and response for both areas are required if changes occur. In the next section, we consider these cognitive factors and define them for further study.

2.3. Managerial Cognition

As we move within the turnaround literature, it has been noted by many scholars that for a turnaround to take place, management acknowledgement needs to happen (Balgobin & Pandit, 2001; Fairhurst & Pretorius, 2019; Trahms et al., 2013). This acknowledgement of decline places management cognition at the intersection of organisational decline and turnaround strategy (Trahms et al., 2013). As a result, the purpose of this chapter is to provide some insight into what defines managerial cognition and the factors that influence it.

2.3.1. Definition

Management cognition needs to be clarified in the complex management world to understand the input into the turnaround field. Management teams comprise individuals with varying backgrounds, expertise, and characteristics. The cognition of decline initiates the first action or process of turnaround efforts (Trahms et al., 2013). According to Helfat and Martin (2015), management cognition combines mental processes, knowledge structures, education, emotions, and beliefs created through experience and expertise. Individuals' mental models are utilised as filters to take in new information, summarising a lifetime's worth of knowledge.

These models are then extrapolated to help managers traverse the data gathered and how it fits together, allowing them to make decisions in an uncertain and complex world (Maitland & Sammartino, 2015). Yang et al. (2019) state that this cognition is employed for future decision-making in this uncertain reality. This cognition framing shapes strategic activities and is crucial to organisational innovation.

According to Balgobin and Pandit (2001), only 35% of change initiatives are recognised by business management. As a result, the level of decline must be much greater than in other types of realisation, such as top management structure change.

Trahms et al. (2013) illustrate that the response factors within management cognition necessitate an investigation of awareness of decline, attribution of decline, and perceived severity of the decline. Management cognition influences TMTs to perceive and interpret the decline.

Management awareness of decline, as the interface between decline and

turnaround, is the start of the remedy process. Winn (1997) demonstrated that resource diminishment is not always visible without a negative financial impact. However, management teams with experience within the organisation or industry should have an easier time interpreting signs of decline (Kaplan, 2011).

The attributes of decline are essential to identify as the top management team, as this sets the team's turnaround strategy in motion. Trahms et al. (2013) observe that different management experiences and tenure place blame for the decline on various factors. These characteristics include both internal and external causes. The severity of the decline is just as central as the characteristics of the decline. This perception of severity also shapes the strategy proposed by top management teams to combat decline (Lai & Sudarsanam, 2001).

Incorporating the internal and external cognition lenses adds further dynamic richness to this perspective (Kaplan, 2011). As the organisational decline's sources can be internal and external (Trahms et al., 2013), it is vital to study the awareness of environmental changes from an internal and external perspective. As organisational decline is defined as the decline of the organisation and not the industry, it is relevant to consider both lenses.

The TMT's cognition drives the turnaround strategies being pursued. Because the top management team is responsible for the organisation's sustainability, this cognition focuses on these teams, with input from any source, internal or external. Gopinath (2005) argue that management cognition follows three stages: initial realisation or awareness of decline, the realisation that the current strategy will not overcome the decline, and finally, management acting on the awareness to implement turnaround strategies. Thus, management cognition is defined in the study as recognising organisational decline and identifying the need for a turnaround to combat the decline.

2.3.2. Influences of Cognition

Because all management teams are individuals, cognition is an essential component of strategy and the first step in combating organisational decline. As a result, it is valuable to comprehend what influences managerial cognition on an individual and team basis.

Managers' decision-making style, experience, and education influence cognition positively or negatively (Kaplan, 2011; Maitland & Sammartino, 2015). Rockwell (2016) further adds that previous experience will change the TMT member's embodied cognition for the realisation of decline. The components that determine human behaviour decisions are also included when individuals are involved. As a result, various individual biases, framing mechanisms, and societal pressure become more prevalent and influence management cognition (Helfat & Martin, 2015).

These management biases may cause a delay in cognition of the decline and result in delayed action (Abatecola, 2012; Rockwell, 2016).

Internal organisational dynamics can influence management cognition outcomes and effectiveness (Kaplan, 2011). Yang et al. (2019) argue that organisational policies and procedures can be established to create a structure that allows management to improve not only managerial cognition but also organisational cognition to both internal and external changes. From this perspective, organisations can develop procedures, tasks and operations that identify these declines as a collective. Other scholars support this view by noting that formalised procedures can assist in navigating rational decision-making (Faghfouri et al., 2015).

In contrast, Maitland and Sammartino (2015) emphasise that individual experience and knowledge are more important than processes and policies and that leadership experience is the primary driver. These opposing viewpoints are necessary to determine where the best influence can penetrate management cognition and positively influence decline cognition.

Studies have also illustrated that management's focus on implementing actions on what they deem necessary and ignoring other information limits managerial cognition (Nadkarni & Barr, 2008). An additional dimension is that of management experience of organisational decline. This experience, successful or not, can significantly impact the identification and rectification of decline (Dias & Teixeira, 2017; Rockwell, 2016).

Carrington and Combe (2015) have found that the time of sensemaking of all the information is also an aspect that influences cognition. This sensemaking and engagement process might be of internal or external nature. Courtright and Smudde

(2011) support this view through their research and noting the time used for adequate stakeholder engagement also needs to be considered.

D'Aveni (1990) raised the issue of personal risk for well-paid management personnel whose personal livelihood is jeopardised due to decline. Trahms et al. (2013) add that top management team compensation influences the recognition of decline and the time required to implement action. Thus, TMTs' compensating factors have an influence, positive or negative, on cognition and action to combat the decline. Other researchers support this notion and have found that well-paid management teams are more engaged and have less risk aversion when identifying and combating decline (Cannella Jr et al., 2003).

Opposingly is the view that individuals can be shaped and guided by beliefs and knowledge systems other than themselves (Shaturaev, 2022). Furthermore, Al Farooque et al. (2020) state that the structure of boards of directors can positively or negatively impact organisational management. From this vantage point, it is beneficial to note that organisations can implement suitable structures and processes to detect decline early on.

Recognising that internal and external factors influence management cognition and that policies, organisational structures, and individual human behaviour dynamics play a role. As a result, the overarching management cognition within the turnaround literature is broad, and more research is needed to identify general positive traits for decline recognition.

2.4. Turnaround Strategy

Organisational turnaround theory is rich with information and has continued to be a significant focal point for research over the last few decades. As the economy grows more turbulent within current times, this literature is relevant and holds weight to this research. Some organisations may confront decline during these volatile times, necessitating strategic action to ensure survival and future market relevance. It is beneficial to note that with historical success, organisations in the mature phase might also experience a decline (Jawahar & McLaughlin, 2001).

As stated in previous sections, organisational turnaround is required to combat

various factors contributing to declining. From this standpoint, the turnaround must include internal and external strategic implementations or a combination.

2.4.1. Definitions and Influencing Factors

The strategy and operational aspects of turnaround can be separated. Where strategy is concerned, it can be divided into two sections—the first being turnaround and "saving" a current business. The second is entering new markets and changing the organisation's market position to enhance survival opportunities.

Operational turnaround focuses on issues that do not modify the company level, such as boosting revenue, lowering costs, reducing assets, or even a blend of these efforts. As a result, operating turnarounds are more focused on achieving performance goals (Hofer, 1980). It is vital to note that this study aims to divulge both turnaround areas in the turnaround literature.

Numerous influencing factors can positively affect turnaround strategies. Some actionable elements can include repositioning within the market (Randhawa et al., 2021), altering operational areas (Mann & Byun, 2017), structural changes (Tangpong et al., 2015), asset and expenses retrenchment (Guha, 2016), and implementing new human resource management practices (Santana et al., 2017). These essential actions can help reverse the downward trend and put the company on a path to survival and long-term viability.

One aspect is that turnaround measures should be implemented early in an organisation's decline (Panicker & Manimala, 2015). Researchers have found earlier turnaround implementations to positively impact the successful implementation (Fairhurst & Pretorius, 2019; Tangpong et al., 2015).

Furthermore, scholars have also recognised that the structure of boards of directors impacts a company's financial difficulty and have identified it as a crucial factor to examine during economic declines (Fairhurst & Pretorius, 2019; Panicker & Manimala, 2015). Trahms et al. (2013) support this notion by noting that early recognition of decline by the CEO has a significant favourable influence on the success of a turnaround. This notion is supported by Barker et al. (2018), which found that the CEO's cognition, directly and indirectly, influences turnaround.

There is an ongoing debate about top management replacement during the organisational decline and attempting turnaround. Scholars have noted a positive change in organisations with top management replacement (Alexandridis et al., 2019). Chen and Hambrick (2012) add to this understanding by illustrating that the various instances of replacement attributes within different declines positively correlate with successful turnaround when acted upon correctly. According to Boyne and Meier (2009), management replacement should be carried out, but the replacement source must be from within the organisation. Harker and Sharma (2000) illustrate the importance of the correct CEO when attempting a turnaround, where the findings illustrate that the replacement of the TMT is correlated with successful turnaround strategies.

Opposingly, Rico et al. (2021) describe that neither asset, inventory, nor employee retrenchment is associated with the survival of declining organisations. Whereas Rico and Puig (2021) find that building stakeholder relationship is more critical by deep cost retrenchment and creates an increase in the likelihood of survival, layoffs of employees can be detrimental to the business. It should be evaluated carefully before executing in a turnaround. Further, scholars add that the timing and speed of retrenchments, if done, is more critical than the retrenchment itself, with earlier actions displaying a positive effect on turnaround success (Barbero et al., 2017). Tangpong et al. (2021) state that if a new CEO comes in, the board of directors and top management team do not expect any significant changes in the TMT, as this can cause further deterioration in the organisation and negatively affect the turnaround efforts.

For this study, we define organisational turnaround as activities to stop an organisation's decline and ensure survival and sustainability. The turnaround strategy might include various "saving" steps to help organisations position themselves differently in the market or even look within and adjust critical characteristics. This study looks at turnaround generally, not distinguishing between these acts known as operational or strategy turnarounds. Thus, the turnaround attempts to stabilise or grow the decline is defined as a resource decline over a period.

2.5. Conclusion

Considering the material available and placing it in the current economic scenario, the literature demonstrates the need to merge the three constructs tightly. We can expand our understanding of the influence management teams within organisations have by focusing on management cognition, allowing us to detect organisational decline and intervene by implementing a turnaround strategy before it leads to failure.

It is positioning management cognition of decline in the entire process from the start of decline to the successful or unsuccessful turnaround. However, it remains the first aspect explored and found by previous studies. This first step is essential for the whole turnaround literature for survival to come into play. Thus, exploring management cognition is a vital consideration for sustainability, market movements, and the dynamic economic environment organisations find themselves in. This dynamic environment is overlaid with "mature" organisations that went through an emerging growth phase and might have a false sense of security.

The need for any organisation to be sustainable is evident. This research will try to understand what traits and activities within management cognition can improve organisational turnaround efforts by enhancing the recognition of decline. The study looks to include metrics and factors applicable to for-profit and not-for-profit organisations.

Chapter 3: Research Questions

Based on the literature review and the gap identified, a realm of exploration is found within the turnaround literature. As stated by Barker et al. (2018), Fairhurst and Pretorius (2019), Santana et al. (2017), and Trahms et al. (2013), managerial cognition and realisation of decline the vital aspects for the turnaround process to start. Panicker and Manimala (2015) further add that the sooner decline is recognised, the better chance for turnaround success.

Thus, decline triggers and metrics that can give management the indication of decline are the primary lenses of the study. Research Question 1 is the first indication to explore the prominent factors TMTs consider when assessing decline. These triggers led the TMT to recognise that the organisation was either already in decline or was about to enter one.

> **Research Question 1**:
> What are the primary factors that management considers when assessing decline?

This assessment for decline cognition can be voluntary through TMTs' cognition or experience (Helfat & Martin, 2015; Maitland & Sammartino, 2015). Although through identified metrics in conjunction with organisational policies and procedures (Yang et al., 2019). This possible combination approach to identifying decline requires a further understanding of the process and analysis to determine the decline beyond realisation. The findings and information from Research Question 2 will assist in giving insight into the steps beyond cognition.

> **Research Question 2**:
> What approaches are used to analyse the metrics to take cognition of decline?

The focal exploration of the study will primarily identify decline but expand beyond this to the continuous cognition and attributes that positively affect the turnaround process after identifying decline. Cognition, either through TMTs or organisational processes, is essential; only once acted upon can it succeed. Thus, Research

Question 3 expands the exploration into the positive attributes that positively impact decline cognition and turnaround implementation.

Research Question 3:

What are the overall positive characteristics of management cognition to detect decline, during the decline, and possible turnaround actions?

Chapter 4: Research Methodology

To obtain the correct research design, the research onion, as described in Saunders and Lewis (2018, p. 105), was followed, starting from the outer skin of the onion, and moving towards the centre. As this methodology was outlined, the research assumptions were made in such a manner as to encourage a journey of discovery. This journey was fuelled by serving van Maanen et al.'s (2007) academic and practical needs. Van Maanen et al. (2007) elaborated on the requirement to perform a centric approach between theory and practice. This balancing act allowed different audiences further to theorise the findings through a credible study approach.

A baseline assumption was that the timing of management cognition and reaction time on the organisational decline benefits organisational turnaround. Although it was not being debated or researched, the turnaround plan was essential to its success.

4.1. Purpose of Research Design

The study followed an exploratory approach (Saunders & Lewis, 2018) to learn about participants' experiences and contexts. The effects of management cognition could benefit the turnaround and mitigate the decline. All the relevant stakeholders' perspectives on the organisational decline and turnaround were analysed to obtain as much depth into the phenomenon as possible. It has been noted that management cognition played a critical role in business success. However, very little research has been conducted on management cognition as the focal point in organisational decline influencing turnaround.

4.2. Research Philosophy

As set out by Saunders and Lewis (2018), the assumptions made regarding research objects, knowledge and ethics aided in deciding on a research philosophy.

Because the study focused on the human and organisational effects of TMT and changes in qualities and actions, the interpretivism philosophy was applied. The easiest way to understand these occurrences was to look at them from a cause-and-effect viewpoint inside a complex organisational structure. This strategy applied equally to business and management research (Saunders & Lewis, 2018) and was used to develop theories about specific organisational phenomena (Chowdhury, 2014). In additional motivation, the theory recognised that alternative interpretations

of a company's strategic approach may have existed, resulting in complexities we cannot always see (Pham, 2018).

4.3. Approach Selected

The induction theory development approach was chosen. This approach was the best fit due to it employing the "bottom-up" approach to developing general ideas by examining specific events and how individuals adapt to them (Saunders & Lewis, 2018).

The induction method allowed for a more flexible structure as the research progressed. Because the focus was on turnaround during organisational decline as a starting point, the perspective might be evolved through data production and collecting.

4.4. Strategy and Time Horizon

A phenomenology strategy has been adopted as the study attempted to identify individuals inside the TMTs' impacts, affected cognition, and actions. Deploying the phenomenology strategy could help the essence be understood and explained. Individual experiences and adjustments have been analysed and combined to present a collective viewpoint for generalising discoveries using this chosen methodology.

This study used the cross-sectional timeline research method to capture a snapshot in time and then generalise the findings to a broader field (Saunders & Lewis, 2018). This method was also adaptable, allowing for using other data-collection methods for triangulation if necessary.

4.5. Proposed Research Design

4.5.1. Population

The population identified for this research study were the top management teams of South African organisations facing decline or have faced decline and attempted turnaround strategies. This population allowed the study to generalise the findings to TMTs throughout South African organisations. The research would help with future turnaround strategy improvements. As a result, any theory generated could be applied to any organisation's TMT and the best approaches to respond to identified

decline. The TMTs were best positioned within organisations to positively contribute to organisational decline and reactions.

Further, the literature focused on management cognition within the operational realm and not specifically the influence it had on turnaround during the decline. Therefore, this study focused on the group of employees within organisations with the most influence on strategy implementation.

4.5.2. Unit of Analysis

This research aimed to gain insight into organisational TMT member behaviours by interrogating and deriving the perspectives of individuals involved in these organisations. These team members were collectively responsible for organisational sustainability and longevity. Their cognition regarding decline was the focal point of the study. The conscious cognition of the senior management team members was the lens of the study, and its influence on turnaround demanded a thorough understanding.

Individual executives, TMT members, middle management, general staff, and external organisational stakeholders of organisations in decline or attempted turnaround has been interviewed. Their responses were aligned with their perspectives and inputs into the TMT's cognition of decline. The respondents' perspectives allowed for the development, or lack thereof, of proposals due to their organisation's response to decline. The interviewer urged the responders to give an honest and genuine assessment of their experiences within their organisation and the changing environment in which those organisations were located.

4.5.3. Sample Method and Size

According to Saunders & Lewis (2018), the sample population in this study was professionals with knowledge, experience, and expertise in a specific business context. The developed purposive sampling was deployed based on previous research and its sampling approach for continuity, which incorporated organisational criteria and turnaround literature.

The criterion for purposive sampling was based on the following criteria to ensure that as many stakeholders of the TMT were involved in understanding the complexity:

1. Individuals that work, or have worked, in the TMT
2. Stakeholders of businesses that filed for business rescue (Fairhurst & Pretorius, 2019)
3. Internal and external stakeholders such as direct reports, lenders/funders, suppliers, and customers of these positions (Tangpong et al., 2015), as well as accredited members of the turnaround management association

The criteria allowed insight into the unit of analysis from all perspectives, both inside and outside the organisation, dividing the criteria into two primary lenses. The TMT members provided a view from within, while stakeholders provided depth, as though the view were from the outside. It was reasonable to conclude that those study participants who met these criteria could be considered to have first-hand and expert knowledge of decline and turnarounds.

The lack of emergent new themes during analysis was termed by Saunders et al. (2018) as thematic data saturation. The study aimed to obtain primary data from a minimum of twelve interviews which, according to Guest et al. (2006), was generally enough to achieve saturation. This approach also aligned with the methods proposed by Kumalo and Scheepers (2020), where the research was comparable. The sampling criteria to obtain data saturation improved the validity and allowed the study to be replicated (Fusch & Ness, 2015).

4.5.4. Measurement Instrument
The measurement system must have been compatible with the developed and explained study design. As a result, the primary measuring instrument of this study was a semi-structured interview guide as set out in Appendix 1, which included open-ended questions connecting to general themes related to the research questions. These questions enabled the interviewee and the unit of analysis to talk and share their extensive experiences. Transferability and research rigour depended on these interviews' legitimacy and dependability (Cypress, 2017). The secondary data was based on the themes from the data analysis, using cross-checking to ensure validity.

The credibility of data demands data triangulation and data collection from various sources or perspectives on the main topic. Pilot interviews were conducted, and the semi-structured interview guide was modified to increase the validity of the data

collection process.

4.5.5. Data Collection

Primary data collection employed in-depth recorded semi-structured interviews. As the study delved into experiences and views, open-ended questions within the semi-structured interview guide enabled participants to share more about their own experiences and perspectives (Saunders & Lewis, 2018). This method allowed the researcher to gain insights into the lifeworld of the individuals (Cassell, 2015). The themes that arose from the data analysis were used to acquire secondary data. The secondary data was desktop research within these themes to assess the integrity of the information gathered.

The specified semi-structured interview method included the creation of a list of probing questions, securing participant consent, organising the interview, performing the interview (either in person or via remote communication such as Zoom or Microsoft Teams), analysing the data, and ultimately drawing conclusions from the findings (Saunders & Lewis, 2018). Additionally, each participant had agreed to participate in the study, and their involvement will be treated confidentially. After obtaining ethical approval (see Appendix 2), a list of prospective interviewees was contacted online or by phone to seek their participation. This list of participants was generated by applying the sample criterion described.

Preparing for a semi-structured interview was essential to get the most information possible in the allotted time. Desktop research has been done on individuals who have consented to participate in the project to understand them better (see example in Appendix 3). As a result, rapport was established throughout the interview, and the participant was more willing to open up and offer information since they appreciated that the interviewer took the time to get to know them. The recordings (with the participant's consent) were kept safe electronically using an iCloud account that was only accessible to the researcher to increase anonymity further.

4.5.6. Data Analysis Approach

ATLAS.ti was used to code the interviews. Interview quotations were created with the generated codes to analyse the context of the codes. These codes were organised according to the research questions, and essential themes and structures

were isolated from informing the theory and further examination. Williams and Moser (2019) described the axial coding mechanism that identified general themes, and as new constructs and concepts arose, they were added.

The axial coding process assisted in assembling, categorising, and creating an organised base to analyse themes (Braun & Clarke, 2006). Theme saturation was viewed as a process, not a single event (Saunders et al., 2018). In conjunction with achieving saturation, completeness of sampling or data saturation was defined as the lack of identifying new themes or attribution points to the study (Guest et al., 2006). Theme saturation was the target of the study, with a minimum of twelve interviews (Guest et al., 2006).

4.5.7. Quality Controls

With close-contact interviews and observations, the researcher immersed themselves in the information and experiences of the participants in qualitative research (Golafshani, 2003). The reliability of the interpretation and reporting of the participant responses and perspectives was referred to as the findings' credibility (Cope, 2014).

Data triangulation enhanced the results' reliability and gave depth to the data (Fusch & Ness, 2015). According to Cope (2014), several techniques should have been employed to maintain the study's credibility. These techniques included a triangulation method, reflexivity, member checking, and maintaining an audit trail. An inescapable component that may have skewed results was the researcher's bias, pronounced if the researcher had familiarity with or involvement in the phenomena being examined (Cope, 2014). As a result of his or her involvement in turnaround strategies over the past five years, the author was aware of his bias on the topic. As a result, kept a reflexive diary to track feelings during the process and prevent his bias from creeping into the analysis.

The author offered the themes to a select group of interview subjects after they emerged from the analysis, requesting feedback to ensure that their responses were accurately interpreted. Additionally, an audit trail of all the interview recordings and the data analysis outcomes was retained to ensure the study's credibility. The credibility process will allow other researchers to confirm the data and, if necessary,

reproduce the findings.

Semi-structured interviews yielded raw non-numerical qualitative data that, by definition, was obtained in an unstandardised manner. The coding quality was controlled, done systematically and in the participants' language. Purposive sampling was the primary driver to ensure transferability with detailed documentation and descriptions in the field.

The data was organised and analysed through recording (audio/video) and the assistance of software analysis (ATLAS.ti). After the first interview, data analysis began. The continuous data analysis allowed for more in-depth questioning in subsequent interviews as insights were gained along the way. Second, data saturation was indicated by concurrent data analysis during the interview phase, as described in Fusch and Ness (2015).

4.5.8. Limitations

A total of three possible limiting factors were identified for the research. The limitations noted were asymmetrical information, sampling criteria and geographical sampling. Interviews also included a lot of constraints, such as participant bias, the interviewer's listening abilities, interview bias, and a rapport established to promote openness and ease of discussion. The researcher used caution to avoid questioning the participant or letting the interview turn into a cross-examination.

Where asymmetric information referred to a circumstance in which one or two interviewees had more knowledge than the others, most themes were formed by a small percentage of the sample population. With other stakeholders also having had information inside the study region, sampling criteria limit who got interviewed. Geographically, the sample population had been generated only in South Africa, limiting the scope of the research and information to this region and creating sampling bias.

As the South African legislation assisted organisations with good governance and the individuals to be sampled fell within this geographical area, the research findings might not be generalisable outside of the South African context.

Chapter 5: Findings

5.1. Introduction

The semi-structured interviews were conducted in person and virtually using Zoom. The interviews conducted were per the purposive sampling criteria outlined in chapter four. A total of twelve interviews were conducted with a diverse group of internal and external stakeholders with insight and experience into TMT's cognitive approach. The interviewees were either in a declining organisation themselves, have experienced it, or were stakeholders in a declining or attempted organisation turnaround who had to deal with the management team.

Figure 1

Visual representation of interview sample
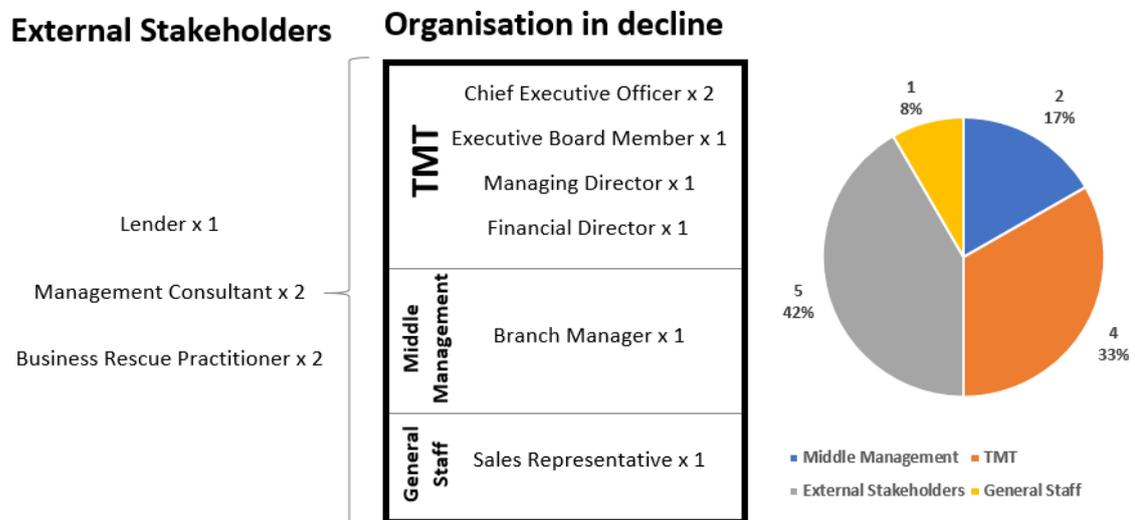
Note. *Developed by the author from the interview sample*

The sample obtained gave rich insights into the TMT's operating methods before and during the decline and turnaround intervention. The interviews were conducted in the interview request acceptance sequence. Codes generated and thematic analysis will be presented in the interview sequence. A list of the respondents with their relevant position within the sample can be seen in Appendix 4.

Sixty-five codes were generated throughout the interviews and gave the researcher deep insight in line with the research questions. These codes were generated using the axial coding method and added as the data collection progressed. As chapter four describes, Figure 2 illustrates the code generation, codes used per interview,

and the saturation point achieved at interview eight. Appendix 5 contains the generated codes and their frequency of occurrences throughout the interview sample.

Figure 2

Codes generated and used per an interview with data saturation represented
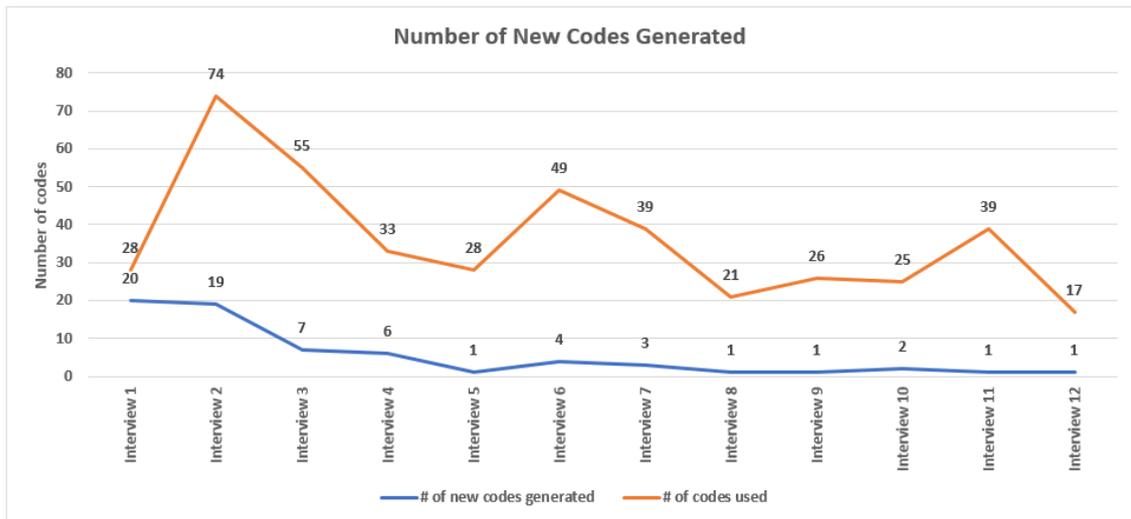
Note. *Developed by the author using ATLAS.ti*

It should be noted that once data saturation has been achieved, new codes are generated that are specific to industry or experience instances. These codes are added to create a comprehensive picture from all possible perspectives to ensure that the context and influences are presented holistically. These specific experiences and codes can also elicit additional discussion with subsequent participants.

The developed codes were generated and attached to specific quotations using ATLAS.ti to obtain the context of the generation and usage. The generated codes were then grouped using an analysis of their generation context. Some codes were used in more than one context. Based on the study's research objective and the questions to be answered, these codes were added to more than one research question. As a result, codes appear in multiple research question findings when viewing the themes generated for each research question. In some instances, the themes developed in one research question are parallel to that of the following research question.

Table 1 below illustrates the grouped codes for each research question, where the themes developed, and findings are discussed in the following sections. The findings will be addressed per the research questions and further delve into each theme developed to give the reader an overall picture with enough insight for further analysis.

Table 1

Grouped codes per research question with the frequency of occurrence

Research Question 1		Research Question 2		Research Question 3	
What are the primary factors that management considers when assessing decline?		What approaches are used to analyse the metrics to take cognition of decline?		What are the overall positive characteristics of management cognition to detect decline, during decline, and possible turnaround actions?	
Codes	Frequency	Codes	Frequency	Codes	Frequency
TMT Ignorance	20	Organisational analysis	22	Market and customer knowledge	19
Singular strategy	16	Contextual landscape	14	Information sharing	19
Cash flow	14	Industry experience	9	Involve external stakeholders	16
Profit margins	11	Trend analysis	8	Restructure	16
Commercial intelligence	9	Competitor entry	8	Align to customer	16
KPI measurement	9	Foresight	5	Skills matching	15
Emotional attachment	6	Financial analaysis	3	Cash flow	14
Profitability	6	Internal contextual landscape	2	Clear targets	9
Turnover	5	Audit findings	1	Culture	9
Board members	5			Involve internal stakeholders	9
Default on loan	5			Industry experience	9
Staff turnover	4			Build a TMT that supports	8
Technology	4			Internal relationships	8
Blue sky thinking	4			External relationships	8
Overuse of credit	2			TMT support	8
				Empowerment	6
				Involve lenders	6
				Root cause analysis	6
				Customer perception	5
				Agility	5
				Enable decision-making	4
				Shared responsibility	4
				TMT involved in all aspects	4
				Add customer value	4
				History matters	4
				Discussing facts	3
				Celebrate victories	2
				Transformational leadership	2
				Trust	2
				Recognize valuable employees	1

Note. *Developed by the author using ATLAS.ti*

5.2. Research Question 1 – Findings

Research Question 1 focuses on the recognition of decline and the realisation that some form of decline is occurring. It is important to note that this section will record how some form of cognition occurred and the reasons for actions taken at the time, if any.

The various quotations related to the codes and the contexts discussed during the

interviews form the premise of the findings. This analysis takes the form of grouping codes with similar contexts and evolving a theme for these that overarches the codes and contexts of discussions. Table 1 shows the codes generated and grouped into this research question.

Table 2 below illustrates the grouping of the codes within Research Question 1, together with the themes developed that overarches the codes. These themes are discussed in further detail below.

Table 2

Research Question 1 theme development

Research Question 1		What are the primary factors that management considers when assessing decline?			
Codes	Frequency	Groups	Frequency	Theme #	Theme generated
TMT Ignorance	20	Cash flow	14	1	Cash flow constraint
Singular strategy	16	Default on loan obligations	5		
Cash flow	14	Overuse of credit	2		
Board members	5	Profit margins	11	2	Profitability of prodcts or services
Default on loan obligations	5	KPI measurement	9		
Emotional attachment	6	Profitability	6		
Profit margins	11	Turnover	5		
Blue sky thinking	4	TMT Ignorance	20	3	Dominated strategy without the ability or will to adapt to changing circumstances
Profitability	6	Singular strategy	16		
Turnover	5	Board members	5		
KPI measurement	9	Emotional attachment	6		
Overuse of credit	2	Blue sky thinking	4		

Note. *Developed by the author*

5.2.1. Theme 1 Findings

Theme 1 emerged through the observation of organisations realising that their incoming payments are less than their outgoing cash in a specific period. These realisations were through various intervention points, such as the default of loan payments and the inability to pay creditors on time.

This subject came strongly from numerous interview respondents as an essential measure that must be well studied and understood within an organisation. This theme is approached from various stakeholder angles, including lenders, consultants, and TMT respondents. Figure 3 illustrates the density and highlights of the comments made by the respondents. The mention of creditors and the importance of supplier and creditor payment terms are strong, although not directly interviewed.

Figure 3

Cash flow constraint (Theme 1) – Relationship between component codes and quotations
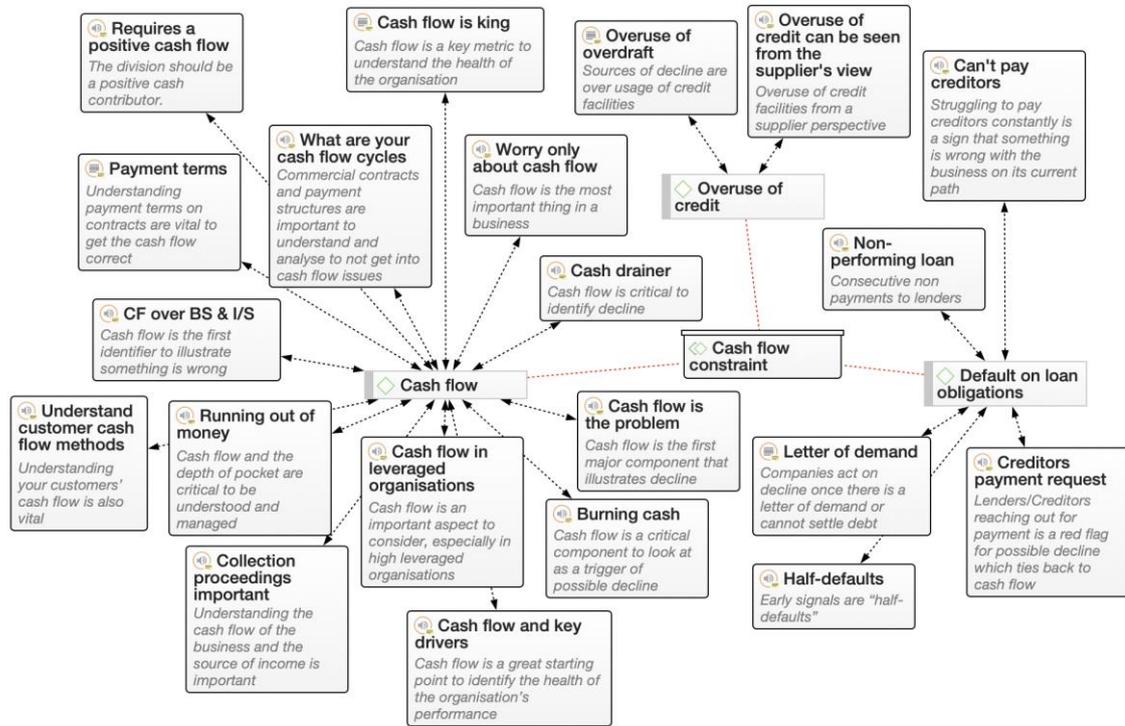
Note. *Developed by the author using ATLAS.ti*

The importance of cash flow and the Cash Flow Statement is constantly mentioned. The Cash Flow Statement is more important than an organisation's Income Statement or Balance Sheet. It is noted to be the first trigger, as Interview 6 described it as "…your Balance Sheet and Income Statement, they do not tell you that immediately. It's your cash flow because suddenly there is a crunch, and you know it is coming…" (Interview 6, 2022).

Interview 2 added to this notion of the importance of cash flow and that the cover of expenses is as important as the cash coming in on time. Looking into the cash flow, Interview 2 makes this an even more critical matter in highly leveraged organisations where repayments are fixed costs. "…highly, highly leveraged environment. You burning cash quite quickly…" (Interview 2, 2022). Thus, making it all the more important to develop and understand the cash flow and to bring it to a healthy state.

Poor cash flow is a consequence of several other things being managed poorly.

Interview 7 supports this finding "…this is the problem, there is a downturn in cash flow, debtors are not paying, we battling to pay creditors, you know, we have maxed out our loans with the bank…" (Interview 7, 2022). This cash flow indicator is further established by employing analysis of the organisation's liquidity, where too much cash is tied up in assets can cause this cash flow problem. "…some of our money is tied up in long-term assets. You know, that type of thing, so we are now becoming cash trapped…" (Interview 7, 2022).

Further support for the importance of cash flow as a continuous metric is for larger organisations; divisional cash draining can indicate the decline. "…it has been a cash drainer for as long as I can remember, and that goes back many, many years…" (Interview 4, 2022). Thus, it illustrates not only to look at a group or stream view but individually on a divisional or branch level which integrates into the group.

It is worth noting that the signs are there before the cash flow challenge becomes a crisis, but cash flow as a cognitive metric is an action to realise there is a looming decline or indicate a current state of decline. Another form of realising cash flow constraints is those discussed of defaults on debt payment obligations. Non-payments to repayment obligations accurately predict the constraint in cash flow, which is critical for decline evaluation. "…cash flow is what is king in these type of instances…" (Interview 5, 2022). "…cash flow, or understanding your cash flow, and your key drivers in your business, is your starting point…" (Interview 6, 2022).

The default on payments to the bank is a metric or instance whereby the organisation can identify a cash flow problem. These can include creditors of the business and can be notified through a letter of demand, which again illustrates the lack of a positive cash flow. "…called on when there is a letter of demand or the company is in a position that cannot settle its monthly debt…" (Interview 5, 2022). This notion of an organisation's inability to pay the monthly debt is reinforced by Interview 3, "…even if they pay fifty per cent, that is two non-consecutive complete defaults, but half defaults. Then we would say that it is in distress now…" (2022).

A more informal indicator is the occurrence of "…the banks, or anybody that is a major creditor, or would be considered as a major creditor of the company…" (Interview 7, 2022), regardless of its origin, that reaches out for payment can be

deemed as an early signal of cash flow constraint. If this constraint is not mitigated, it can lead to organisational decline. A legal layer is brought forward with an organisation's creditors' power. "…even if you miss one payment, all right, they can apply to the court for a business rescue…" (Interview 7, 2022). The notion of business rescue and legal steps supports the notion where Interview 5 mention a "…letter of demand…" (2022) which is a formal recognition of outstanding debt.

It is also important to note the frequency with which these codes are mentioned within the theme. Also worth noting are the interviewee positions that mention cash flow as a starting point. These are prominently displayed in the TMT, lending institutions, and business rescue practitioners. Figure 7 visually represents the theme's development and the sample that mentions it.

Theme 1 findings illustrate that organisational cash flow could be an early indicator of decline. The realisation of cash flow constraint has different metrics to be identified. These include an internal understanding of debtors and creditors and intangible metrics of creditors asking for payment through an informal or formal process. The cash flow health of the organisation is an indicator of its overall health.

5.2.2. Theme 2 Findings

The emergence of Theme 2 is driven by profitability and based on the standard financial model of the Income Statement. This profitability can be subdivided into smaller segments, each examining product or service lines and their impact on the organisation. The various factors of the Income Statement are analysed jointly and not in isolation.

This theme incorporates many Income Statement components inside the management accounts. These are specialised to an industry or organisation and its method of reporting. As a result, turnover, cost of sales, the cost to serve, overheads, and gross profit are inextricably intertwined. The key performance indicator (KPI) codes are related to the internal known healthy operating metrics under current contextual operations. The healthy metrics have been determined through in-depth organisational analysis.

Figure 4

Profitability of products or services (Theme 2) – Relationship between component codes and quotations
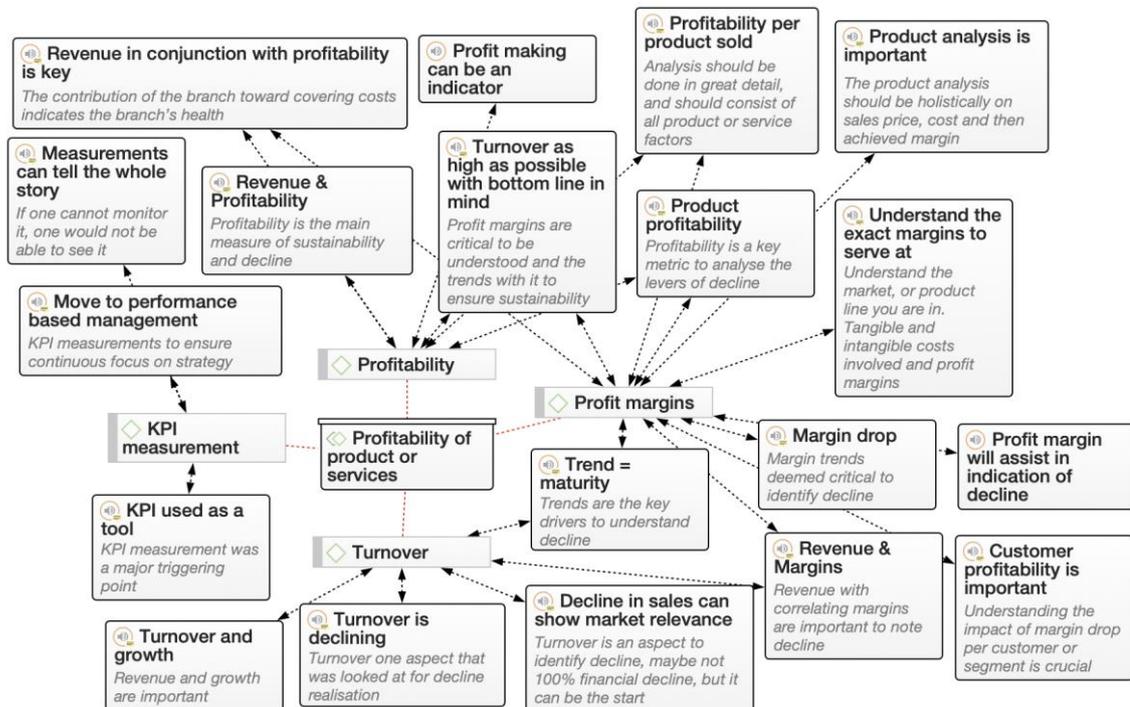
Note. *Developed by the author using ATLAS.ti*

The significant aspects of identifying a decline in organisational performance are items that can be seen on the Income Statement. These factors, such as turnover, profit margins, and overall profitability, are essential to identify decline. Turnover can be an early indication of decline. Interview 4 described it as "…first of all try to be all thing to all men and try to get that business to the turnover as high as it possibly can…" (2022). He adds that with the approach and not viewing the business and its nuances for product line profitability, "…in doing this, the complexities are exponential…" (Interview 4, 2022).

This insight of turnover slow-down can indicate a loss in relevancy on an organisational, product, or service level. However, this turnover decline is not necessarily related to profitability but market relevance. "…why has our sales diminished? Why isn't our product selling? Then you got to start looking at your company from an outsider's view…" (Interview 7, 2022). This notion is supported by measurement over time in conjunction with growth in turnover, which in this instance possibly means loss of market relevance. "…nine, ten years ago, compared to the

turnover currently. Where it was sitting, it was just an eye-opener that the business has not grown at all…" (Interview 1, 2022).

The thought of chasing turnover alone can be detrimental to the business. "…understanding the profitability of each stream was probably not very well thought of and looked at…" (Interview 4, 2022). Interview 1 supports this with his comment that a "…good turnaround on revenue, and it was a profitable branch…" (2022) illustrates that turnover with a matching profitability line is essential. These insights show that turnover isolated is inadequate to demonstrate sustainability and will not necessarily indicate a decline.

Profit margins within the Income Statement are significant and can illustrate profitability and possibly indicate competitor entry. "…you now start seeing your margins get compromised because the more players are in, the more the market becomes highly competitive…" (Interview 2, 2022). This links back to Theme 1, where repayments are essential, "…debt brings interest into your books, you cannot cover your interest, and you start getting into trouble…" (Interview 2, 2022).

Margins, as a standalone, do not indicate sustainability and health. It is noted that the trend of these margins is a more effective way to identify decline. "…the trend, the trend is the maturity of the company…" (Interview 3, 2022). The trend will give a clearer picture of the organisation's current operational sustainability. The trend is further noted not to be analysed in general but also on a product, market segment, and customer items. "…we monitor each individual line item, or segment separately…" (Interview 9, 2022), where he elaborates that this is done per customer as well.

Respondents with experience in turnarounds within an organisation have noted the importance of implementing sustainability practices. The analysed metrics were put through as KPIs. These KPIs are developed from analysis within the profitability sphere. "…KPI measurement, that is for all branch management and for regional managers. So that is something I will use as a tool…" (Interview 1, 2022). Interview 2 added, "…bringing in a human resource type structure to move them to performance-based type of things. Doing things differently…" (2022).

Thus, it is critical to note that the various items in the Income Statement need to be considered. No single line item can be viewed in isolation. It is also found that the organisation's trends can give further insight into a line item or a holistic view of the Income Statement. Once these critical metrics have been noted to where the organisation should operate, it is vital to put these down as KPIs for future measurement and analysis.

A key takeaway from Theme 2 is the positions and organisational level of the respondents that illustrated this theme as critical metrics, which Figure 7 below presents it visually.

Theme 2's key takeaways are that the Income Statement as a whole can be an indication of possible decline. It is found that aspects in the Income Statement, such as turnover, profit margins, expenses, and overheads, cannot be viewed in isolation. Further detailed analysis is required utilising trend lines within each to indicate the maturity of the various aspects. These should all be intertwined to be a holistic analysis that requires constant monitoring.

5.2.3. Theme 3 Findings

The third theme presents the factors for the awareness of decline and the reasons for TMTs not to act on these indicators. These factors include top management inexperience, a single strategy that cannot be changed, emotional attachment to strategies, inability or willingness to change, and unrealistic positive thinking. These elements are discussed in greater depth below.

When we examine Figure 5 and the evolution of the theme, we notice a high frequency of TMT ignorance code and a single strategic vision. An emotional attachment enhances these aspects to strategies, unrealistic big-picture thinking, and board composition to address the identified decline.

Figure 5

Dominated strategy (Theme 3) – Relationship between component codes and quotations
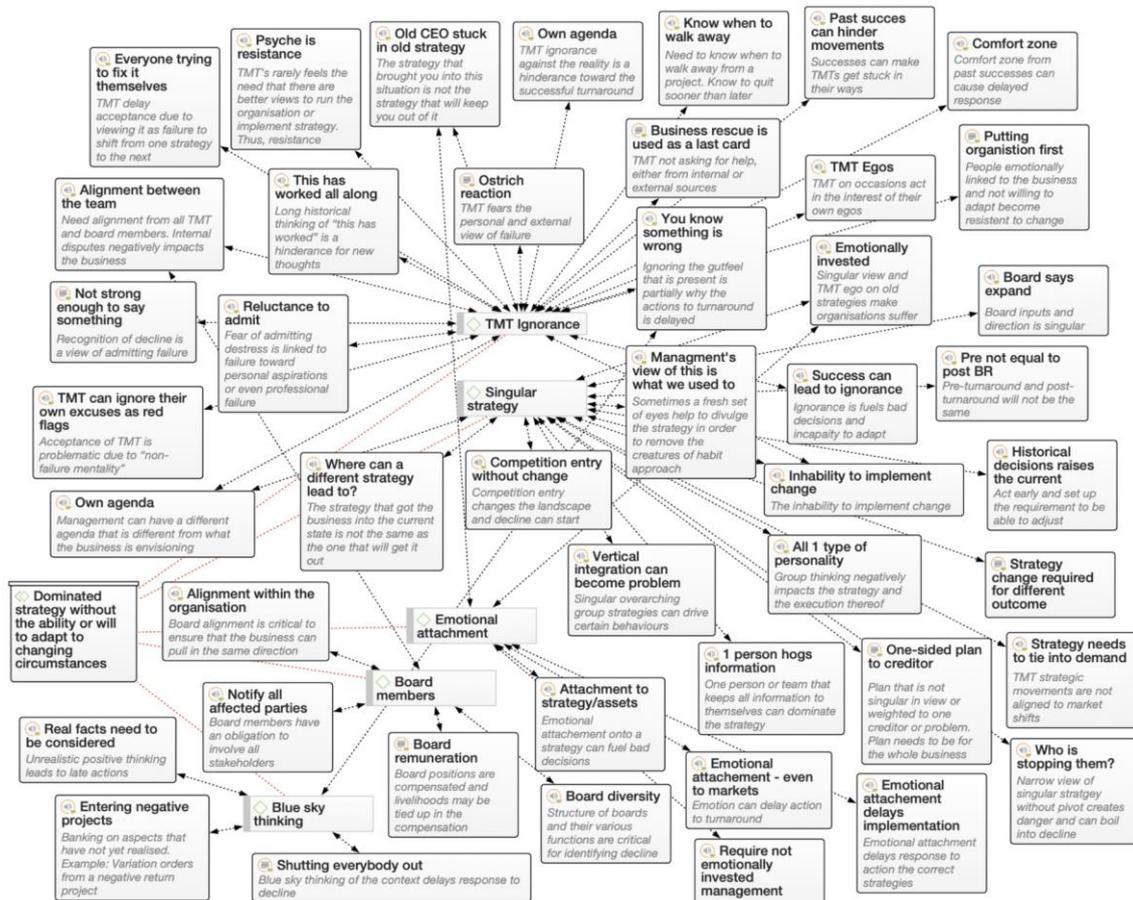
Note. *Developed by the author using ATLAS.ti*

Delaying action when "...you know something is wrong..." (Interview 7, 2022) ultimately destroys the organisation's ability to recover and puts the organisation in an unsalvageable position. Ignoring these decline metrics can take many forms and occur at all levels of the organisation.

TMT ignorance is mentioned and spoken of in detail. This finding raise issues such as "…I struggle to find those who are strong enough to say something…" and "…teams react with, I will call it the ostrich reaction…" (Interview 5, 2022); "…a reluctance for management and directors to actually put their hands up and say, you know what, we are financially distressed or we are financially in trouble…" (Interview 8, 2022).

From a personal and professional standpoint, not speaking up is associated with acceptance of failure. Interview 6 states it in the context of the human psyche. "…your psyche there is resistance. You know, you have been fighting this fight for so long now…" (2022). The human psyche is supported further by the experience that large, historically successful, or mature companies' TMTs become ignorant based on their historical successes, as demonstrated by "...even when you start seeing red flags, you become ignorant..." (Interview 2, 2022). Interview 10 illustrates this as "…a comfort zone…" (2022).

The delay in responding to red flags is aggravated by the belief that change is unnecessary and that what got them here will get them to a better future. In contrast, respondents believe that change is necessary for the organisation to transition to a more sustainable model of operation. Comments from TMT that state, "…look, I have been here for 20 years, and this has worked…" (Interview 2, 2022) is a hindrance to a positive change that is required. The changing requirement is supported by comments that raise TMTs' "…inability to implement change…" (Interview 6, 2022), and they tend to ignore the change required. Interview 10 adds that a lack of "…willingness to change…" (2022) sometimes delays the response time.

Using a singular strategy adds another dimension to the delay in responding to red flags. These strategies can emerge from a TMT's perspective, exacerbated by the previously discussed fear of failure, or the strategy can be forced down from an overarching group structure strategy. Both paths lean toward TMT's singular strategy views while failing to recognise the need to adapt.

Interview 4 shares his experience from a decline on a divisional level in a group structure; "…there is no one that will convince me ever that the entire group is driven by two float lines where the massive investment is…" (Interview 4, 2022). He adds that without that, "…if you do not have that vertically integrated pool…" (Interview 4, 2022), you are freer to move the division and business to adapt.

Further enforcement from Interview 3 of the necessity that change is required to impact turnaround positively is highlighted by his comments from involvement in business rescue "…SAA pre-business rescue is not the same as SAA post business rescue…" (2022).

The inability to act on the requirement to change can be entrenched by a singular strong personality on the team, board of directors, or TMT. From an experienced view, Interview 2 states, "…board says expand…" (2022). "…where you got all A-type individuals, you know the same individuals, you not getting that like variety…" (Interview 6, 2022). "…who is stopping them from changing? Who is the man saying you do it like this?" (Interview 3, 2022). These notions of a singular view of strategy or "…a person that hogs, a very strong chairman or CEO, CFO can also be very bad for a business…" (Interview 6, 2022) can lead to strategies that are not aligned with the market demand and create an inability to shift. This inability to adapt compounds the decline as the more prolonged action is delayed.

"…they have got a different agenda, or they just do not care…" (Interview 7, 2022), "…require plans and strategies that are not overly one-sided to a specific creditor…" (Interview 5, 2022). These responses lead us to see that a singular strategy without the appetite to implement the change can be due to personal or own agendas pushed by the TMTs. These one-sided and own agenda-driven strategies can also be originated from emotion.

Emotional attachment to various aspects of the organisation can be detrimental to the business, causing the TMT to fail to recognise the need for change or to delay responding to red flags. "…we can get emotionally attached to what we believe in, to our strategy, to our assets…" (Interview 2, 2022), whereas Interview 3 states a high requirement for "…someone who is not emotionally invested…" (2022). Interview 4 raises the concern of the emotional attachment and sentiment within an industry to not act on a lossmaking division "…it is not a financial decision, if the financial decision is to be made, it should be closed…" (2022). Interview 3 adds that family-run businesses are more inclined to delay response due to emotional attachment. "…and it is worse with family-run businesses. That is going to be your biggest problem. Family-run businesses, they are emotionally invested in that company…" (Interview 3, 2022).

Another factor that delays responses to red flags is an overly confident self-made positive image and expectations. This is seen through "…hopefully that person is going to pay me. Hopefully my crop is going to yield what I need, and instead of taking a forward approach of engaging, they take the approach of shutting everybody

out." (Interview 5, 2022). Organisations have been found to "…get into projects, where it is a negative return, but they would back themselves that they could get variations orders and all of this to get them back into the green…" (Interview 6, 2022). These mentality actions delay the identification of the root cause and the appropriate response to mitigate the decline. Figure 7 illustrates the various lenses where Theme 3 is prominent. The visualisation assists in further indicating the positions of the declining organisation, whereby delayed actions can be noted.

Theme 3 holistically found that there exist areas whereby dominant leadership, dominant strategy, and emotional attachment to strategy have adverse effects on TMTs regarding timeous responses to red flags indicating a decline. The findings further illustrate that these aspects can also be found at various levels within an organisation or even pushed down from a group view. What has also been noted is the importance of acting as early as possible when the decline is observed, as this early action will allow for more options to rectify.

5.2.4. Tangent Finding

An additional non-financial metric has been noted during or just before the decline has been identified. This aspect is staff turnover. Staff turnover is an aspect that indicates a bigger problem, which can only be seen from the inside. Figure 6 illustrates this and its comments together with quotation codes.

Figure 6

Staff turnover comments on identifying organisational decline
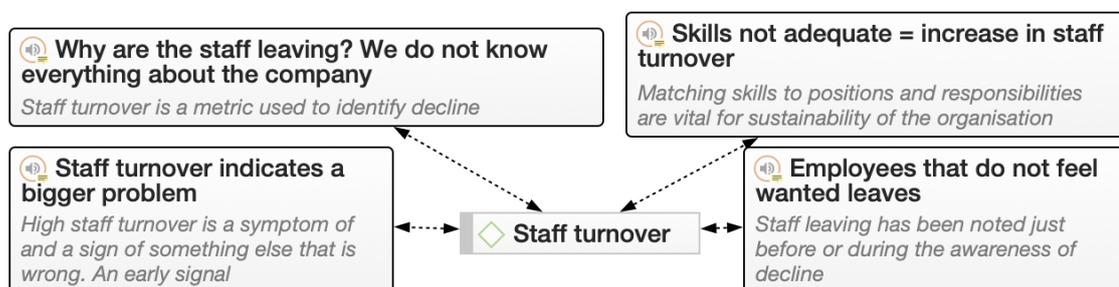
Note. *Developed by the author using ATLAS.ti*

"…experiencing high staff turnover, I can almost guarantee there is a bigger problem to that within the company…" (Interview 7, 2022). This bigger problem can indicate

a toxic or rotten culture that can, in time, cause organisational decline. Further comments support the notion. "…my team did not see the need for them, and left…" notes Interview 4 (2022) through his experience during a decline. Not all factors can be seen immediately, and they know something more profound than any financial analysis can tell. "…what is the staff turnover? Why is everybody leaving? What do they know that we do not?" (Interview 3, 2022).

Then, an additional layer appeared to indicate that if the incorrect hiring process is used, staff turnover increases, resulting in poor organisational performance. The flawed hiring process can enhance the potential loss of market relevance and possible organisational decline. Interview 7 notes it as "…choosing the wrong people, and so forth, not with all the right credentials to actually perform the functions that they are employed to do…" (2022). Interview 7 further adds that "…you lose all of that training, all of that money and everything goes out the window…" (2022).

5.2.5. Research Question 1 Conclusion

It is helpful to note the frequency of codes per respondent position within or from the organisation in decline. The code frequency is visually represented in Figure 7, which further gives insight into the various lenses of the various theme developments.

Figure 7

Research Question 1 respondent visualisation per theme within the sample

RQ1 - Visualisation per theme within the sample	Theme 1	Theme 2	Theme 3
General Staff	3	1	0
External Stakeholders	20	9	5
TMT	7	3	7
Middle Management	2	0	5
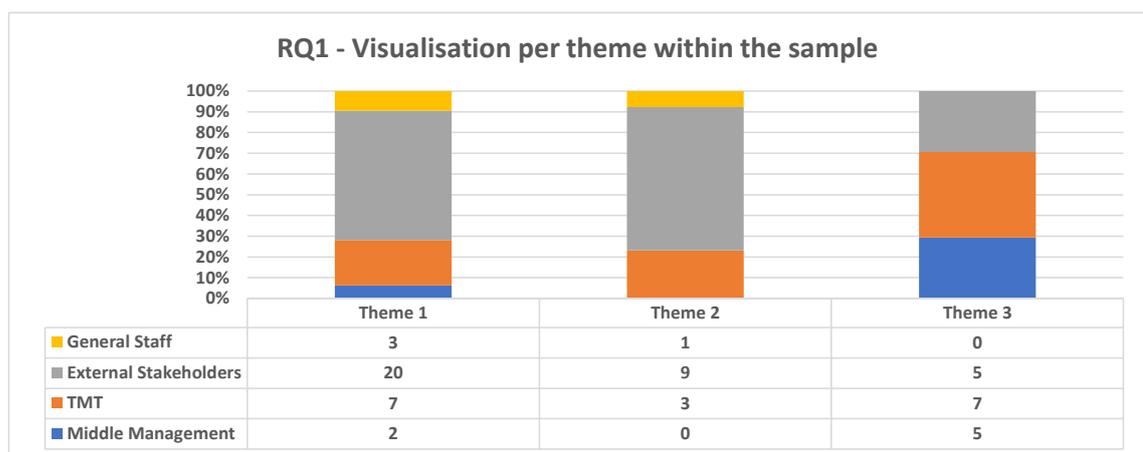
Note. *Developed by the author using ATLAS.ti*

The research question explores the various methods and tactics TMTs have implemented to take cognition of decline. We have noted different discovery ways

from the findings, further enriching the organisation and stakeholder position. A substantial aspect is cash flow, as there seem to be considerable consequences on a negative cash flow, including the legislation part of the organisation's operation. Cash flow is a primary driver in understanding the organisation's key drivers. Cash flow might only be a symptom from an operational perspective where the root cause might lie in the profit margins or market relevance.

Factors in the Income Statement, such as turnover and profit margins, analysed through trends can indicate operational health. These trend analyses within the Income Statement will give further insights into the organisation's maturity and health, which can directly impact the cash flow. The holistic understanding and approach to the organisational trends and critical drivers illustrate a decline. Thus, an isolation approach to one or the other is not an acceptable method to identify decline.

Identifying decline is not seen as the ultimate endpoint for turnaround. Once turnaround has been deemed necessary, the delay in responses from TMTs is vast. These factors include capability, personality traits, and even ignorance. These different aspects are to be navigated for change initiatives to take action.

5.3. Research Question 2 – Findings

This question focuses on the method and tactics used to recognise decline rather than the metrics. As a result, respondents shared their methods and tactics for identifying decline through various lenses. In some cases, these strategies required an industry-wide approach.

Again, we examine how the codes were used in the quotations using ATLAS.ti and the codes pointing to Research Question 2, as shown in Table 1. We disseminate themes that are elaborated on further in the section.

Table 3

Research Question 2 theme development

Research Question 2		What approaches are used to analyse the metrics to take cognition of decline?			
Codes	Frequency	Groups	Frequency	Theme #	Theme generated
Organisational analysis	22	Organisational analysis	22		
Contextual landscape	14	Industry experience	9		
Industry experience	9	Financial analaysis	3	4	In-depth organisational knowledge
Competitor entry	8	Trend analysis	8		
Foresight	5	Audit findings	1		
Financial analaysis	3	Contextual landscape	14		
Internal contextual landscape	2	Competitor entry	8		Contextual landscape internally and
Trend analysis	8	Foresight	5	5	externally
Audit findings	1	Internal contextual landscape	2		

Note. *Developed by the author*

5.3.1. Theme 4 Findings

This theme which addresses aspects of Research Question 2, has been identified as a critical strategy for identifying decline. This strategy combines industry experience with in-depth organisational analysis, which examines the organisation from all aspects. It is noted as a crucial aspect to conduct the organisational analysis continuously to determine the organisation's market position, relevance, and traction.

Industry experience is required to gain insights into not only the organisation but also the industry. This industry experience has also been a helpful determinant in implementing turnaround. Combining expertise and continuous organisational analysis provides a consistent view of organisational performance. This consistent view of organisational performance provides critical insights into whether an operation is sustainable or on the verge of decline.

The discussion starts with the high-density component mentioned by respondents, organisational analysis. Deep organisational knowledge is a common theme among respondents, who note that various ongoing investigations are required to understand the organisational nuances and performances.

One respondent explained it as "…already lost…" if you do not understand "…the key drivers within the business…" (Interview 6, 2022). Without the knowledge of these drivers, the TMT can pull the wrong levers. Thus, trends in performance and measurement against the plans are essential. "…who is telling me that the company is not performing as it should be in terms of the original forecast?" (Interview 3, 2022). "You need to look at it as a whole. You will look at the financials, your Income Statement, Balance Sheet, Cash Flow Statement…" (Interview 7, 2022).

Figure 8

In-depth organisational knowledge (Theme 4) – Relationship between component codes and quotations
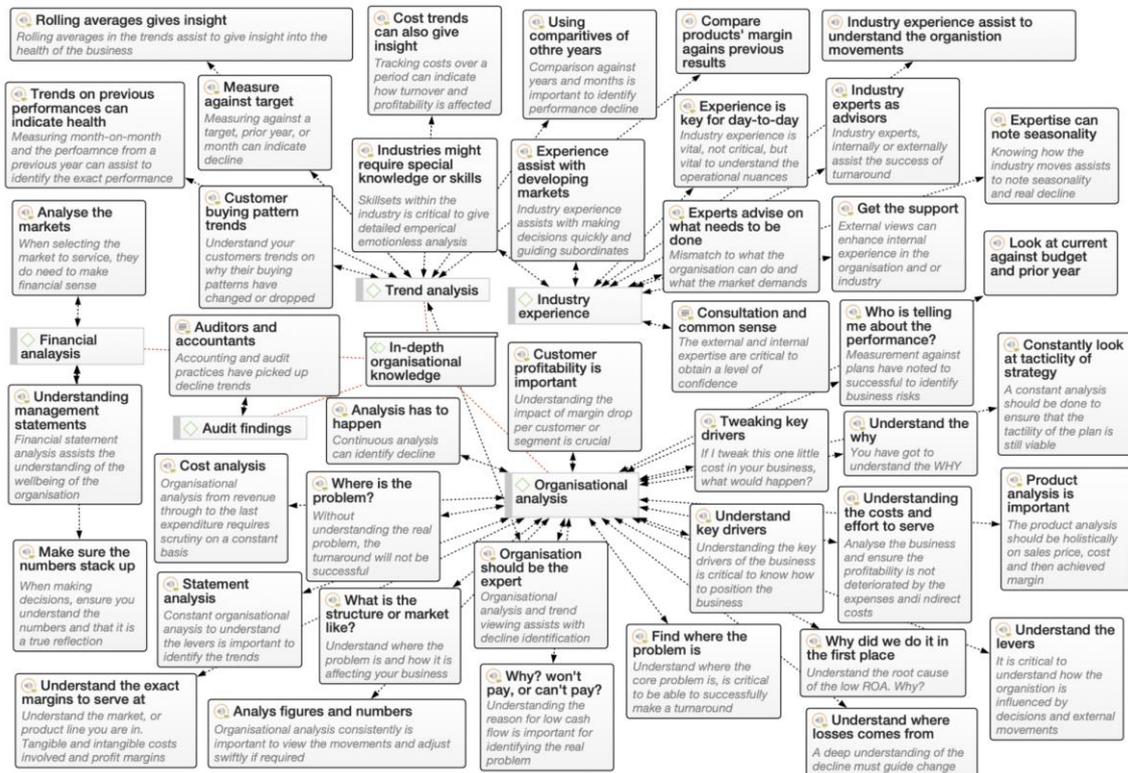
Note. *Developed by the author using ATLAS.ti*

Interview 8 says, "…there is a heavy analysis, or due diligence that has to happen…" (2022). This analysis is said to be on all fronts of the organisation, sales, margins, and costs, as stated by interview 4 "…the costs have grown out of line…" (2022). Thus the need to "…compile and analyse figures and numbers in the branches is important…" (Interview 4, 2022).

Moving the attention to the theme aspect whereby the industry knowledge and expertise assist in identifying decline, we note a similar pattern from a different lens. Different lenses showcase that industry experience assists in how to match the organisation and the market. "…having the experiences that I have got over my time, and knowing where to identify certain products to introduce into the market…" (Interview 1, 2022). Interview 6 mentions that "…experience is vital in the industry…" (2022) and adds, "…you got a guy there that has been there for five years, he understands all the defects etc." (Interview 6, 2022).

Furthermore, good leadership in an organisation is open to appointing "…industry experts to advise you in a particular industry…" (Interview 8, 2022). These industry experts, internally or externally, can advise that "…you are still doing that, and you should be doing that…" (Interview 3, 2022). The business rescue lens enhances the industry expert requirement by utilising "…the management team in the business, and then applied a level of common sense over that consultation. Those are the kind of guys where you see some results." (Interview 5, 2022).

This organisational analysis and fundamental understanding of key business drivers and industry nuances are just as crucial for recognising decline as it is for understanding what needs to change to improve. "…you have got to understand the why…" (Interview 3, 2022). Overlaying the current to the original plan adds insight into the root cause. This root cause understanding can be due to changes in the operational environment and the exact adjustment that is required.

Two final aspects fall into this theme of understanding the organisation and where it is heading or performing. These aspects are the analysis of the "…financial statements, management accounts etc." (Interview 8, 2022). On top of the organisation acting in its interest to raise the flag, the "…auditors and accountants have the best ability to raise the flag when a company is entering a distressed position" (Interview 5, 2022).

Figure 10 illustrates the various lenses through which the development of Theme 4 originates—further indicating the positions of the declining organisation whereby organisational knowledge can identify decline.

Organisational knowledge is brought forward in two methods. The first is continuous in-depth analyses, and the second is the experience and expertise within the organisation and industry. Combined with the understanding that the organisation is the key driver, these two aspects can give insights into the TMT if a decline is on the horizon.

5.3.2. Theme 5 Findings

Theme 5 emerged from the underbelly of a changing environment and investigated contextual changes within an organisation, its operating landscape, and a forward-

thinking approach. As a result, these methods and tactics are predominantly operational, including the surrounding field of how an organisation remains relevant to changes internally and externally. Figure 9 illustrates the various context it was mentioned in for further elaboration.

The changing environment is a dynamic system that requires the TMT to be in touch with it. Interview 4 noted some nuances with his experience, illustrating the impact of economics; "…economics played a lot of it, new competitors all the time, and ability to trade…" (Interview 4, 2022). These impacts stretch further than just the economy. Interview 3 states more aspects to consider, such as "…a tsunami, there is a drought, or there is a change in the political dispensation landscape…" (2022).

Figure 9

Contextual landscape internally and externally (Theme 5) – Relationship between component codes and quotations
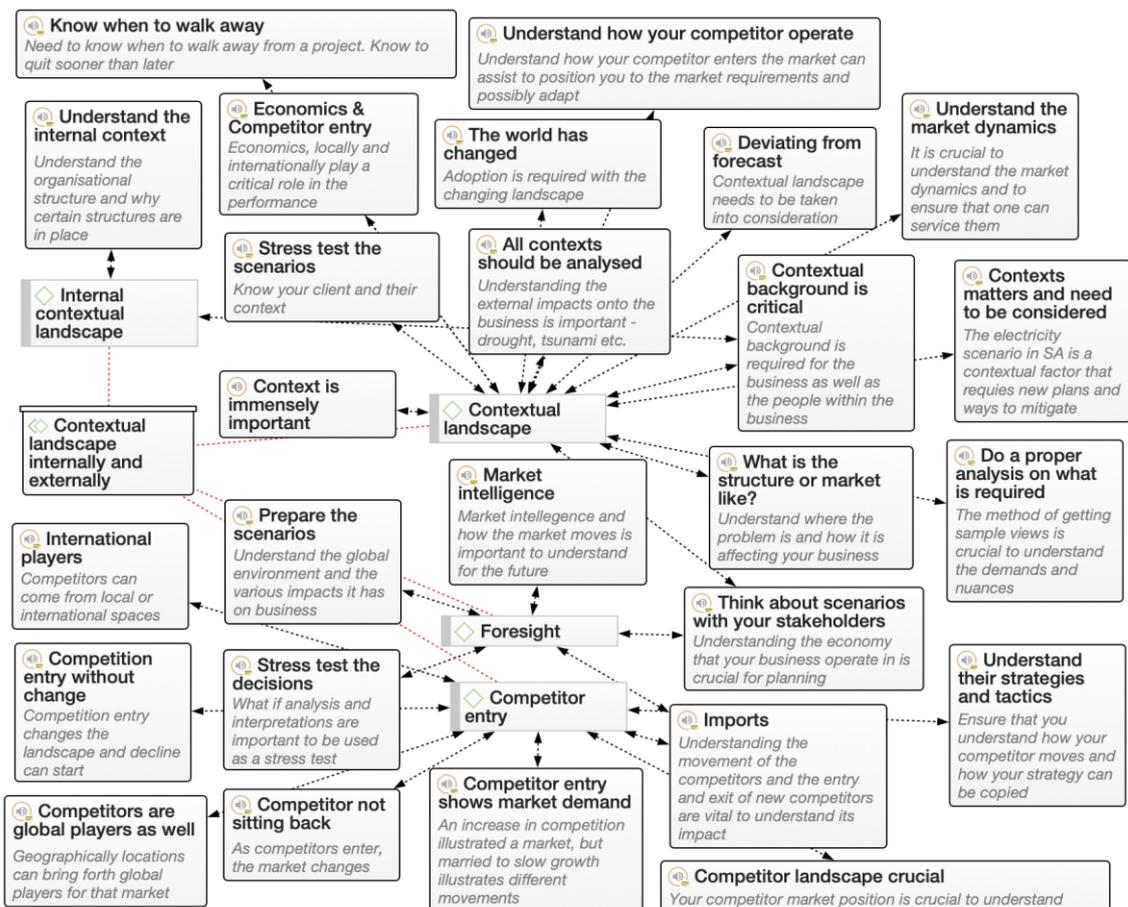
Note. *Developed by the author using ATLAS.ti*

This contextual landscape and its impact on the business needs to be understood and requires constant surveillance. A forecast for a strategy is one tool that can be used to understand how the context influences the organisation. It is also noted that it cannot be looked at in isolation. Interview 3 mentioned that tools should be used in combination. "…use it as one tool, not the only one…" (Interview 3, 2022). He further elaborates that "…the world has changed…" (Interview 3, 2022), and the singular strategy that has worked for so long also requires a change.

It has been observed that organisations that enter into a project postpone the turnaround action. Analysing the contextual environment and its nuances can indicate that the organisation will be in a difficult situation. "…you got to be brave enough to know when to walk away from a project…" (Interview 6, 2022). This walk away is with the analysis that the project will cost "…there is something wrong, and suddenly the ten becomes twenty, and thirty…" (Interview 6, 2022). Interview 6 adds that different scenarios should be simulated to identify the impact on the organisation.

These scenarios can bring awareness of competition, not just current competitors, but possible new entrants into the market. This awareness is vital because "…your competition is not sitting back…" (Interview 2, 2022). This competitor awareness stretches beyond just the locally geographically located competitor but the entrants of competitors globally and local organisations. "…importing products that are a lot cheaper than your local production product…" (Interview 7, 2022). If the demand seems healthy enough, the "…international players are making inroads to the continent…" (Interview 2, 2022). As a result, keeping track of and, if necessary, adopting competitor movements helps understand the dynamic contextual landscape.

There are also notions of using scenarios to analyse the context and future possibilities of the decisions. These future possibilities are supported by a comment from Interview 2, which states that "…cognitively, we need to prepare ourselves for that…" (2022). These scenarios apply not only to one's direct organisation but also to "…your suppliers, maybe one of your creditors…" (Interview 7, 2022), which requires a stress test and could leverage your organisation.

Figure 10 displays the various lenses through which the development of Theme 5

originates. The operating landscape is dynamic and requires constant organisational movements to remain relevant. The findings indicate that the TMTs should be in touch with these dynamic movements to ensure that the organisational knowledge and analyses align with the market movements. These movements are said to be in the economy, competitors (local and international), and also include the political landscape.

5.3.3. Research Question 2 Conclusion

It is helpful to note the findings' density on where and how the respondents are positioned within or outside a declining organisation.

Figure 10

Research Question 2 respondent visualisation per theme within the sample

RQ2 - Visualisation per theme within the sample		
	Theme 4	Theme 5
General Staff	3	0
External Stakeholders	16	3
TMT	15	6
Middle Management	4	2
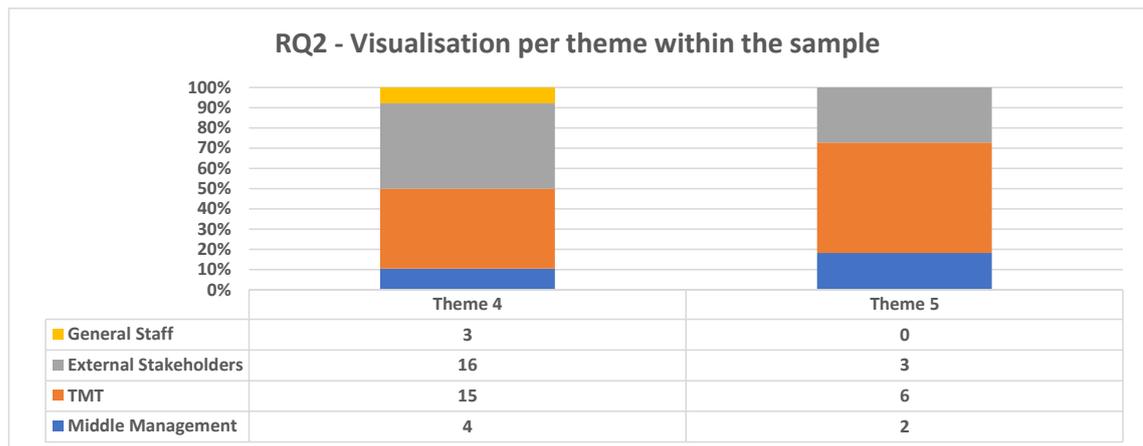
Note. *Developed by the author using ATLAS.ti*

In-depth organisational knowledge and analyses through investigations and industry expertise are vital contributors to identifying decline. These analyses and expertise are intertwined and should be examined using trends to identify movements.

These movements can also be noted in the operating landscape, where contextual factors should be considered. The findings suggest that TMTs should be in touch and capable of identifying market movements. These market movements can be on a macro or micro level in the economy or the globe. Future stress tests, not only on the direct organisation but throughout the supply chain, should be conducted to determine what impact each of the various aspects has on the organisation.

The combination of analyses, expertise, contextual landscape, and scenario planning are processes and tactics that assist in identifying decline. These analyses and rich insights into the various factors also help to allow a turnaround strategy to point the organisation on a better trajectory.

5.4. Research Question 3 – Findings

This research question is the closing question that takes the actions of the decline into consideration of the TMTs. This question is incorporated to note the positive traits management teams have been implementing to recognise decline and the good practices when implementing turnaround strategies.

Once more, we evaluate the codes generated, group them and then analyse the context they are provided in to develop themes relating to Research Question 3. These themes are derived based on the overall impact and general comments from the participants and can be seen in Table 4 below.

Table 4

Research Question 3 theme development

| Research Question 3		What are the overall positive characteristics of management cognition to detect decline, during decline, and possible turnaround actions?			
Codes	Frequency	Groups	Frequency	Theme #	Theme generated
Market and customer knowledge	19	Market and customer knowledge	19	6	Deep knowledge of industry and customers
Information sharing	19	Cash flow	14		
Involve external stakeholders	16	Industry experience	9		
Cash flow	14	Customer perception	5		
Skills matching	15	History matters	4		
Restructure	16	Restructure	16	7	Precision restructure across the organisation
Clear targets	9	Clear targets	9		
Culture	9	Culture	9		
Align to customer	16	Root cause analysis	6		
Build a TMT that supports	8	Transformational leadership	2		
Involve internal stakeholders	9	Agility	5		
Industry experience	9	Information sharing	19	8	Supportive team with empowerment as foundation
Internal relationships	8	Involve external stakeholders	16		
Empowerment	6	Skills matching	15		
External relationships	8	Align to customer	16		
Involve lenders	6	Build a TMT that supports	8		
Customer perception	5	Involve internal stakeholders	9		
Root cause analysis	6	Internal relationships	8		
TMT support	8	Empowerment	6		
Enable decisionmaking	4	External relationships	8		
Shared responsibility	4	Involve lenders	6		
TMT involved in all aspects	4	TMT support	8		
Add customer value	4	Enable decisionmaking	4		
Celebrate victories	2	Shared responsibility	4		
Discussing facts	3	TMT involved in all aspects	4		
History matters	4	Add customer value	4		
Transformational leadership	2	Trust	2		
Trust	2	Celebrate victories	2		
Agility	5	Discussing facts	3		
Recognize valuable employees	1	Recognize valuable employees	1		

Note. Developed by the author

After data saturation, specific industry or organisation experiences were included in the coding process to evaluate that holistic context and what has been discussed during the interview phase. Not all of these codes will be discussed, but rather the overarching themes generated.

5.4.1. Theme 6 Findings

Theme 6 evolved from an organisational standpoint and how it positions itself with its customers or clients. Awareness of customers' needs helps understand the trends that emerge from their behaviours. The awareness of customers' needs is layered with industry dynamics, historical knowledge of the organisation, and knowledge of the industry in which the organisation operates.

Figure 11

Deep knowledge of industry and customers (Theme 6) – quotations and code relationships
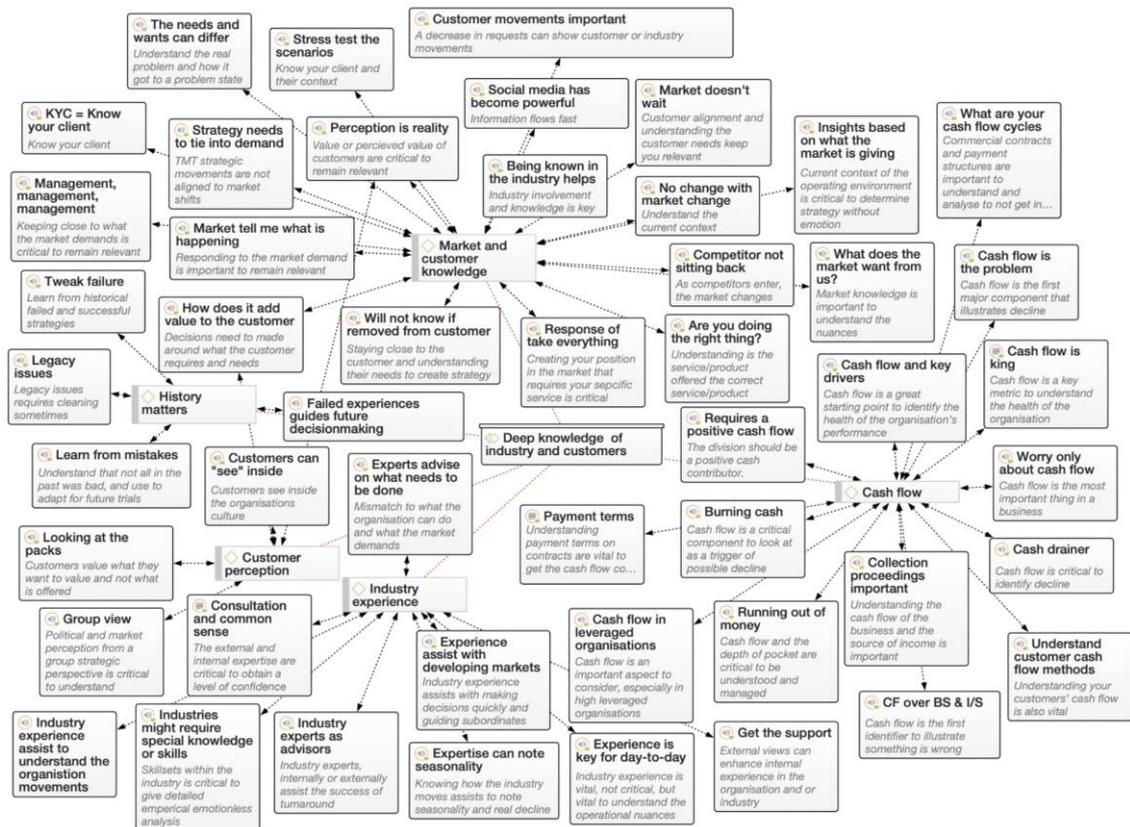
Note. *Developed by the author using ATLAS.ti*

It has been noted by Interview 3 that a critical identifier of the decline is

"…management, management, management…" (2022). The team of management decision-makers are the ones that need to "…know your client…" (Interview 3, 2022). The knowledge of the customers or clients is crucial, as these different customers may operate in different markets where "…their needs and their wants are so different…" (Interview 4,2022). This view of aligning with what the market requires is supported by Interview 2, which states, "…I not going to impose my feelings, emotions to the market. I am going to let the market tell me what is happening, and I must respond to the market…" (2022), during his turnaround implementation.

Then the notion of the customer is the central part of understanding the organisation's position and is discussed in depth. Actions and reactions will be delayed due to the organisation being "… so far removed from the client…" (Interview 3, 2022). Interview 2 supports the idea of having the customer as a central alignment mechanism by adding, "…it has to be about the customer. You got to bring this element about customer, customer, customer. That whatever decisions you make, processes you implement, thinking you have; how does it add value to the customer?" (2022).

The market itself also moves and needs change due to various aspects, including the actions of competitors. "…there is not just a market sitting there waiting for us, ok saying we will take you on…" (Interview 4, 2022). "…because he is the old CEO that got locked in on how they use to do things before…" (Interview 2, 2022) is a comment that states a reaction from a business which did not adapt to the needs of the market. As soon as a response from the company is executed as "…you do everything you can take…" (Interview 4, 2022), the organisation does not know its exact position, and market knowledge gets diluted.

Knowing the customer and the market and its nuances is essential. When one notes sales drop or requirement decline, Interview 9 shares his experience liaising with customers that "… you would not be as busy as you typically would be…" (2022); the organisation needs to ask and understand the market's demands. "…is that the right widget? Are you doing the right thing and find out if that is the problem…" (Interview 3, 2022). "…get out there and find out from the customers that is not buying, what are their reasons, and what do they want from us…" (Interview 1, 2022).

This understanding is even more critical with the increased social media and the quick flow of information. Interview 2 adds, "…you make one mistake, it is on Twitter, circulating very quickly, people are upset, it is a very in touch market. They are much more critical, much more aware…" (2022). Interview 2's strategy change supports this statement during a market shift: "…you cannot impose; you need to align yourself with the customer base…" (2022). Thus, the change is executed based on "…new insights, based on what the market is giving us…" (Interview 2, 2022).

These changes are market or organisation-specific demands and can be due to the market's perception or a specific customer. The market's perception influence is first noted by Interview 1, stating "…negative attitudes from management, that flowed through the branch and this started a change in the customer's buying performance…" (2022). Customers look at "…the packs…" (Interview 2, 2022), which can encompass service delivery, substitute, and compliments to decide the options to be taken. Thus, it is helpful to incorporate this view to understand "…how does it add value to the customer..." (Interview 2, 2022).

Market perception can also hinder action on declining divisions or branches. Interview 4 states a fear from the main board of the market if "…the group is not involved in the processing of toughened glass…" (2022). Thus, it is essential to note that the customer or market perception, reality or not, is key to identifying the trends and nuances of the operating landscape.

It is stated that simply knowing one's customer is insufficient. Experience in the industry is also meaningful for noticing changes in the market and the operating landscape. These experiences and expertise can see beyond the apparent reasoning of trends and provide more significant insights into the dynamics of the organisation and its position in the market.

Interview 3 states that this expertise can come from within the business or from outside of the business as consultants and will be able to assist in understanding. "…you are inefficient, for the lack of a better word. There is a mismatch of something. You are still doing that, and you should be doing this…" (Interview 3, 2022). Interview 5 further adds that the expertise is not a silver bullet, but "…an applied level of common sense over the consultation. Those are the kind of guys you can see some

results..." (2022).

Organisations can operate over multiple industries as suppliers or customers, and each of these industries has its own set of differences. Thus, it is important from an organisational level to know "…who do we speak to?" (Interview 3, 2022). This view is generated from the lens of organisations, lenders, and business rescue practitioners. "…the knowledge that I have got, and the experiences that I have had over my time, and knowing where to identify certain products to introduce into the market…" (Interview 1, 2022). "…who do we speak to? We, the bank, and maybe the client. Who is that third party?" (Interview 3, 2022). From a business rescue practitioner lens, the legislation that supports this notion that "…the companies act makes provision for this. Is that you must be able and confident as a business rescue practitioner, to be able to appoint industry experts to advise you in a particular industry…" (Interview 8, 2022).

Understanding the customer or market dynamics is not sufficient in and of itself. Additional depth exists in the organisation, customer, and industry history, which can provide additional insights. Interview 2 mentioned that one could learn from the failures by stating, "…they tried it last time; this is where it went wrong. All I needed to do is not start it from scratch or tweak that…" (2022). Interview 4 supports this view that the failures need to be seen as learning curves, and if failed, the analysis should be done. "…trying to get into that again, without a proper proper analysis of the business and its requirements from a machinery and people perspective." (Interview 4, 2022).

The knowledge of customers, markets, their history, and the dynamic nature thereof is overlayed with cash flow knowledge of how the industry operates. Interview 3 deepens this insight into our customer knowledge with a two-tier customer knowledge base. "…if their (referring to direct customer) is poor, they are not collecting, then they will not be able to make it to get to us…" (Interview 3, 2022). Understanding the industry's operating mechanisms assist from a commercial contracts perspective, which can impact cash flow. "…take note of the payment terms. They are sitting with a thirty-day payment term to their creditors but have a sixty-day payment term for their debtors. You are never ever going to find yourself on the right side…." (Interview 5, 2022).

On an industry and customer level, history matters. The industry experience, internally or externally, adds depth to the organisation's movement options. The customer base knowledge adds much insight for TMTs to position the organisation to market demands.

The findings extract the value of returning to a great deal of relevance through customer alignment of demands. This alignment is also driven by customer perception, accurate or not. This knowledge and insight of staying close to one's customer is an essential move to get the organisation back on track for sustainability.

5.4.2. Theme 7 Findings

Theme 7 is primarily found in TMT actions that positively influenced the turnaround strategy. These actions or implementations are typically taken as a first reaction after realising decline. As part of the root cause analysis, restructure, targets, culture, and leadership methods, these actions incorporate elements from previous themes.

The developed theme creates a direction to rectify the decline, with comments on the root cause analysis of the decline. Interview 3 says, "…you have got to understand the why…" (2022). Interview 7 illustrates it as "…look for the problem. Where is the problem?" (2022). The root cause analysis helps understand what needs to be rectified. To "…look at the reason for the issue…" (Interview 5, 2022) is found to be an essential action to execute before attempting a turnaround.

The root cause analysis of the problem is congruent with a thorough understanding of the organisation and its analysis. Finding out where the problem is coming from will help with future actions to implement turnaround strategies. Consulting consultants can also assist in analysing root causes from an objective external perspective. Interview 7 states that one can get help from "…an outsider's point of view, together with management, and try and identify the root of the problem…" (2022).

Figure 12

Precision restructures across the organisation (Theme 7) – quotations and code relationships.
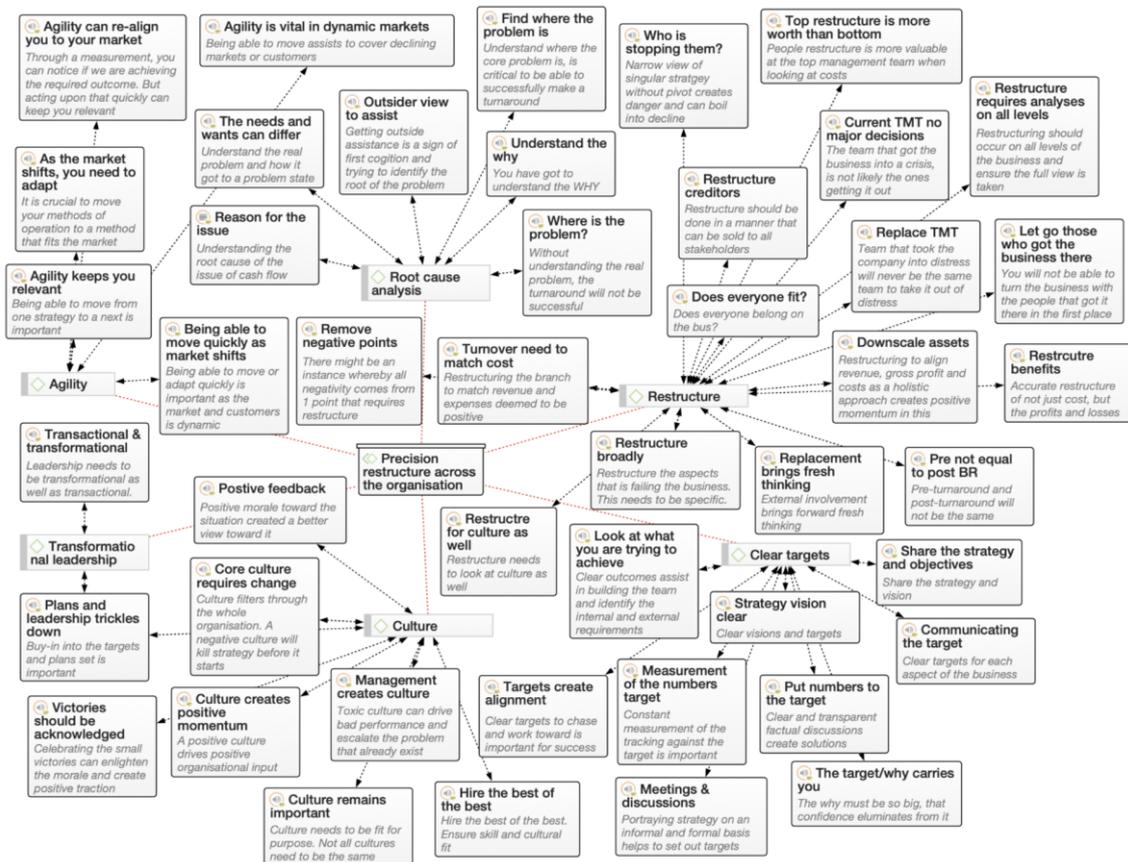
Note. *Developed by the author using ATLAS.ti*

After understanding the various root causes of the real problem that requires attention, there is an intangible factor of culture that requires analysis. The culture is an aspect that one cannot quantify, but skilled TMTs can identify a toxic culture that can cause harm to the organisation. The origin of organisational culture starts with the management, not the staff. "A toxic culture is a management problem; it is not a staff problem. Management creates the culture and environment of a company, not the staff…" (Interview 7, 2022). "…I still think that culture is one of the most important things within an organisation…" (Interview 6, 2022).

Changing a toxic culture into a more positive one can create positive traction in the turnaround process. "…this individual came and said culture first. A work environment is a place where people love and that. Now they have turned around, and possibly the only person that can compete…" (Interview 6, 2022). It is worth

noting that culture needs to be fit for purpose, and cultures differ from various industries and the people within the industry. "I will change a culture that is not fit for purpose…" (Interview 6,2022).

It is found that this cultural aspect is helpful to implement from all perspectives as early as possible. Implementing this practice as early as the hiring process saves time in adjusting employees' cultural perspectives and creating skills and attitude matches in the organisation. Interview 6 illustrates the earliest starting point even to be the hiring process, and to "…hire the best of the best, you must understand, our CVs can be very deceptive…" (2022).

"…wanting to build a new culture, then we realised that there is a core culture that has remained in the business…" (Interview 2, 2022). When turnaround requires implementation, the culture must be changed throughout the whole organisation as culture filters through the entire organisation. Once the culture is understood and change is required, there might be a matter of restructuring that needs to take place for the new culture to form.

The root cause is known, and the cultural aspects influencing the organisation intangibly are understood. It is now asserted that restructuring various aspects of the organisation positively impacts the turnaround strategy. Interview 3 notes that this restructuring can come from creditor terms change. "…this is what the option is in terms of restructure, in terms of giving them a longer term…" (Interview 3, 2022). Interview 4 illustrates that this restructuring can be in terms of letting assets go. "…so from an equipment point of view, we have downscaled the business…" (Interview 4, 2022).

Interview 1 noted that restructuring could be executed to match revenue, gross profit, and overheads to create a more sustainable business. "…to restructure costs definitely helps…" (Interview 1, 2022). Interview 3 supports this view from a product perspective and adds, "…when we restructure a company, we talking broadly…", "…we are talking about processes, the green widget or the blue one…" (Interview 3, 2022).

Various interviewees have noted that the management requires replacement to have

a better chance of turnaround success with this broad restructuring approach. "…the team that took the company into distress can never be the same team that takes it out of distress…" (Interview 6, 2022). "…you are not going to change the unsuccessful business to a success with the people; that is actually the reason why it became unsuccessful." (Interview 10, 2022).

With this notion, Interview 2 elaborates that "…they came from outside, which was good because they brought the fresh thinking…" (2022). This fresh thinking has also prevented organisations from getting emotionally attached to the current strategies that lead the organisation into a declining state. He further elaborates that the view for the new path of the organisation needs to be understood, and the question of the staff requirement needs to be answered. Does everyone belong? "…not everybody will be on the bus. I must have a way of identifying these guys are not with us…" (Interview 2, 2022). Overlaying the culture with the employees and noting who does not fit is critical in deploying a supportive team. "…what you do not take along from the beginning is how to improve and build the culture…" (Interview 2, 2022).

Understanding the root cause enables the restructuring to be a precision-based event. Within this process, "…there is an element of restructuring that requires you to be transactional, and it is at some point where transactional does not work, you got to be transformational…" (Interview 2, 2022). With this leadership method, one can get the buy-in and have the plan "...trickle down throughout the whole business…" (Interview 6, 2022).

With the root cause known, and the turnaround strategy clear, it is now possible for the TMT to set a "…strategy vision that must be clear, and there must be a buy-in at the top…" (Interview 2, 2022). This vision and strategy require a clear outcome to what one wants to achieve.

These clear targets set create alignment within the team. "…if you cannot agree, they going that way, and you going that way…" (Interview 3, 2022). Through the analysis, it is important to have tangible numeric targets that are understood and interrogated. "…transparency, you can interrogate my numbers…", "…but let us agree to the numbers…" (Interview 2, 2022).

These objectives must be communicated throughout the organisation to ensure alignment and a focused focus on tasks and actions that must be completed in conjunction with their reasons. "…I would send out an email to everyone; this is the target that we need to do for the month…" (Interview 1, 2022). "…share the vision, get a connection in terms of are they now connecting to where we want to take the organisation?" (Interview 2, 2022). These communicated targets also help to create the bigger picture and support the teams as they face various potential obstacles. "…Whenever you reach obstacles, the why carries you…" (Interview 2, 2022).

The findings illustrate a clear need to restructure the TMT when entering turnaround. This notion is also profoundly layered with the culture of the organisation. The organisation's position within the market and the specific products and services require in-depth root-cause analyses. This root cause analysis of what is going wrong aids in developing the organisation's strategy to implement a successful turnaround. Restructure is found to positively impact the organisation if done correctly and precisely, which addresses the root cause of the decline. The root-cause analyses also bring forth a clear sense of direction that is required. This knowledge assists in the restructuring process of either human capital, assets, products, or even market segments.

5.4.3. Theme 8 Findings

Theme 8 is formed and developed through the experiences of TMT actions and what positively influenced the turnaround strategy implementation. These actions are abundant, and the industry or organisational experiences have been discovered. The findings below will touch on a good proportion of these actions, focusing on the codes and comments mentioned most frequently.

The findings will concentrate on the densest actions, which will then elaborate on customer alignment, internal skill matching, information sharing, involving internal stakeholders, and finally, building a TMT that supports the organisation at various levels. Figure 13 below illustrates the relationships between the densest codes and quotations related to Theme 8.

Many of the organisational turnaround pivots around Theme 7's analysis and actions. However, it is beneficial to have activities that follow up the initial process to ensure

the turnaround is successfully implemented.

From the interviewees' experiences, matching the right skills with the job or responsibility is crucial to success. During this time, it is essential to have the best employees, as Interview 2 shares, "…analysis of who should actually leave and who should actually stay. Then you use this VSP (voluntary severance package), and then your best guys leave…" (Interview 2, 2022). Interview 5 supports this risk in her comment, "…guys that have really strong skills in that industry will generally leave before a rescue starts or take any sort of retrenchment package…" (2022).

Figure 13

Supportive team with empowerment as the foundation (Theme 7) – quotations and code relationships

Note. *Developed by the author using ATLAS.ti*

Interview 2 further elaborates that during his time in a turnaround, he noted that it is essential to have "…competent guys, really competent guys. When I say this, I mean guys that perform…" (2022). This notion is supported by Interview 6 with the requirement that people focus on their organisational strengths. "…they have

strengths, they are very strong there, and they must focus on their strengths. They also have weaknesses, which we try and assist with…" (Interview 6, 2022). "…us actually being involved…" (2022) from the TMT is an aspect Interview 11 stated to engage and get feedback constantly.

Understanding who the correct people are is central to aligning the set-out strategy and pushing that forward. "…she or he is not the right person to take us to where we want to go…" (Interview 2, 2022). It is also noted that this talent matching can be overlayed with industry-specific skills. Interview 3 illustrates that through his comment of "…in that particular industry…", "…who do we speak to? Who do we ask?" (Interview 3, 2022). Interview 8 supports this by stating, "…he needs to have a certain set of skillsets which enable him to run a rescue. Now what are those?" (2022).

Through the process, it is found that sharing all the relevant information positively impacts the turnaround process. Interview 1 states his communication as constant and as "…a daily discussion… and I convey the message to the people…" (2022). He further elaborates that he would "…send out a mail to everyone that this is the target we need to do…" (Interview 1, 2022). "…now you are getting accurate, quick information, you can make decisions very quickly…" (Interview 4, 2022).

The importance of accurate information is re-emphasised by Interview 4, which states that if "…you never get stuff from him, the results are like sixty days late, so you cannot tweak something because you are so far behind…" (2022). This information sharing is essential to consider, and one cannot have "…a person that hogs everything…" (Interview 4, 2022). This information sharing also allows the organisation to understand its current performance and where it is tracking against the relevant targets set. "…with the measurements, the focus has become a lot more…" (Interview 4, 2022).

The information sharing also allows for different perspectives and lenses to interrogate it. "…is the information interrogated?" (Interview 3, 2022). Regarding the internal and external stakeholders, transparency has become a focal point. Interview 2 enriches this vision through his TMT methods to enable trust from "…a transparency point of view…" by asking, "…what do you want to know?" (2022).

Constant information sharing also allows internal stakeholders to be more involved and diversify the interrogation.

Diversified views bring along the crucial consideration of incorporating the organisation's internal stakeholders and external stakeholders. Interview 2 shares that one should look "…at the stakeholders, I have got a shareholder, I have got suppliers, I have got employees, and I have got the business itself, which everything must be done in the best interest of…" (2022). Interview 8 notes that all stakeholders should be notified. "…send to all stakeholders and affected parties…" (Interview 8, 2022). From a lender's perspective (external stakeholder), it is seen as a positive as "…bingo; you are already three-quarters of the way there…" (Interview 3, 2022).

"…unions are difficult beasts to work with, but there needs to be real engagement with them and education to them that if they do not actively participate, it is never going to work…" (Interview 5, 2022). This comment illustrates the importance of involving the internal stakeholders as much as the external stakeholders.

The customer and their needs may also be included as a stakeholder, as it is recognised that aligning with the market and the customer's requirements positively impacts the turnaround process. The market is dynamic and can change over time; aligning is helpful to create market relevance throughout the turnaround. "…why are they continuing to make the blue widget and not the green one?" (Interview 3, 2022). "…you are changing the culture, and you must be very aligned with our customers and our strategy…" (2022) is what Interview 2 shared to be vital to ensure you become "…visible, visible in an authentic way…" (2022).

It has been stated several times that these changes, or any changes, require the support of the TMT. This assistance promotes empowerment, decision-making, and trust, ultimately changing the organisation on multiple levels. From this top-down support foundation, the less densely mentioned codes that are not illustrated in Figure 13 come forth. These aspects are trust, shared responsibility, recognition of valuable employees, and many more.

"…if you have buy-in from management and buy-in from the staff, the battle is won…" (Interview 7, 2022). "…you need to be able to trust your exco people. Know that you

have capable people, and through them, you now start getting to the lower level."
(Interview 2, 2022). "…if you do not have the proper skillset or backup within your
organisation as a practitioner, you are going to struggle." (Interview 8, 2022). These
views illustrate management's foundation and role in fostering a positive return to
sustainability through a turnaround.

The findings indicate that support and trust are built from the TMT. The actions from
the TMT bring this forward to share information and involve all stakeholders. The
involvement of all stakeholders gives the organisation a chance to explore all
avenues and obtain support from within the organisation and from external sources.
Transparency about the current state with clear goals affects the turnaround
positively. The softer aspects and minor details executed by management teams are
appreciation, empowerment, and a sense of support. The alignment of these goals
within the organisations is fundamental to building a strategy that is aimed at
success.

5.4.4. Research Question 3 Conclusion

Figure 14 represents the density of quotations per theme developed to illustrate
where and how these comments fit within a declining organisation's perspective.

Figure 14

Research Question 3 respondent visualisation per theme within the sample

RQ3 - Visualisation per theme within the sample

	Theme 6	Theme 7	Theme 8
General Staff	2	3	4
External Stakeholders	10	11	10
TMT	16	15	20
Middle Management	4	6	10
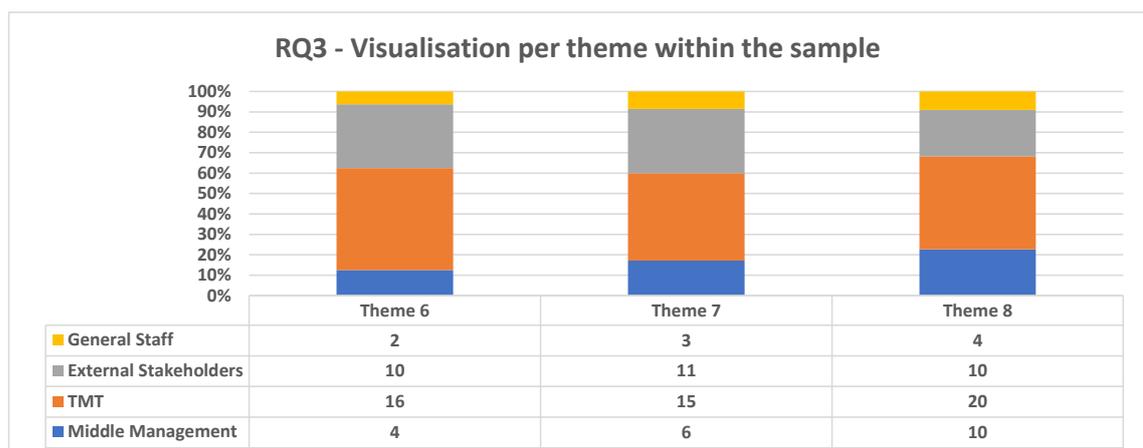
Note. *Developed by the author using ATLAS.ti*

The fundamental aspect found in the findings that aim at Research Question 3 is the
knowledge of the organisation, its position in the market, its alignment thereof and

then a TMT aligned to the overall new strategy.

New strategy development can be influenced positively through actions such as root-cause analyses and understanding what exactly is wrong. The findings also reveal that involving internal and external stakeholders can add value to the change in strategy. The diverse view of strategy implementation is deemed as a positive influence. It is found that restructuring needs to occur. These actions can be in various forms, from TMT members to assets, customer segments, product lines, or cultural factors that require change.

Change needs to occur for a different result. The same factors that got the organisation in decline in the first place cannot be the ones that will get it out.

Chapter 6: Discussion of Findings

6.1. Introduction

The study findings established in Chapter 5 will be related to the literature review established in Chapter 2 in Chapter 6. This chapter connects the insights from the findings of the twelve qualitative, semi-structured interviews performed with the interview sample. The coding and analysis of the interviews enabled the researcher to establish evidence to answer and expand the study's research questions further. Chapter 6 will also highlight the areas where the study's findings support or contrast previous research.

The discussion progresses in the order of the research questions posed and collectively provides further insights. The results are compared and contrasted to the existing literature to extend the body of knowledge on management cognition's role in the turnaround literature.

It has been found that all organisations will face a decline at some point in time (Amankwah-Amoah, 2016; Trahms et al., 2013). During this decline, management's cognition realises this decline to implement a change to attempt a turnaround. The decline is also in mature organisations (Jawahar & McLaughlin, 2001). These mature organisations also require a cognitive view of stagnation or decline to implement change for sustainability.

The main distinguishing factor between organisation crisis, stagnation, and decline is the speed at which it occurs (McKinley et al., 2014). Although the study focused on the decline, stagnation has been incorporated to make further research findings applicable. Stagnation can erode relevant market positions, products, and services, which over time, can lead to decline (Masuch, 1985). The yearly measurement of stagnation and decline makes it perfect for incorporation.

6.2. Discussion: Research Question 1

Research Question 1:
What are the primary factors that management considers when assessing decline?

Research Question 1 explores the decline triggers and metrics that can give management an indication of decline. Research Question 1 is the first indication to explore the prominent factors TMTs consider when assessing decline. These factors can involve a cognitive approach or an abrupt realisation of the declining reality. The study supports a rich history of literature, and since 1976 it has been reported that organisational failure can be predicted five years in advance (Argenti, 1976).

Trahms et al. (2013). Santana et al. (2017) and Carmeli and Schaubroeck (2008) relate decline to a deterioration of resources over time. Financial crisis can be deemed a true reflection of a decline in financial distress organisations (Fairhurst & Pretorius, 2019). Previous scholars have found that financial metrics have successfully evaluated the organisation's performance and noticed a decline. Andreeva et al. (2016) successfully demonstrated that financial ratios could successfully highlight organisation performance deterioration. McKinley et al. (2014) add more specific measurements, such as using ROI and ROS, to determine performance.

From the findings, it is clear that cash flow is a major determinant for recognising decline. This cash constraint is raised through various interventions, which brings forth the realisation. "…your Balance Sheet and Income Statement, they do not tell you that immediately. It's your cash flow, because suddenly there is a crunch, and you know it is coming…" (Interview 6, 2022). These realisation intersections can be the default of debt payments and an inability to pay creditors. The study supports the notion of default on payments and adds that it is an aspect that TMTs need to take into consideration in highly leveraged organisations. "…highly, highly leveraged environment. You burning cash quite quickly…" (Interview 2, 2022). "…this is the problem, there is a downturn in cash flow, debtors are not paying, we battling to pay creditors, you know, we have maxed out our loans with the bank…" (Interview 7, 2022). "…called on when there is a letter of demand or the company is in a position that cannot settle its monthly debt…" (Interview 5, 2022). The cash flow factor is the realisation trigger, but it is worth noting that cash flow problems result from other factors.

The findings reveal various other factors that can be an even earlier identification than the cash flow constraint. Factors deemed essential to consider are profitability,

slow debt collection processes, and too high overheads. "…understanding the profitability of each stream was probably not very well thought of and looked at…" (Interview 4, 2022). "…good turnaround on revenue, and it was a profitable branch…" (2022). Rapid growth, with low profitability and inadequate capitalisation, often leads to a liquidity crunch.

It is noted that profitability is a crucial consideration that can be seen as early as on a monthly Income Statement. These profitability aspects require review from an organisation's view in conjunction with the specific product or service offerings. "…we monitor each individual line item, or segment separately…" (Interview 9, 2022). The detailed analyses of these products can enlighten the TMT about the nuances of each offering, which can include supply-related, geographic, or even labour-related changes. Interview 4 elaborates on the possible intangible complexities; stating that "…first of all try to be all thing to all men and try to get that business to the turnover as high as it possibly can…" (2022) and that "…in doing this, the complexities are exponential…" (2022). Supporting the deep analysis of each line of product or service offering.

Profit margin cognition is required, but combined with a complete understanding of turnover and fixed costs. "…you now start seeing your margins get compromised because the more players are in, the more the market becomes highly competitive…" (Interview 2, 2022). Margin analysis is a fruitful measurement to indicate various other factors within the market, such as economy, market relevance, and competitor movement. "…the trend, the trend is the maturity of the company…" (Interview 3, 2022). The study adds the importance of the trends within the analysis.

Internal processes or even contractual payment obligations can be an early sign that cash flow constraints might occur. These payment models are essential, as the Income Statement does not give a true reflection of the cash coming in. Interview 6 explained it as "…already lost…" if you do not understand "…the key drivers within the business…" (Interview 6, 2022). Contracts with high penalty factors that are cash-related will not be seen in the Income Statement or Balance Sheet. Therefore these should be considered and overlaid if there are multiple contracts involved. "…get into projects, where it is a negative return, but they would back themselves that they could get variations orders and all of this to get them back into the green…" (Interview 6,

2022). Thus, the study elaborates on the importance of contractual payment obligation, and risk can be avoided if the organisation understands these obligations or move away from them.

The factors mentioned indicate for-profit organisations, but the findings reveal non-financial indicators that can be considered. "…experiencing high staff turnover, I can almost guarantee there is a bigger problem to that within the company…" (Interview 7, 2022). These non-financial aspects can be utilised to assess the organisation's internal health and external perception view. From Interview 3's perspective as a lender and the questions they ask when repayments are not executed on time, he notes this as a critical question to ask. "…what is the staff turnover? Why is everybody leaving? What do they know that we do not?" (2022). These non-financial metrics can be used in for-profit or not-for-profit organisations in conjunction with the services industry, where sales of products are not prominent.

The first-factor TMTs need to consider is a high-staff turnover within the organisation. However, staff turnover can be seen as a noticeable metric, not the cause. There are intangible costs and effort lost with staff turnover, which are not easily identified within the financial metrics. There have been notions that the high staff turnover also indicates a toxic culture. This knowledge and costs lost, and possible toxic culture, if not addressed, can lead to a decline over time. This cultural nuance is supported in literature whereby Amankwah-Amoah (2016) and Habersang et al. (2019) found that internal culture can affect management decisions and inefficiencies, which is supported by various other scholars such as Bodolica and Spraggon (2020) and Fairhurst and Pretorius (2019).

The second prevalent non-financial element has been found that can indicate a decline is that of market relevance and an aspect of customer perception. This element is also considered within a service environment, where customer requests or interactions seem to deteriorate. "…get out there and find out from the customers that is not buying, what are their reasons, and what do they want from us…" (Interview 1, 2022). "…you are inefficient, for the lack of a better word. There is a mismatch of something. You are still doing that, and you should be doing this…" (Interview 3, 2022).

Thus, the study's findings indicate that financial metrics are useful metrics to consider to assess decline. These metrics might differ depending on the organisation or industry in which the organisation operates. Further, previous scholars indicate that the decline, or stagnation in literature, is deteriorating over time (Andreeva et al., 2016; Carmeli & Schaubroeck, 2008; McKinley et al., 2014; Santana et al., 2017; Trahms et al., 2013). This notion is supported by the findings, which indicate that the trends of these metrics are essential to analyse and show stagnation or decline. "…the trend, the trend is the maturity of the company…" (Interview 3, 2022). The findings also reveal that performance should be measured to KPIs if they are known to be accurate and bear fruitful results. "…KPI measurement, that is for all branch management and for regional managers. So that is something I will use as a tool…" (Interview 1, 2022). Interview 8 says, "…there is a heavy analysis, or due diligence that has to happen…" (2022). Interview 4 mentions, "…the costs have grown out of line…" (2022). Thus the need to "…compile and analyse figures and numbers in the branches is important…" (Interview 4, 2022).

The findings add a layer of not looking at or analysing a particular portion of these metrics. The findings reveal that all the indicators should be examined holistically and not in isolation. The holistic view will give the TMT a better understanding of the organisational movements. The analysis should be done regularly, measured against a baseline strategy or forecast, and compared to historic performances. The detailed intertwined analysis over a period will allow the TMT to recognise the decline earlier from the metrics.

6.3. Discussion: Research Question 2

Research Question 2:
What approaches are used to analyse the metrics to take cognition of decline?

Research Question 2 aims to identify the processes of how to decline was realised, as opposed to the actual metrics or indicators thereof. It is vital to know if processes exist at an individual, TMT, or organisational level that can be implemented to notice a decline in a structured method.

Scholars have noted that management cognition combines mental processes,

knowledge structures, education, emotions, and beliefs created through experience and expertise (Helfat & Martin, 2015). These models help managers traverse the data gathered and how it fits together, allowing them to make decisions in an uncertain and complex world (Maitland & Sammartino, 2015). It is these models that the study seeks to elaborate on and enhance through a systematic process from a TMT perspective.

Trahms et al. (2013) and Kaplan (2011) note that recognising decline can come from internal or external sources. Both of these perspective's levers are critical to understanding. The findings from Chapter 5 support Trahms et al. (2013) and Kaplan (2011) that both internal factors and external factors should be considered. With the various complex angles of stakeholders an organisation has, the realisation processes can come from external or internal sources. It has been found that management bias due to their abilities, history and experience level can influence their recognition of a possible decline. "…I struggle to find those who are strong enough to say something…" and "…teams react with, I will call it the ostrich reaction…" (Interview 5, 2022). Interview 8 shares his view from an external view that he notes "…a reluctance for management and directors to actually put their hands up and say, you know what, we are financially distressed or we are financially in trouble…" (2022).

Thus, the findings add that constant engagement with one's external stakeholders is a critical action to identifying decline. These engagements can come from industry experts, customers, suppliers, or lenders. "…industry experts to advise you in a particular industry…" (Interview 8, 2022). Interview 3 mentions that internally or externally, experts can advise the TMT if "…you are still doing that, and you should be doing that…" (2022). The engagement is noted not to be enough. The TMT or organisation's employee must be able to recognise the red flags, as mentioned in the findings. "...even when you start seeing red flags, you become ignorant..." (Interview 2, 2022). Interview 10 portrays this as "…a comfort zone…" (2022). Thus, systematic process development is critical to implement to avoid delay in cognition of the decline and result in delayed action (Abatecola, 2012; Rockwell, 2016).

Internal organisational dynamics play a role in the recognition of decline, according to Kaplan (2011). Thus, Yang et al. (2019) propose that organisational policies can

be established to create a structured approach to identify internal and external changes in the operational environment. Maitland and Sammartino (2015) add that individual experience and knowledge are more important than processes and policies and that leadership experience is the primary driver.

The findings support the notion of experience, either in the form of the organisation, past, or industry. The expert's value can give a deeper insight into the information gathered. "…having the experiences that I have got over my time, and knowing where to identify certain products to introduce into the market…" (Interview 1, 2022). These industry experts can also bring along trends and match the financial analysis with the industry. Interview 6 states that "…experience is vital in the industry…" (2022) and further adds that "…you got a guy there that has been there for five years, he understands all the defects etc." (Interview 6, 2022). It has been noted that audit findings within an organisation can be a systematic approach to recognising trends. These trends are said to be related to internal, external or a combination of contextual changes; thus, a TMT that is involved in both will be able to recognise decline earlier.

Other studies have also found that management focuses on what they deem necessary and ignores additional information (Nadkarni & Barr, 2008). Carrington and Combe (2015) have noted that the time to make sense of the data limits the ability to comprehend possible decline. Courtright and Smudde (2011) support this view through their research and noting the time used for adequate stakeholder engagement also needs to be considered.

From the findings, it has been noted that sharing organisational findings with stakeholders assists with the sense-making of the information. The sharing of information and comprehensive organisational analysis help to identify early signals. "…is the information interrogated?" (Interview 3, 2022). Interview 4 shares a bad organisational or TMT practice, which states that if "…a person that hogs everything…" and "…you never get stuff from him, the results are like sixty days late, so you cannot tweak something because you are so far behind…" (2022) in his experience in a declining organisation. These early signals can also be planned through a stress test or foresight. These foresight exercises can be done as a detailed cash flow forecast and analysis, as mentioned by Interview 8; "…there is a heavy analysis, or due diligence that has to happen…" (2022).

The findings also reveal other forms of harsh realisation of decline. These are in the form of "…letter of demand…" (Interview 5, 2022) and suppliers or sub-contractors filing for business rescue onto the organisation of debt payments.

Literature has also found that the structure of the TMTs can also affect the recognition of decline. This structural element is layered through a compensation aspect which can positively or negatively impact the recognition and implementation time (Cannella Jr et al., 2003; Trahms et al., 2013). A further layer is the team's structure concerning diversity, where the structure of boards can assist in recognising deteriorating resources (Al Farooque et al., 2020).

Thus, literature has displayed that organisational structures can be put in place to assist with the recognition of possible decline. The findings from the twelve interviews support this. The findings suggest that team diversity is critical to obtain objective input into the organisation. "…where you got all A-type individuals, you know the same individuals, you not getting that like variety…" (Interview 6, 2022). The findings illustrate that different team personalities assist in directing and implementing strategies in the organisation to a more sustainable level. This comprehensive view and inputs are critical to remaining agile in the changing internal or external landscape. The diversity can be aligned with skillsets, experience, industry knowledge, strengths, or even different backgrounds. "…guys that have really strong skills in that industry will generally leave before a rescue starts or take any sort of retrenchment package…" (2022).

6.4. Discussion: Research Question 3

> **Research Question 3**:
> What are the overall positive characteristics of management cognition to detect decline during a decline and possible turnaround actions?

Trahms et al. (2013) illustrate that the various phases within the complete turnaround process have the research added to the first two aspects, which speaks to the identification and severity thereof. Research Question 3 leans toward the latter of the phases and aims to answer the positive attributes of TMTs during the turnaround process.

The turnaround literature has found various aspects that positively impact the turnaround process. The discussion will follow the aspects in chronological order as they would occur, starting with the timing of turnaround implementation, the various organisational activities, and ending with the internal elements that TMTs have done to impact the implementation positively.

Previous scholars have indicated that the timing of turnaround implementation is critical. Panicker and Manimala (2015) noted that turnaround measures should be implemented as soon as possible to impact the turnaround process positively. This notion is supported by studies from Fairhurst and Pretorius (2019) and Tangpong et al. (2015), which state that earlier turnaround implementation positively impacts successful implementation.

The findings of this study support the timing of the turnaround implementation. The overarching support is that the earlier the decline is identified and acted upon, the more options are available for the turnaround, giving more movement opportunities. The opportunities can include various actions. These actions are guided by the discussion of Research Questions 1 and 2, employing in-depth analyses and root cause findings. "…I not going to impose my feelings, emotions to the market. I am going to let the market tell me what is happening, and I must respond to the market…" (Interview 2, 2022). These findings and organisational analyses guide the strategy that will possibly be able to combat the decline. Thus, it further supports the timing of implementation to be as early as possible.

The earlier it is implemented it is possible to shift various elements of the organisation. These elements may include repositioning within the market (Randhawa et al., 2021), altering operational areas (Mann & Byun, 2017), structural changes (Tangpong et al., 2015), asset and expenses retrenchment (Guha, 2016), and implementing new human resource management practices (Santana et al., 2017).

These changeable elements are supported and found to be viable options when the turnaround is implemented. The findings support the market position alignment, although the findings elaborate that this alignment change is required with support from the market need. This market need and demand can be achieved through the

analyses as discussed. Interview 2's strategy change supports this notion through his actions: "…you cannot impose; you need to align yourself with the customer base…" (2022). "…new insights, based on what the market is giving us…" (Interview 2, 2022). The findings also illustrate that the profitability analysis should be executed at an organisational level in conjunction with the product or service offering level, considering all tangible and intangible factors. "…understanding the profitability of each stream was probably not very well thought of and looked at…" (Interview 4, 2022).

The studies by Boyne and Meier (2009), Chen and Hambrick (2012), Tangpong et al. (2015) and Alexandridis et al. (2019) are supported by the findings. The findings support the notion that the TMT to be replaced. However, the findings do not conclusively state if it should be from an internal or external source. However, the findings illustrate a clear positive impact of changing the TMT. "…you are not going to change the unsuccessful business to a success with the people; that is actually the reason why it became unsuccessful." (Interview 10, 2022). "…not everybody will be on the bus. I must have a way of identifying these guys are not with us…" (Interview 2, 2022). The findings further elaborate that the new members' industry, experience, and skillsets should be considered. "…they came from outside, which was good because they brought the fresh thinking…" (Interview 2, 2022)

The findings of the research also support the notion from Trahms et al. (2013), Panicker and Manimala (2015), and Fairhurst and Pretorius (2019) that the structure of boards is a critical component to consider for a successful turnaround. The findings deepened the understanding and stated that board members' diversity, remuneration, and personality require thought. "…where you got all A-type individuals, you know the same individuals, you not getting that like variety…" (Interview 6, 2022).

The findings support the restructuring of assets (Guha, 2016) if the analysis reveals that tied-up cash can lead to a constraint of positive cash flow. Restructuring can be in the form of technology adoption or disposal of assets. "…to restructure costs definitely helps…" (Interview 1, 2022). The restructuring is overlaid with the findings that the restructure of human resource practices moves to a performance measurement approach. This performance management method is guided by

analysing where the strategy should take deep consideration to where the organisation want to move. "…when we restructure a company, we talking broadly…", "…we are talking about processes, the green widget or the blue one…" (Interview 3, 2022). Performance management guided by analyses supports the studies from Santana et al. (2017), which state that implementing new resource practices can positively impact the new strategy.

The findings also revealed various other aspects internally that require consideration when implementing the turnaround strategy. These include internal factors and external elements. Positive attributes that positively impact the turnaround process from the TMT are discussed.

TMT that builds a team that supports the employees is required to be throughout the whole organisation. The TMT must be visible and active on all levels in the organisation, maybe not on a day-to-day basis, but regularly. "…strategy vision that must be clear, and there must be a buy-in at the top…" (Interview 2, 2022). This involvement allows the TMT to make decisions where all internal stakeholders are involved and aligned. This TMT support enables employees' trust to foster and ensure shared accountability. "…share the vision, get a connection in terms of are they now connecting to where we want to take the organisation?" (Interview 2, 2022). According to the respondents and findings, these actions from TMT will enable decision-making and empower individuals. The empowerment and enablement through trust, in turn, will foster a more positive culture and create a more favoured workplace. . "I will change a culture that is not fit for purpose…" (Interview 6, 2022).

Matching skills to the correct responsibilities is a crucial factor that requires attention. "…they have strengths, they are very strong there, and they must focus on their strengths. They also have weaknesses, which we try and assist with…" (Interview 6, 2022). It is also found that when implementing turnaround, the skills should match the strategy. Thus, a possible restructuring can occur, as mentioned.

Further enhancements are the involvement of external stakeholders. "…at the stakeholders, I have got a shareholder, I have got suppliers, I have got employees, and I have got the business itself, which everything must be done in the best interest of…" (Interview 2, 2022). These stakeholders can be direct stakeholders where the

organisation is involved or in the form of management consultants and industry experts. Involving these stakeholders can positively influence the turnaround process. "…unions are difficult beasts to work with, but there needs to be real engagement with them and education to them that if they do not actively participate, it is never going to work…" (Interview 5, 2022).

Chapter 7: Conclusion

7.1. Principle Conclusions - Research Question 1

The research first tries and find out what management views as a decline. From the study, there are various financial metrics that, by incorporating together, create a holistic picture (Andreeva et al., 2016; Fairhurst & Pretorius, 2019; McKinley et al., 2014). These metrics have yielded positive attributes of the cognition of decline in for-profit organisations.

The study found that TMT act on the decline for the first time when a cash flow constraint exists. The theme of cash flow constraint has yielded significant insights from an internal perspective and a lens into external stakeholders such as customers and suppliers. These decline realisations have come from letters of demand, default on debt payments, and suppliers that filed for business rescue. A metric that indicates staff turnover is another method of identifying a decline in a non-financial manner.

Although a high staff turnover might not be readily visible, it displays a deeper entrenched problem in the organisation if identified. The study found that a high staff turnover can indicate a toxic culture that can foster an environment where poor organisational performance can be prevalent.

Although cash constraint, or liquidity, is a central topic under the TMTs of the study, it is prevalent to note that cash flow is not the cause of the decline. The research has found that profitability analysis incorporating turnover, profit margins, and costs are key aspects to look at to determine the root cause of the decline. These metrics confirm that financial indicators can be used to evaluate decline. Although these indicators do not elicit action, they can be used as signals (weak or strong) to give TMTs a sense of the organisation's health. These organisational analyses should be executed regularly and measured over time, extracting trends that will allow for further insight for the TMTs.

It is also found that these metrics can differ from one organisation to the next. Industry complexities and dynamic differences also allow vital metrics to be different from the next. In stable organisations, where the key metrics have been identified and set, measuring their performance against the KPIs set out is critical. As the analysis is done, TMTs would understand the key levers in the business, and these

levers should be set as indicators to take note of possible decline.

The study gives further insight into the delayed response when the decline has been realised. The study supports previous studies from Panicker and Manimala (2015), Barker et al. (2018), and Fairhurst and Pretorius (2019) that illustrate a positive correlation between the early implementation of turnaround and the success thereof in declining organisations. The study finds various reasons for TMTs not to react to the awareness of decline.

The central response delay is that TMTs are ignorant about the decline indicators overlaid with the reluctance to change or acceptance thereof. The lack of acceptance is based on personal ego and fear of failure and entrenched with the notion of past successes that get them into a "…comfort zone…" (Interview 10, 2022). This comfort supports the study from Jawahar and McLaughlin (2001) that found organisations in the mature phase after success will most likely experience a decline. The second most prevalent aspect is that the TMT implements a singular strategy without considering all external contextual factors.

The changes in external contextual factors might make the current strategy redundant or not applicable anymore. TMTs that do not consider an environmental change will continue with a singular strategy approach. Over time, the organisation will experience a decline as they become more irrelevant in the market. Thus, overall strategy agility is a crucial component to consider as the ability to change the strategy quickly when noted to be irrelevant anymore.

Thus, the study concludes that financial metrics exist within organisations that can indicate an early decline. Cash flow is the first action, although the other metrics exist to identify decline. This illustrates the general idea that decline can be noted early. A deep analysis of the metrics is required to understand the effects on the business. The study has also illustrated aspects that delay response to these recognitions that can be eliminated if well-articulated systems and measurements are in place.

7.2. Principle Conclusions - Research Question 2

Research Question 2 is based on processes, methods, and tactics that TMTs used to identify the decline. These processes are noted as the good practices and

attributes of the TMTs and organisational processes that can identify a decline. The findings from the study also brought forward critical aspects to consider when assessing organisational health. These factors are also essential when addressing the decline during a turnaround.

The study has found that a deep, continuous organisational analysis is necessary. This organisational analysis includes the financial metrics found in Research Question 1. The study also revealed that financial metrics do not make sense in isolation and that trend analysis should be conducted continuously. These trend analyses can create visibility of the movements in sales, costs, and market relevance and can also include the intangible factor of staff turnover. It is also prevalent that the trend analysis and organisational financial analysis on the metric cannot only be conducted at a high level. These trend analyses should deep-dive into product offerings, customer base, operational costs, and profitability understanding. Thus, a continuous deep dive analysis should be conducted by the TMTs as a standard process to enhance their ability to identify a decline.

The study further supports the findings from Yang et al. (2019) and that organisational policies be put in place to guide the TMTs to actions that can identify a decline. The study supports Faghfouri et al. (2015) and illustrates that in the absence of policies, TMTs can introduce formalised procedures to identify a decline.

Past studies also illustrate that TMTs' mental processes, models, and experiences assist them in making decisions (Helfat & Martin, 2015). The study supports valuing individual expertise, creating a deeper foundation to identify organisational decline. This deep industry knowledge assists the TMTs in making sense of what is going on within the industry and making sense of internal movements. TMTs' ability to make decisions and extract an understanding of the complex world can be driven by this foundation (Maitland & Sammartino, 2015).

Getting insight from an industry expert is a crucial aspect for organisations. This expertise comes with a wealth of knowledge and an understanding of the industry and organisational nuances. This expert understanding can assist in enhancing the organisational analyses by possibly guiding what is possible in the market and where the organisational position is. They will also be able to create foresight scenarios as

the contextual landscape change and illustrate how the market can change to create a better opportunity for the TMTs to understand their position and adapt to remain relevant. It is beneficial to note that the study found that this expertise can be from within the organisation or an external resource. This expert contextual understanding is crucial as the study has indicated that a singular dominant strategy can reduce market relevance.

Thus, the study concludes that organisational policies can enhance TMTs' ability to take cognition of decline. These should include trend analysis of financial metrics guided by deep organisational understanding with the assistance of industry experts who can navigate the contextual operating landscape. These processes will enhance the ability to measure performance and indicate where a possible decline is prominent and why it is declining.

7.3. Principle Conclusions - Research Question 3

The foundation of Research Question 3 is to extract information regarding good practices and attributes of TMTs when attempting turnaround. These factors are crucial for a turnaround to be successful. The study has supported the literature that implementing turnaround earlier is better, but now that turnaround is necessary, what are the positive contributions from TMTs to enhance turnaround success?

The study found that the organisation must possess a deep and keen sense of their customer base. Reasons for the decline have been noted as not being market relevant anymore, and thus, when attempting a turnaround, the strategy should involve the market and current customer base. The study revealed that the organisation, the TMT, the sales team, or even creditors must be close to their customers and understand their movements and demands.

The customer alignment should be included with the history of the customer, industry, and customer perception. The alignment mentioned above and customer knowledge are not only customer demand orientated, but an understanding of their cash collection process, contractual obligations, and industry operating factors are crucial. These intertwined factors create a great picture of the customer and their operations. This understanding of the customers' operating method can enhance the TMT's ability to guide the declining organisation into a relevant position in the market.

The study has supported the findings from Harker and Sharma (2000), Boyne and Meier (2009), Chen and Hambrick (2012), and Alexandridis et al. (2019), that found that a change in TMT is required for successful turnaround implementation. The study further supports the findings of Barbero et al. (2017) that implementing restructuring timeously and at high speed is key to turnaround success once a decline is necessary.

The study also reveals that a change in strategy is crucial in implementing a turnaround. The study also found that a blanket restructure is not the path to follow. A thorough grasp of the organisation (products/services, market segments, turnover, expenses, and profitability) should guide the restructuring, as should excellent customer knowledge demonstrating demand requirements and contextual movements. The organisational analysis determines the key drivers and KPIs, allowing the restructuring process to have clear targets to aim toward that are aligned with the customer-centric approach.

The study reveals insight into positive actions throughout the turnaround process. The critical drivers from TMTs that make turnaround implementations successful are sharing information, involving all relevant stakeholders (internally and externally), matching skills to the correct responsibilities, and continuously aligning with customers. Crucially the TMT should build a team that supports the employees through empowerment, trust, sharing responsibilities, and decision-making. These aspects from TMT will foster a non-toxic work culture which creates further buy-in into the organisation and positively impacts the turnaround and sustainability after the turnaround.

TMTs are the organisations' drivers and now possess the tools to change an organisation after a decline has been noted (Habersang et al., 2019). However, the significant factors that influence the turnaround success are those TMTs that support the executors of the changed strategy. The new strategy is led by a thorough understanding of the organisation at all levels, its market position and relevance, internal and external contextual variables, and organisational restructuring at whatever level is necessary. The implementation of turnaround can only be successful if the TMT buys into the strategy and can form a team that supports the entire organisation in aligning with the strategy.

Interview 3 states it as "…management, management, management…" (2022). Thus, a fundamental understanding is that the management that brought it into decline will not be the team that brings it out. The restructuring approach must also be made on products, strategy, and execution methods that align with the market demands. The TMT that executes the new strategy should buy into the strategy and assist the whole organisation by supporting employees at all levels. Sharing all relevant information, including the vision, KPIs, and way forward, is critical. This information sharing must also be done with an open mind to be interrogated by internal and external stakeholders.

7.4. Implications for Theory

There has been limited research regarding TMTs' cognition of decline, severity thereof, and the positive attributes to recognise and impact a turnaround attempt. The study adds and supports previous research findings from Trahms et al. (2013), illustrating that management cognition is the first step to combat decline. The study adds to McKinley et al. (2014) and Andreeva et al. (2016) that utilising financial indicators can make the TMT aware of a decline. The study also supports previous scholars that policies and formalised processes can enhance the cognition of decline (Abatecola, 2012; Rockwell, 2016; Yang et al., 2019).

The study further elaborates on these metrics with good practices to take cognition of decline earlier than these metrics. These are related to organisational alignment with the customer and positioning within the industry and market. These alignment factors are overlaid with the awareness of internal and external contextual changes, where organisations require agility to manoeuvre the dynamic environment constantly.

The study confirms previous findings from Panicker and Manimala (2015), Tangpong et al. (2015), Barker et al. (2018), and Fairhurst and Pretorius (2019); that earlier turnaround intervention positively impacts the success of a turnaround attempt. The study adds to the of Harker and Sharma (2000), Boyne and Meier (2009), Chen and Hambrick (2012), and Alexandridis et al. (2019); that the TMT require restructuring when attempting a turnaround. The study further develops the idea that the restructuring should be done with a great deal of analysis addressing the root cause of the decline.

The study also suggests that no particular metric can recognise decline. The combination and insights from continuous analyses overlaid with expert insight (internally or externally) create good practices to recognise decline, although the specific expertise required is not defined. These practices are industry and organisation specific and require an in-depth understanding of the industry and possibly the organisation.

7.5. Implications for Management

The research shares the view of Panicker and Manimala (2015), Tangpong et al. (2015), Barker et al. (2018), and Fairhurst and Pretorius (2019); that earlier turnaround implementation positively impacts the success of a turnaround. The study further elaborates that management has the crucial organisational authority to realise a decline and implement the necessary change required for a turnaround. TMTs benefit from a deeper understanding that these turnaround strategy implementations must be guided by a deep understanding of the root cause, overlaid with organisational and industry-specific nuances.

The study also reveals that a lens exists for TMTs to include their customers as input sensors into the industry movements. A consistent action of viewing cash flow and customer relevance of one's customers' payment habits, overlaid with the industry and contractual nuances, can indicate where problems might arise.

The various factors that hinder action need to be understood by management, as the management of these factors can be a pivotal point to a successful turnaround. The study explains how different elements can cause a delay in action once a decline has been identified. The study adds to the positive practices instilled when attempting a turnaround. The positive attributes are in the control of management.

TMTs should be aware of the positive impact internal and external stakeholders have in the development of the turnaround strategy together with the implementation thereof. The part of organisational culture that stems from the TMT and the push from TMTs is vital for these teams to comprehend, and a toxic work environment can lead to a decrease. TMTs should be aware that this cultural factor is under their control and should devote the necessary time and attention to it.

As the business drivers (Habersang et al., 2019), TMTs can use the study findings to develop the correct procedures, practices and metrics to recognise decline as early as possible. TMTs must also be able to put emotion aside and continuously involve as many stakeholders as required to evaluate the organisation's position, offerings, customer base, and input costs. This consistent analysis execution must be conducted internally and externally, where a deep understanding of the industry and commercial elements should be apparent.

7.6. Limitations of the Study

Limitations of the study can include several aspects. The limitations of the study discussed below are those that are found to be more prominent limitations. These limitations include geographical factors, sample size and make-up, legal regulations, and study period.

The data collected came from semi-structured interviews with a sample in South Africa, with the relevant organisations operating only within the South African boundaries. Thus, the study and its findings exclude multi-national organisations or where currency exchanges are relevant. Therefore, the study is more applicable to organisations operating solely within South Africa's boundaries and its regulation.

The interview sample illustrated in Figure 1 is structured with 75% of the sample to fit within the TMT of the organisation and external stakeholders of the TMTs. This sample make-up thus gives us great insight into the TMTs' cognition and direct stakeholders such as management consultants and business rescue practitioners. Therefore, the findings are more applicable to the TMTs as set out, and limited information is transferable to the lower levels of the organisation. As a result, the study provides little insight into the organisation's lower levels but not so much into its upper levels.

The study's timeframe was cross-sectional, giving a snapshot at a particular moment. This snapshot does not consider the experiences of the interviewees or relevant organisations before the interview. It is important to note that these historical pathways can influence the respondents' views at that moment in time and give an output of what transpired without possibly knowing the outcome of their situation.

The purposive sample criteria include organisations that filed for business rescue. This sampling criterion brought in the element of actions by organisations and consultants that acted within the boundaries of the business rescue process. As the data collected coincided with the overall composition of the majority sample group, this is not necessarily a limitation but rather a factor that the reader should note.

7.7. Suggestions for Future Research

Expanding on these findings is possible using a quantitative or qualitative approach, given that this is an exploratory study. The study added to past studies and supported some previously debated arguments in the literature. Utilising various lenses can help future research explore the impact of some of the elements found in this study.

Future research can use a quantitative approach to analyse this study's financial and non-financial metrics. Future studies can include exploring the correlation between these metrics' decline and the severity of a decline. Such a research study can overlay industry or organisational-specific nuances as inputs to create further depth and prove that the metrics have merit to take cognitive decline.

This study confirms that organisations can implement policies and structured approaches to identify decline; future research can investigate these policies and procedures in more detail. An exploratory study of these structures can further assist TMTs in the various options they, as organisational drivers, have to identify the organisation's health.

Taking the study's limitations into account, further exploration into the elements lower levels in an organisation identify as metrics for a decline. Further research into the lower levels of an organisation and their perception and metrics of decline can assist organisations as a whole. Understanding these lower-level metrics can help organisations further develop metrics throughout the organisation that can note a possible decline. An organisational approach is essential as changes in the operating landscape can come at every level.

A more detailed study can identify the leadership characteristics of turnaround successes. Findings in such research can elaborate on factors that the turnaround literature can add and have many implications for managers. As found, management

and management attributes have a great deal of influence on the success of turnaround implementation.

Further enrichment of the findings of this study can include a longitudinal study incorporating the entire cycle within the turnaround literature. Such a study can follow a particular organisation from the first realisation of decline to the point of successful or unsuccessful turnaround. This longitudinal study will give insight into specific TMT attributes to realise decline and test the various findings of the interview sample within this study.

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Appendix 1

Semi-Structured Interview Guide

1. Are you comfortable with me recording this meeting so that I may reflect on what we talked about later?

2. Could you kindly clarify what your organisation does for me to understand its operations better?

3. Please explain your role or position concerning the top management team within your current organisation (or the organisation you consult/ed for)?

4. What are the primary resources in your organisation that can be recognised for the possible decline?

5. Could you kindly describe the sensitivity of these resources and the consequences of their decline?

6. It is noted that all organisations experience decline, which necessitates a turnaround. Can you describe how a specific turnaround was identified and a turnaround strategy was implemented in your organisation?

7. Can you identify the positive features of the top management teams that helped recognise the decline from this or any other experience?

8. What measurements did top management introduce during the turnaround strategy implementation to continue to monitor the decline turnaround process?

9. Decline cognition can have a contagious negative effect on the organisation's stakeholders. What was the team's response to the decline in cognition, and what was done to mitigate any negative consequences?

10. What essential characteristics should top management look for a while implementing the turnaround strategy to identify the organisation's core competence and align its strategy?

11. What are the essential takeaways from this experience that you would recommend to the top management team to improve their awareness of resource decline?

Appendix 2

Ethical Clearance Approval Confirmation

**Gordon Institute
of Business Science**
University of Pretoria

**Ethical Clearance
Approved**

Dear

Please be advised that your application for Ethical Clearance has been approved.
You are therefore allowed to continue collecting your data.
We wish you everything of the best for the rest of the project.

Ethical Clearance Form

Kind Regards

Appendix 3

Consent Form Example

Gordon Institute
of Business Science
University of Pretoria

Dear _____

Date: _____

Subject: Request to interview for organisational turnaround research

I am currently a student at the University of Pretoria's Gordon Institute of Business Science and completing my research in partial fulfilment of an MBA.

I am conducting research on organisational turnaround and am trying to find out more about the influence management cognition has on the success of turnaround strategies. Our interview is expected to last about an hour and will help us understand how South African top management teams identify organisational declines and to positively react to that.

Your participation is voluntary, and you can withdraw at any time without penalty. All data will be reported without identifiers.

If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher Details   **Supervisor Details**

Signature of participant: _____ Date: _____

Signature of researcher: _____ Date: _____

Appendix 4

List of Respondents' Position

Interview #	Position	Category
Interview 1	Branch Manager	Middle Management
Interview 2	Chief Executive Officer	Top Management Team
Interview 3	Lender	External Stakeholders
Interview 4	Executive Board Member	General Staff
Interview 5	Business Rescue Practitioner	External Stakeholders
Interview 6	Business Rescue Practitioner	External Stakeholders
Interview 7	Management Consultant	External Stakeholders
Interview 8	Management Consultant	External Stakeholders
Interview 9	Sales Representative	Middle Management
Interview 10	Managing Director	Top Management Team
Interview 11	Financial Director	Top Management Team
Interview 12	Chief Executive Officer	Top Management Team

Appendix 5

Codes generated through the semi-structured interviews

Code Name	Frequency	Code Name	Frequency
Organisational analysis	22	Default on loan obligations	5
TMT Ignorance	20	Foresight	5
Information sharing	19	Turnover	5
Market and customer knowledge	19	Add customer value	4
Align to customer	16	Blue sky thinking	4
Involve external stakeholders	16	Enable decision-making	4
Restructure	16	History matters	4
Singular strategy	16	Shared responsibility	4
Skills matching	15	Staff turnover	4
Cashflow	14	Technology advancements	4
Contextual landscape	14	TMT involved in all aspects	4
Profit margins	11	Discussing facts	3
Clear targets	9	Education on decline	3
Commercial intelligence	9	Financial analaysis	3
Culture	9	Celebrate victories	2
Industry experience	9	Decline over time	2
Involve internal stakeholders	9	Delayed response	2
KPI measurement	9	Early actions	2
Build a TMT that supports	8	Education of obligations	2
Competitor entry	8	Internal contextual	2
External relationships	8	Overuse of credit	2
Internal relationships	8	Request reduction	2
TMT support	8	Transformational leadership	2
Trend analysis	8	Trust	2
Emotional attachment	6	Audit findings	1
Empowerment	6	Balanced leadership	1
Involve lenders	6	Contract collapses	1
Profitability	6	Diversification of products	1
Root cause analysis	6	Employee value light	1
Agility	5	Mentorship	1
Board members	5	Recognize valuable employees	1
Costs	5	Willingess to change	1
Customer perception	5		

Appendix 6

Consistency Matrix

Research Questions	Literature Review	Data Collection Tool	Analysis
Research Question 1 What are the primary factors that management considers when assessing decline?	(Pretorius, 2009) Wennberg & DeTienne, (2014) (Trahms et al., 2013) (McKinley et al., 2014) (Andreeva et al., 2016) (Yang et al., 2019)	Questions 4, 5, and 10 in the semi-structured interview guide	Content analysis on open-ended questions. Code generation, and theme development for analysis
Research Question 2 What approaches are used to analyse the metrics to take cognition of decline?	(Kaplan, 2011) (Abatecola, 2012) (Helfat & Martin, 2015) (Rockwell, 2016) (Yang et al., 2019)	Questions 6, and 8 in the semi-structured interview guide	Content analysis on open-ended questions. Code generation, and theme development for analysis.
Research Question 3 What are the overall positive characteristics of management cognition to detect decline, during the decline, and possible turnaround actions?	(Boyne & Meier, 2009) (Chen & Hambrick, 2012) (Maitland & Sammartino, 2015) (Dias & Teixeira, 2017) (Yang et al., 2019)	Questions 7, 9, 10 and 11 in the semi-structured interview guide	Content analysis on open-ended questions. Code generation, and theme development for analysis