

CHAPTER 4: RESULTS - INITIAL CODING

4.1 INTRODUCTION

In this chapter, I discuss the first step of grounded theory analysis, namely open coding, as an initial coding practice to conceptualise data and form concepts. I also illustrate insight gained from the interviews as opened up by open coding by citing direct examples of responses in the interviews. It is important to note that I do not include any literature at this stage.⁷ I only include existing theories and findings, based on my conceptual framework of coping strategies for leaders during an economic downturn.⁸

4.2 INITIAL CODING

Initial coding stays closely to the data without forcing the data into pre-existing categories. In this study, this was achieved by using a combination of micro-analysis, detailed examination of data, and the naming of concepts in open coding. Duchscher and Morgan (2004:608) stress that this is an unrestricted phase of the research process that renders tentative codes that are then refined during the later stages of focused coding. I attempted, to the best of my ability, to adhere to this principle, not forcing the data into any categories based on my own assumptions or pre-existing categories in order to capture insights gained from various interviews, tentatively capturing and representing the data.

The purpose of open coding is to literally 'open up' the data to expose thoughts, ideas and meaning contained within the data (Strauss & Corbin, 1998:102). Tentative categories were created using open coding in combination with micro-analysis, which forces the fracturing of data in order to assist with the opening up of the data.

⁷ Refer to Section 2.5.1.

⁸ See Section 5.4.

I continuously asked the following questions, as proposed by Charmaz (2006:47), based on the original work on grounded theory by Glaser and Strauss (1967):

- What is the data a study of?
- What does the data suggest or pronounce?
- From whose point of view is it studied?
- What theoretical category does this specific datum indicate?

In line with Glaser (1992:25, cited in Duchscher & Morgan, 2004:608), who suggests that a researcher should ‘never, never ask the questions directly’; I rather kept these questions in mind while doing the analysis in order to devise tentative categories.

Throughout the initial stages of coding, as well as in the subsequent stage of focused coding,⁹ I continuously used constant comparison,¹⁰ a method which Glaser and Strauss (1967:1) regard as a ‘major strategy’ in grounded theory.

4.3 INSIGHTS GAINED FROM THE INTERVIEWS

The following sections represent insights gained from the interviews through the process of initial open coding.

4.3.1 Being optimistic

Respondents indicated that they were, in general optimistic individuals.

Interviewee 1:

I think I’m an optimist. So I always see the whole full glass, not the half empty glass. So I think it’s – I’m looking – always focusing on the

⁹ Focused coding consisting of axial and selective coding is discussed in Section 2.6.5.

¹⁰ Constant comparison refers to a technique of constantly comparing ‘data first against itself, then against evolving original data, and finally against extant theoretical and conceptual claims’ (Duchscher & Morgan, 2004:608).



positive side of the things. ...That's – I like to focus more on the – on the positive things, in anything.

Interviewee 7:

No, look, I'm also an ever-optimistic person, so I think maybe that didn't come through directly. I think the momentum that we have got going for us now (just being a brand new company), I think there is a lot of new energy.

Interviewee 7:

...because I think the chemistry of the majority of us want to be positive. I don't think it's in our nature to be negative, unless your circumstances are so dire that you are continuously faced with that and you become negative.

The interviews by and large indicated that, particularly during the downturn, it made it 'easier' for the interviewees when they were positive, and they found the negativity of others frustrating.

Interviewee 1:

So in my view, if you're positive, it's much easier. If you're a pessimist [laughs] you need to work hard. You need to make sure that you've got somebody around you that focuses on the positive things, otherwise you are in trouble.

Interviewee 4:

And the financial guys become doom and gloom and I personally found it very frustrating.

4.3.2 Thriving on the challenge

Respondents regarded the downturn and their role in the downturn as a challenge.

Interviewee 6:

It almost becomes a professional challenge as well as a personal challenge as to how you will confront the next one and survive it and do better out of it.



They did not see this challenge in a negative sense, but rather, they felt excited by the challenge and in one case, the respondent volunteered to do the restructuring.

Interviewee 2:

It's exciting, I suppose it's the lifecycle of a challenge, when one gets the excitement of saying we can do this; this is how we are going to do this, but it turns into stress when things don't materialize or things partially materialize or when they materialize late or not fully.

Interviewee 6:

It's also being excited by the challenge.

Interviewee 3:

I volunteered in the downturn to do the restructuring exercises.

In fact, one respondent indicated that, after the downturn, he wants to move on to the next challenge.

Interviewee 3:

Yes. I actually want to move on now again. I've done what I have to do, everything is working fine, the people are there, there is succession planning, I can go do something else. And that's for me part of what I need to do. (...) I need something new to go and do. I've told the CEO, 'Listen, I'm getting bored, so I'm doing safety stuff and I am doing this and that [laughs]. So I want something else to go and do now.'

One respondent indicated that thriving on a challenge is part of one's DNA and that one must take charge of the challenge.

Interviewee 2:

I think it's just part of one's DNA and really I think leaders need to always, constantly seek to take charge, whether you are taking over a new business or whether you are dealing with a new challenge, it's about taking charge.

4.3.3 Being confident

Interviewee 6 specifically mentioned confidence as an aspect that drives one's ability to cope.

Interviewee 6:

And that is the ability of people to cope is very much driven by their personal confidence and their personal stability as an individual. (...) And I think that it's the personal confidence that comes with having been through those, you know you've survived those and you learnt from those, and you're a stronger and more experienced businessman, that can confront these things.

4.3.4 Focusing on the future

Respondents mentioned focusing on the future. They were looking beyond the downturn into the future.

Interviewee 7:

I think that created a lot of energy, and almost the gold at the end of the rainbow for us. We can follow that path and we are eventually going to get there. That journey has only just begun. That keeps a lot of people motivated and enthused around what's going to happen.

Interviewee 1:

So you already – you just carry on. You focus from the short term move now. Because all that's now something of the past. Focus more on the – on the long term.

Interviewee 4:

But it also, in the end if we manage to get through this and in the end hopefully we will see China grow even more, then hopefully because you have been able to be flexible you have learned something from it and you can apply it somewhere else as well, in the future.

Interviewee 7:

I guess, it is largely people-driven. People have this uncanny ability – we are very resilient as individuals – to understand what the circumstances are, and then to understand how you are going to get from A to B, and make sure that you can understand exactly how you are going to do that.

In addition to focusing on the future, on various occasions, Interviewee 6 emphasised the importance of being able to overcome obstacles in order to reach a future state.

Interviewee 6:

*And that's actually what we are paid to do. So it's not a question of this is always tough. It always is tough but it's a question of how much stimulation you get out of overcoming those obstacles and then thriving and succeeding out of them. (...) It is also recognising that it's not 'oh geez, here's another one of these' – that's why we're employed. That's actually why we are, as leadership, paid reasonably well and given a big incentive. **It's to overcome these things**, it's not to go and do business as usual. That's not what leadership is paid to do. (interviewee's emphasis)*

4.3.5 Not depending on an organisation for one's identity

Respondents mentioned dependency on the organisation, particularly in terms of *not* depending on the organisation to form one's identity. Interviewee 6 articulated this very well:

Interviewee 6:

And there is another dimension to that... And that is... people's ability to cope is also affected by whether they identify themselves as the CFO of the company or as a father and an individual. If the person's main identity in his life is that in the job, when that job is threatened or the company is threatened, that person is threatened in total whereas if you identify yourself as a father and a husband and an individual who has his own interests and as the CEO of the company, when the CEO of the company is threatened it's not your whole being that is threatened.(...)

I have a very strong commitment to work and to very long hours and I've always been happy with my success at work but I've never regarded that as my reason for existence and I'm lucky to have a very happy marriage and healthy children and that sort of thing, so I've always managed to still be happy at home and as an individual than just being... the success of my career being my reason for existence so I think that's given me the ability to cope with crisis better than many other people that get very emotional and become very bad at doing the analytical work because the problem with the crisis is it

requires very clear thinking, very fast. And if you're all wound up emotionally, you can't do that.

Interviewee 5 also alluded to this, indicating that he had various other business interests outside of the organisation:

Interviewee 5:

I've lived my life and I've...that I have obviously...and let's put it two ways. The first thing is XXX looks after the senior guys well. So you...most of us are in a position I think when you're at fifty, fifty-five, where you could comfortably retire. Um, I have also built private businesses and ...which..., which run on their own, which are easy to handle, you know things like storage business, ... and things like that.

4.3.6 Having experience

Mining is known for being a cyclical industry. Respondents indicated that they had experience in handling a downturn that they had gained in previous situations, mostly in other positions at other mining organisations:

Interviewee 6:

But we have also been through cycles of repeated low XXX prices when I was in YYY or operation things combined with a strong rand. So it wasn't the first time I have seen a business in dire, dire, dire straits.

Interviewee 3:

I've done five consulting exercises where I restructure businesses. I restructured XXX and then I restructured the YYY business and then I came here and restructured the ZZZ Division. (...) Because I have done it four or five times and I would have done it again, but I just did it for XXX, but that is part of the reason. All my stuff is sorted out, the team is sorted out, they can operate independently, they don't need my help every day.

However, they did not see only their experience during a downturn as relevant, but also other general experience during challenging business situations:



Interviewee 6:

In my career I have been through many of these challenging business situations, whether it was... the most significant one in 2004 and 2005 when I was the executive of YYY and ZZZ made a hostile bid for a company.

Past experience, according to this respondent, is a 'capacity that builds in you as a leader' that assists you in your response to the economic downturn:

Interviewee 6:

I am not a particularly structured or organised person to go back and carefully work through what we did before. It's more the general training and awareness and capacity that build[s] in you to be able to face these things and to be able to have structured responses to not run around like a headless chicken and that sort of thing. It's more the capacity that builds in you as a leader that you rely on... not to even think back...

Respondents also mentioned that the maturity gained over time was important during the downturn:

Interviewee 5:

I think with...time one gets wiser. You know, I mean, yes. When I was younger...I'd get all rattled. But with time you realise that if you...trust in your own judgment and you make sure that whatever goes on around you that...is what you want, and then you, there's not much more you can do.

Interviewee 0:

Ek dink nie dat ek dit sou kon hanteer het as ek dit tien jaar terug moes gedoen het nie. Met die tyd leer 'n mens om sekere verdedigingsmeganismes aan te kweek en dinge binne jousef te verwerk.

[I don't think I would have been able to handle this if I had to do it ten years ago. But with time you learn how to develop certain defence mechanisms and to sort out things in yourself.]



4.3.7 Inter-team influencing

Respondents indicated that other team members had assisted them to remain positive during the downturn:

Interviewee 4:

It was almost at every monthly exco you feel we've done our best to get the production up, to do it safely, to get the costs down, we didn't spend capital and then the prices went down even more and the financial guy would put his slides up and say last month we were R40m in the red and we're heading for R80m and I got to a point that I felt that they were actually getting a kick out of portraying this negative picture. And luckily XXX is a very positive guy and every time they showed us we've gone from minus forty to minus ninety XXX would say this must be the bottom and the next month they would say, well, we were minus eighty, we're now minus ninety and he said well, it's going to turn soon. So luckily, I think what helped me, is that he's a very positive person.

In the excerpt above, the respondent refers to executive committee meetings where one of the team members (in this case, the respondent's CEO) helped him to frame the negative situation in an alternative way. He added:

Interviewee 4:

What was amazing to me personally, in the end, what I found so frustrating is the negativity, because what happens is that everybody just becomes negative.

Although the respondent found the negative attitude of other team members frustrating (see Section 4.3.1), he acknowledged that it had the potential to turn everybody negative and he required the assistance of a team member to avoid becoming so.

Furthermore, the fact that a person was part of a team contributed to the person's appraisal of the situation – in this case, a positive appraisal, even in a negative situation:



Interviewee 7:

Yes, and we are all in this together. So we better make a plan and get out of it! When you feel part of a team and when you feel part of a solution, then the positive starts coming out, albeit that there is a negative environment in which you are operating. That ‘we’ll march on’ type of approach will actually lead you out. (...) There’s a lot of new hope. Everybody lives off that energy to make it positive.

One respondent, a CEO, recognised this inter-team influence:

Interviewee 1:

As soon as I mention something negative, that I experience negative[ly], it also changed their way of thinking. I was then the negative motivator within the – inner team. And they were on a different direction. For me to bring them back again, we will need to focus, and I decided to stop doing that. I’m not talking to them. The only thing that I’m going to discuss with them, when they know where we want to go is the positive things and if I need to communicate something negative I change the way that I’ll do it.

In the excerpt above, the respondent (a CEO) realised his influence on other team members’ positive or negative view of the situation. He subsequently decided only to talk to his team about what was positive, because once a negative idea had taken hold, it took too much effort to turn the team around from their negative attitude. However, he did express a need to discuss negative aspects with someone; but for the reasons he gave above, he refrained from doing so with his team. In addition, he felt that the influence of his negative comments spread beyond the ‘inner team’

Interviewee 1:

And sometimes the negative things, I just want to mention [them] to somebody so they can understand. We’ve got a problem – think about it and come back to me and say listen, maybe we must do this and it never happened. As soon as we – because we all were under pressure... As soon as you mention something, they were in this negative... (...) If I say something to people that were very close to me, they would also [react] in a negative way and then when you talk to somebody else in the bigger ...or in our organisation you will get some indication that it was discussed with them, but in the negative way, not in the positive way.

It was clear from interviews with respondents from the same organisation that they spoke the same 'language'. Respondents in the same team would have the same sentiment (positive or negative), mention the same issues, indicate that they had read the same book, and so on.

4.3.8 Team maturity

Team maturity was indicated as an element that influenced some aspects of the functioning of the core team during the downturn. In the following excerpt, the respondent indicated that he received support from the team after I had asked him about it when he alluded to it earlier in the interview. He indicated that he felt supported by the team, especially in terms of the direction taken and the decisions made by the team, as a team.

Interviewee 2:

Direction and the consequential decisions that go with it. I think you end up with... you have a mature team. We are talking about senior sort of management levels.

In the following excerpt, the respondent referred to receiving support from the executive team that he was part of during the downturn, but, in this case, he indicated that he felt supported by the team although the team had been recently formed:

Interviewee 6:

Ja, I was and that was despite the relationships' being relatively new.

Another respondent indicated that his team was immature (he said the team had not 'jelled' yet). He felt a need to talk to someone about his experiences during the downturn, but he felt that he could not talk to his team, due to its immaturity:

Interviewee 1:

You're always there and you need to motivate the people around you. But you also want to talk and you want to discuss certain things and maybe it's because of the maturity of the team. This team that we had



was – this core team. There were a lot of changes happening, just four months before that. So it's not that the team jelled already as a core team. I think afterwards, now if you think back, I think we're now closer as a team, because we... we – I think we were very successful in the way we implemented and all those sort of things, but while I was busy doing that...

4.3.9 Organisational culture

Organisational culture seemed to play a role in the respondents' experiences during the economic downturn. As one respondent indicated, his company is a good place 'to live'. It is interesting to note from my field notes that the members of the executive team of the organisation for which Interviewees 4 and 5 work eat lunch together every afternoon around a dining room table, very like in a family.

Interviewee 5:

I think it's... XXX is a fantastic culture. It's a really nice place to live. And to...work rather. It is live here rather.

Interviewee 4:

I think we were fortunate. We had a lot of support from XXX, for example, OOO went to NNN and said these are our options, we have to shut down, we have to retrench and NNN said PPP, we've made such a good profit last year, to retrench is not the way to go. Now that in itself, if that message comes down, for me personally I get the feeling of support.

4.3.10 Organisational level

Through the method of constant comparison (comparing incidents with other incidents), it became clear that the organisational level of the respondents influenced various aspects of their experience of and reaction to the economic downturn. Although all the respondents were part of a South African executive team (executive committee or exco), depending on the structure and composition of the organisation, they might either be the highest leadership group within the organisation, or there might be an international leadership group that they in turn report to.

This led respondents either to identify fully with the organisation, like Interviewee 2,

Interviewee 2:

I think during this time, probably that's where I was fortunate in that ... I was the organisation.

or to view themselves as only part of a bigger organisation, like Interviewees 1 and 4:

Interviewee 1:

I think – yeah – in our scenario – where the Parent Company is the – the main company and if I take the support that I've got from the people... because they were on a high. They did not understand the impact... It was almost three months later – after I first had a discussion with XXX [referring to the Parent Company], where he said, ok, now he understands our problem.

Interviewee 4:

SSS [referring to his international reporting line] is also a person that does his job and he expects it from everyone else and there's not a lot of talk about it.

4.3.11 Viewing the effect of the downturn as negative

The negative impact of the downturn on the organisation was noted by the respondents as follows:

Interviewee 1:

No, if you take what happened with our organisation – within a six week period, we lost R64 million of signed work. And if you take – the actual number was R94 million. It was possible for us to recover on R90 million. If you take that on a percentage of the – our organisation's revenue, then it's about 30% of the revenue that was just gone, within six weeks.

Interviewee 2:

Well, in terms of it...absolutely negatively impacted on our cashflow, our ability to fund our capital project pipeline, which is the very lifeblood of the future of this company and it challenged us in terms of being able to keep our capital project pipeline going.

Interviewee 7:

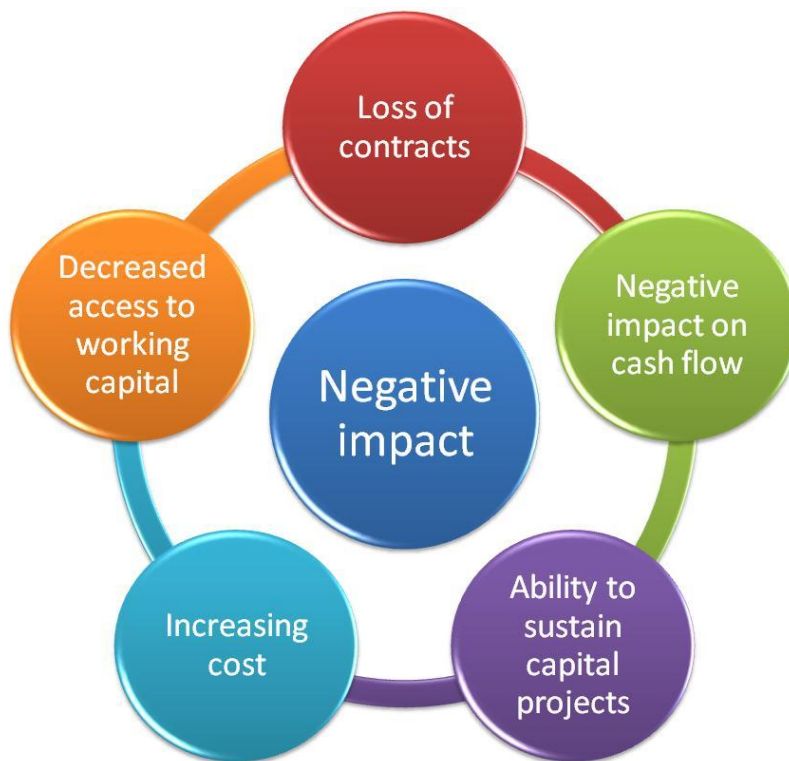
I definitely think, from a procurement perspective, we could see the costs rising. I mean, we just went through negotiations with the unions. The demands of increases significantly hit us. Eskom significantly impacted on us and will continue to impact on us. We'll see and we'll have to manage that.

Interviewee 6:

...we had to put in place initial working capital facilities, some hedging and that sort of thing, so we were negotiating in that sort of time and it was quite difficult, so I experienced that with one or two ... people.

Figure 30 below provides a summary of the negative impact that the downturn had on the respondents' organisations that respondents indicated. It should be noted that these negative impacts are not necessarily the only ones the companies suffered, but these effects reflect the views of the respondents.

Figure 30: Summary of respondents' perceptions of the negative impact of the downturn on organisations



One respondent specifically noted the negative impact that the downturn had on him personally, through the effect it had on his family:

Interviewee 7:

I certainly know my close friends and family that have felt it. So I think there is a peripheral impact in terms of a reliance on the breadwinner. (...) ...but socially and independent of XXX, there certainly is a harsh reality around what it actually means – when you see people being retrenched, specifically when you see businesses that are held within families – my family specifically, that bear the brunt of an economic downturn.

4.3.12 Viewing the effect of the downturn as positive

It was interesting to note that, despite the fact that the downturn affected both the organisations and individual people in a negative way, several respondents indicated that they also saw the downturn as an opportunity:

Interviewee 1:

On the downturn or the crisis, the – it was also an opportunity for us, to revisit – and that’s on the strategic side – the business model for our organisation.

Interviewee 3:

I think when you do a restructuring like this you do it properly, take out the layers and I think we’ve missed the gap taking out the layers on the mining side.

Interviewee 6:

The downturn presented more of an opportunity rather than a threat to us. Because with the collapse in [the] global economy, mining projects went on the back burner so our mining projects became one of the few that was looking at some very serious projects so we were able to attract very serious resources into it. Engineering resources. (...) So not only can we get better skills to support the project because we just finished feasibility studies, which has been eighteen months, but we also – in terms of now looking into execution – we can attract strong companies, strong companies at good prices and the project will be lower risk to execute than in the bull market that we saw two years

ago when capital projects were going crazy; so, on balance, on a tangible opportunity, it presented more opportunity than threats.

Interviewee 7:

But we saw some benefit coming through on that. So in other words, where you would typically have a large number of mining organisations looking to build new projects, you typically found those guys falling off – which meant that the demand was less. And where there was a demand, we benefited from that. So – steel and things like that – where there was huge demand previously (which had driven the prices up), no demand, a reduction in the lead time, (so in other words, we could see a benefit from the procurement perspective, where something would typically take 24 months to deliver, now we are seeing an 18-month lead time).

Figure 31 (overleaf) provides a summary of opportunities identified by the respondents. Once again, the list of these opportunities is by no means exhaustive and the purpose is not to indicate the opportunities that the downturn might have presented, but rather the fact that respondents viewed the downturn and its effects in a positive light in some respects.

Figure 31: Summary of opportunities presented by the downturn as perceived by the respondents



In addition to the respondents' regarding the downturn as presenting opportunities, the direct effect of the downturn on the individual was also viewed as positive by a respondent:

Interviewee 7:

Actually, maybe I can say that I have been impacted, but positively. (...) So all of that has been positive. So I think, if I had to define my role, my personal experience within XXX context, the recession has been good for us, or good for me, in that, personally.

Furthermore, in line with the responses reported in Sections 4.3.1, 4.3.2 and 4.3.4 (respondents' being optimistic and focusing on the future), in one case, there was a particular focus on turning an event that is normally perceived as negative (the downturn) into something positive; in the words of this respondent, '*never waste a good crisis*':



Interviewee 1:

While you're in this crisis, see what's – what's the good things that you can do and link it all to the – to the – to the issue in the world economy. But it's also something that you need to manage very carefully because it's linked to people. (...) Yeah, there's an old saying, never waste a good crisis.

4.3.13 Doubting job security

It was evident that respondents had doubts about their own job security during the economic downturn:

Interviewee 4:

From a personal point of view, from my side and my career's side, suddenly what we saw for the next five years as growing a XXX business, getting into smelting, getting into refining, getting into marketing, becoming at least the third or maybe even the second biggest XXX producer in the world, we then suddenly, everything stopped and we were going from a flying high on a 2 000 odd dollar per ounce price down to 700 something and suddenly we weren't even sure if we were going through with the BBB expansion which is a X00 000 ton mine; and from a personal point of view I wasn't quite sure what my role would be if we stayed stagnant for the time being. I think there was a lot of uncertainty from a personal and a career level.

Interviewee 5:

Because it really looked that bad at some stage that maybe you just scrap the whole project. And, and that wasn't nice. It was more a psychological issue starting to build up. (...) Especially if you're into business development which isn't crucial for a company.

In particular, some respondents were worried because they were (relatively) new in their organisation:

Interviewee 6:

Yes, it became personal for some of us, because many of us were recruited before the deal was finished and the company came into existence. So I started in May '08 and the paw-paw hit the fan in August, September, so, yes, a lot of us faced the huge uncertainty as to whether the deal will survive and then work through that.



Interviewee 4:

I made a decision four years ago to leave a company where I was head of mining and I was established at that point in time. I had ten years service there. So I made a move and when this happened obviously there would be that uncertainty and you would look back and say was it a good move?

Being relatively new in their organisation also implied that they left their previous company, and more particularly successful careers, to pursue new opportunities:

Interviewee 4:

Saying that maybe it wasn't such a wise move to leave a company. In a recession if they start retrenching and you have four years service instead of fourteen years service that might be a difference in the package.

Interviewee 6:

One is, and particular against the background of having left a very successful career elsewhere so there is no point of looking backward, but the more important thing is making sure that you understand not the generic threats but the specific threats...

Although both the above respondents had doubts about their job security, given the economic downturn, their reactions to it were quite different. Interviewee 4 indicated several times that he would have had increased job security at the bigger mine where he came from:

Interviewee 4:

But, yes, you do say to yourself in times like this you want to be in a company that's big enough to take the hit so if you were to be in a YYY or a ZZZ, certainly being the second biggest producer of XXX you would imagine that they are not going to shut down, if they shut down, the price would go up and they would just re-open.

By contrast, Interviewee 6 realised that there was no point in looking back, despite the fact that he had also left a substantial mine for a new venture mine.

Doubting their job security made them uncomfortable, doubting their ability to do the job and thinking about alternatives to their current job:



Interviewee 4:

But in times like this when you haven't spoken to your boss in two weeks and you've got all this uncertainty then you sit and say maybe I should find something to just go and show my face because you begin to say what's the purpose of me? We're battling and all of that. (...) And now you go, in times like this and can you still make it work? And what if it doesn't work?

Interviewee 5:

Well, it wasn't nice, because it was, ja, I mean at one stage I thought, you know maybe I'll just retire early. I mean, it was as bad as that, you know.

The below excerpts show that, apart from thinking about alternatives to their current jobs (contemplating retirement and considering other job offers), the respondents sought re-assurance from their superiors, in this case, a CEO (also on the executive team):

Interviewee 4:

To be honest I had a job offer subsequently from another company, which I declined because I spoke to my boss about it and he gave me the assurance that I needed.

Interviewee 5:

So, even, even, even though I mean, I, I, personally even I had discussions on that. You know, I was, I'd never had any reason to worry. I mean, it was, certainly I was just told, just like don't worry, we... this is not a big issue. We need this and it is true.

In one of the cases, a respondent recognised that he was actually in a position where he influenced his own job security along with that of others:

Interviewee 2:

Because you are actually into that sort of game of designing yourself out of the job and you've got to have that maturity and, what's the word, resilience to make those tough decisions.

It is important to note that, apart from Interviewee 2 (above), who had been involved in influencing his own job security, all other respondents concerned with their job security

worked for organisations that did not retrench during the economic downturn, although they commented on retrenchment.

4.3.14 Worrying about financial security

Along with doubting their financial security, respondents also worried about their financial security:

Interviewee 6:

We are a single income family because we have three young children, my wife doesn't work and we have managed to have bonds and all sorts of things. (...) It did pose a personal threat in that the deal would have failed and I would have been back on the streets. But I focused more on the resolution of it than worry about it.

Most of the respondents strove to be financially independent to shield them from a situation where they lost their jobs.

Interviewee 6:

It's also when you are reasonably successful, so I'm not independently wealthy, but I'm okay, I could have survived the one year without a job. That's easy for me to say as opposed to someone who's living from one salary cheque to the other so there is that element to it. That's also why you don't want to expose people that have this, if they lose their job because the company fails or the hostile bid wins or the deal goes wrong...

Interviewee 4:

Personally I would like to be in a position where you know that if you lose your job you can support yourself for two years or three years and if you can't find a job in that time then that's your own problem. But I think it's easier said than done. You can say let's not worry about the downturns because if we live for them or live in expectation of them then you're not going to go anywhere you're not going to take any risk, you won't buy a house, you'll just stash up the cash. All this stuff that we [attach] value to, like property. You can buy property.

Interviewee 5:

I mean, I, I, I think I'm paid extremely well and I can retire. But, ah, one doesn't want to. (...) And, it, it was really I think, I don't think it was

ever that bad, to be honest with you. It was, but you know your mind plays these scenarios with you and let's call it that.

Perhaps it had to do with their financial independence, but it was clear that the respondents viewed their own financial security as a secondary concern.

4.3.15 Company or shareholder expectations

Respondents felt the pressure of meeting the expectations of shareholders during the economic downturn:

Interviewee 1:

Because the Parent Company is the 100% shareholder of our organisation. And they're supposed to understand that, but they had a typical shareholder view on the business. Doesn't matter what you're saying: the bottom line – you need to improve your bottom line.

Interviewee 6:

What does it really mean for our shareholders, the guys who became the shareholders?

In addition, respondents felt they had to convince shareholders that they were not bad managers, and that they were confident in their decisions:

Interviewee 1:

And, it – it's also putting pressure on me to convince them that we're in this one and when you talk to those people they think it's just bad management.

Interviewee 4:

They rely on the people that are there so if I go with an application NNN will look me in the eye and say can you make a success of this? And if I say yes, he will go with it. So it's entirely up to you.

4.3.16 Feeling responsible and to blame

During the downturn, and particularly when retrenching employees, respondents felt personally responsible for the situation:



Interviewee 1:

And that, that's difficult. It's also difficult for the people internally because they were under pressure because all the positions, employees, their jobs were at risk. So we need to fix that.

Interviewee 2:

I was party to initiating the whole damn thing...

In particular, they felt that they were to blame for the situation:

Interviewee 2:

...you are going to talk to XXX, for what it's worth, we collectively were partly to blame for this whole thing, because we could just see we need something to happen, let's put it that way. (...) Put it this way, not that I'm proud of it, thirty senior managers actually left the company.

Interviewee 0:

*Ek was die vark in die verhaal. Ek moes die hele ding gefasiliteer het.
[I was the villain in the story. I had to facilitate the whole thing.]*

The process of retrenchment was emotionally taxing for respondents, as the excerpts below indicate:

Interviewee 1:

I know there were people that were in tears immediately, very emotional. It also created a lot of emotional feelings for me. It was very difficult.

Interviewee 0:

*Ek het onmiddellik my gesig weggedraai, want ek dink dat ek tranes in my oë gekry het.
[I immediately turned my face away, because I think I got tears in my eyes.]*

4.3.17 Feeling responsible for the team

Respondents felt responsible, particularly for their team. In some cases, they referred to the executive team of which they were part, and in other cases to the team reporting to

them. In the excerpts below, the respondents seem to express their sense of being responsible for the team's well-being in leading the team and the organisation, indicating a sense of dependence that the team has on the CEO, in the cases below:

Interviewee 1:

You need to organise the people. The team is dependent on where you want to take the... or on you to where you're going to take or they want to take the business going forward.

Interviewee 6:

Now the deal to create nearly got threatened by that so we were trying to close the deal in a period of huge economic uncertainties so there was the period when it affected the people that were close to the deal and I was involved in the deal making...

It is a known trend in the mining industry, as it probably is in many other industries, that people who are in a position to do so often recruit people that they know, especially when they move from one company to another. They 'pull' their trusted colleagues with them when they move on to another position:

Interviewee 4:

I think from my team, the majority of guys in my team have only been here for about a year because what happened is when we purchased BBB we went and a lot of them are from YYY because that is where myself and the guys spent ten or five years. So we handpicked the guys from YYY. We said we want to build a mine, we want to build a division and we are going to take the best of the best and convince them to join us. So those guys were brand new in XXX so I guess they can... a lot of uncertainty... they were sitting here and said you know I left a year ago, where I left four years ago and I felt it.

Interviewee 3:

What's also a difference is a lot of the guys, the team that I've built comes from HHH, comes from MMM, some of them worked for me before, some of them worked with me.

This leads to a lot of trust in these team members, but it also created or at least amplified the responsibility that the respondents felt towards their team members during the economic downturn:

Interviewee 6:

But there were also the people that I brought on board...who on my word had come on board this... come on board the company, left other companies and careers and joined this company. So their future was very much my responsibility to get them to understand where the risks were.

Interviewee 3:

I think I've got a lot of empathy with the team that I've put in place and I will really assist them to achieve their goals.

4.3.18 Value dichotomy

Respondents indicated that they experienced a misalignment between their values and their actions, or sometimes their values and how their actions were perceived by other individuals, particularly in the organisation:

Interviewee 1:

To make decisions in this difficult time, and still, or to use the values of the business and your personal values to – to form the backbone of all your decisions, helped me a lot. (...) It was a good plan for me, but in their minds you could see there was no trust. It doesn't matter what was the values of the business. And I also said to them that I realise that we need to show and communicate all the successes that we have. I also asked the people directly after that session to go home. Not to talk to the rest of the people. Go and think about it and we will again discuss it the next day.

Interviewee 2:

I think one of the other issues that introduces stress in an arena like that is we believe and we profess to abide by a certain set of values like talk about trust and now you go and talk to some unions about job reduction. It's an interesting sort of dichotomy. (...) Often you have to make difficult decisions and depending which side of the fence you are on, people will see that as a non-alignment of values or an alignment under difficult circumstances with value so that introduces a level, yes, these sort of situations create a level of mistrust between the various stakeholders in the company and once again it comes back to communication.

It is interesting to note that both respondents who emphasised the importance of religion experienced this value dichotomy.

4.3.19 Survival

Various respondents used the term 'survive' in connection with the economic downturn, either to refer to the personal survival of employees, or the survival of the organisation:

Interviewee 4:

...but at least you do it as such that you survive this downturn and then obviously from a LLL point of view, our challenge was that the mine must just build up to a steady state, the challenge was to get it into a steady state as soon as possible.

Interviewee 1:

This is the only way for us to survive.

Interviewee 2:

And then you get the people that have survived on board and life carries on.

Interviewee 6:

The learning out of it is that you can survive them and then thrive thereafter.

Interviewee 7:

The emerging markets, I think, actually managed to survive quite nicely.

The use of the word 'survive' can be seen as a mere figure of speech. However, in my opinion, it goes beyond a mere loose use of the word to indicate the depth of how the respondents experienced the downturn, its effect on them, and the effect that it had on others. Various respondents compared the downturn with a war, albeit in different contexts:

Interviewee 2:

It's also about leadership, about creating an understanding and inspiring the survivors, because there are always going to be casualties and survivors. Sorry, it sounds a bit war-like and I hope you



don't put that into our presentation like, that but just to get the mental picture across – there are always survivors and the walking wounded and then the people that really get hurt. The issue with any turnaround... There are the people that remain but they actually are hurt, the walking wounded as I would call them and that introduces a level of tension in the organisation and it leads to a build-up, not necessarily in a person like myself, but it introduces a tension in the organisation that does need to be managed.

Interviewee 7:

That's the example in war, isn't it? 'Guys, we are going to go and learn, and maybe a couple of us are going to get shot and killed along the way. But at the end of the day we want to be victorious! We want to come out of this alive! Yes, I'll follow you, because you are actually a good leader. You give me an inspiration that you know what you are doing and that you are confident in your approach.'

Interviewee 0:

Jy het ingegaan en in die oorlog baklei. Skielik is daar nou vrede. Maar wat doen jy met die vrede? Hoe maak jy? Hoe berei jy jouself weer voor vir hierdie proses van vrede?

[You went in and fought in the war. Suddenly there is peace. But what do you do with the peace? What do you do? How do you prepare yourself for this process of peace?]

When I asked Interviewee 2 how he saw himself according to his classification of 'casualties', 'survivors' and the 'walking wounded', he classed himself as a survivor:

Interviewee 2:

So I'm sort of in two minds so there I'm a survivor with a scratch or two. Sorry, I'm being simplistic, but I would class myself as a survivor.

One respondent even likened his experience, specifically referring to the retrenchment process, to the Holocaust:

Interviewee 0:

(Ek) het my in baie situasies voorgestel in die Joodse konsentrasiekamp waar die offisiere presies geweet het wie die volgende persoon sou wees wat na die kamer toe moes gaan. Dit is 'n totale ander situasie, maar ek dink dat die sielkundige effek wat dit op my gehad het niks anders as dit was nie.

[In many situations I imagined myself in a Jewish concentration camp

where the officers know exactly who the next person would be to go to the (gas) chamber. This was a totally different situation, but I think the psychological effect that it had on me was no less than that.]

Related to this, this respondent compared his role to that of an executioner:

Interviewee 0:

Ek dink dat dit soos 'n laksman is. Jy het ingestap, jou werk gedoen en jy het weggedraai en was klaar daarmee. Maar jy praat nooit daaroor nie. Dit is omtrent hoe ek dit hanteer het.

[I think that it was like an executioner. You walked in, did your work and you turned away and were done with it. You never talk about it. That's about how I handled it.]

4.3.20 Having a plan of action

It seemed particularly important to respondents to have a plan to guide them during the downturn:

Interviewee 1:

Maybe, it will carry on with that. So we said we need to implement something and we, as a management team of our organisation, spent about a week, just focusing on some actions that we need to put in place and after that week we had a high level plan. (...) And then we developed an Eight Point Plan. It's just a – that was unique for our organisation – where we focus on these things – on the workload and some actions that [were] linked to – to that. The second one was – or part of those eight points, there were some actions that [were] linked to capacity and competence. But, we call it the Eight Point Plan and we know within that area we will have a strategic focus, as well as a short-term focus, or medium-term focus on – on that.

Interviewee 4:

So we had to almost change strategy in the short term because our strategy was growth, our strategy was buying, looking at targets, you know we were last year in June/July we made a move for YYY.(...) So, we had to look within and decide how do we manage this?

Interviewee 6:

Some people don't accept the possibility that complete failure is an option and that is a risk, so the important need is to confront it. It can get very serious and you have to have an action plan to deal with that.



Then also... Once you have got that, you have a high level of confidence that you have confronted a very dire scenario and you can work out strategies for that. I think that the reverse will be very stressful. (...) You will assume that it gets to 90/100 so you have a plan to deal with 90 and when it gets to 20 you have no ability to deal with it, not only psychologically you aren't prepared for it, but you have no action plan to deal with it. So, for instance, on this deal thing, I really confronted the fact that there was a good chance it was going to fail, that the parties were unable to meet each other in terms of a meeting of the minds, what would we do then? We had to go and find alternative ways to do the deal. Or, work on the basis that if two parties walked away from each other, how would we get them back together again? And what were the tools we would need to do that?

Perhaps Interviewee 2 best articulated why having a plan of action was emphasised heavily by respondents: having a plan means you have (or feel in) control of your destiny:

Interviewee 2:

...and then sort of getting the plan together and making it happen. And it's when you are an architect of change rather than having change being imposed on you and then being totally reactive, that's when life becomes stressful in my mind, when you are totally reactive to external stimuli instead of saying, well, I understand the situation, what are we going to do about it and being proactive. (...) We were the inner sort of executive that were saying this is what needs to happen so therefore one felt that you were in charge of your destiny.

Interviewee 7, along similar lines, compared knowing what is going to happen in future to 'when there is light':

Interviewee 7:

The biggest problem is when you are faced with a situation, is not knowing how you are going to get out of it. When there is that darkness, then you are at a loss and you cannot find your way out of anything. When there is a light, where you can clearly see that this or that is going to happen, and that is how we are going to get out of it...

However, it is not merely about having a plan of action, but also about the fact that, by doing so, by implication, one confronts the situation. As Interviewee 6 indicated, one has to have a plan and act on it.



Interviewee 6:

But the other important thing is to confront it. So once you've distilled it out, that there is a real threat, to accept that it's real and that it needs to be acted on. (...)...but you have to assume that things can get very dire and when they do start to get dire there's no point in complaining about them, you have to act on them.

Interviewee 2 once again articulated in colourful mining terms that, without a plan, clear roles and responsibilities for the people involved in the plan and performance management linked to this plan, he would have had difficulty dealing with the economic downturn:

Interviewee 2:

I think the only other point to make in any form of turnaround that there is, is you have got to have a clearly articulated analysis of what's impacting the business, you need to have a comprehensive... there's no silver bullets in turning the company, you've got to have a very clearly articulated plan, you've got to have clear roles and responsibilities to the people involved in that plan and you've got to have some pragmatic and practical performance management in place. You've got to have those building blocks in place. If those things are not forthcoming, it will create... a, a, no, it won't be creative, it's just plain shit and stress and kak in the land. You've got to have those things in place.

4.3.21 Basing a plan of action on facts

Apart from having a plan of action during the economic downturn, respondents also indicated the importance of understanding the facts of the situation and then planning (and acting) according to these facts. Interviewee 6 explained why this might be important, not only for improved planning, but also for a person to focus on actual threats and not just generic worries:

Interviewee 6:

...making sure that you understand not the generic threats but the specific threats... so I focus on understanding, so if we have this big downturn, what does it really mean for our shareholders, the guys who

became the shareholders, in terms of their ability to do the deal and so it's working on facts of specific threats, not the general worry of generic threats, everything is going wrong. So what is specifically going wrong and what are the direct threats to it. And then making sure that in understanding that, we were focusing on resolving those and making sure that those things were properly understood and that there were solutions in place. And so we were actually acting on fact and then acting. (...) ...the ability to analyse it, break it down, understand the drivers, will allow you to cope better. If you can't see it, if it's just a black cloud, it's very hard to cope with it and if you can unpack it... it generally are people that can unpack it, identify the real threat and the real drivers and then focus on those, as opposed to those who see the cloud of threat.

Other examples of interviewees indicating the use of and importance of facts to base plans (and actions) on are given below:

Interviewee 1:

So, on the workload side we said – that equals capacity at competence. So the formula that we worked on this whole thing was workload equals capacity at competence. We investigate the markets in all three regions. The Americas, the EMEA's [Europe, Middle East and Africa] as well as the Australasia – what's the work load available? What's the signed deals? What's the potential deals? We also established what was the effect on – and what's the trend of – that happened within our client environments on approvals? (...) It was something that we adjust according to what happened in the world economy. What happened in our client environment? So we...test it. That's why we've got this Industry Monitor.

Interviewee 2:

Taking charge really goes around who you've got on the team and understanding what the critical issues are facing the business and what the key success factors are that need to be dealt with and everything like that and then sort of getting the plan together and making it happen. (...) I think the other thing is, invest your time and invest resources in getting to a data-driven set of facts that influence your decision. Don't just do an opinion-engineered addressing of the problem. Get some data-driven facts on the table to make a decision.

Interviewee 6:

The first one is about trying to get as good information as you can and not getting swept up in the generics. It's about trying to distil out what does it specifically mean for us and for me.



Interviewee 7:

I guess my advice would be to really understand where the heart of the problems are.

Interviewee 0:

*'n Voorbeeld was die maandelikse barometer wat ons gehad het.
[An example was the monthly barometer that we had.]*

4.3.22 Focusing on the short term

The goal of the plans and actions taken by the organisations was ultimately to weather the downturn in the short term:

Interviewee 1:

So the plan that we set, that we need to focus on, needs to focus on the strategic level. Make sure that we're not stopped doing things, but re-prioritize things in that environment. We need to focus on the tactical level. Things that we would like to get in place. That will, that we will see, 6, 12 months later, things happening in that environment and then with a big focus on the short term. What's the immediate things that we can do to fix that one? And on that one – on the short-term side, we said, we need to focus on what's the work load available in the business.

Interviewee 2:

If you haven't got a mission in life on a daily basis and structure your life around what's urgent and important and focus on the key critical things. That sort of keeps your psyche more on the excited side than on the stressful side. I think that would be the one key thing.

4.3.23 Focusing on the long term

Apart from having short-term goals, the long term was also focused on, particularly how to thrive after the downturn and how to set the company up for this:



Interviewee 2:

I would say that one had to always ensure that you had very clear short-, medium- and long-term goals.

Interviewee 4:

How to position yourself [so] that when the recovery comes into full flight you can take the full benefit and position yourself like that.

Interviewee 1:

Normally what happens in an area like this, businesses fall back to fire fighting. Just try to keep things going. And as soon as you're doing – the focusing on that – you've got a very short...focus...you need to get a better, or a higher view on that. And if you take what's happened in the past, in all these type of things – as soon as that happens, your strategic initiatives and all those kind of things, you will impact that. You will stop doing those things. And then normally, after a crash, what happened, when you need to be ready for the...gear up again, you're then 6, 8 months behind the industry. So you need to make sure that what – the things that you're going to do will focus on the – still keep the strategic focus in...that area.

Focusing on the long term also relates to having a vision, as various respondents pointed out:

Interviewee 7:

I think the biggest challenge for us was to make sure that we are so well articulated that we could actually see it and believe it and then communicate it down. One of the biggest things is, if you don't really understand it or there is confusion around what that actually is. It tends to create that confusion as you communicate it down the organisation.

Interviewee 5:

You've got to basically make sure that things, you, you set the right direction and then...things will work out.

Interviewee 3:

Tell them where you are going. Tell them this is the light at the end of the tunnel, this is where we want to get to and they will get you there. (...) It's all about the people and getting them to believe that this is where we go and it has worked well for us.

Interviewee 2:

It's not one of these consultants burning platforms but it's about

honestly articulating the burning platform and what the low road or the high road looks like and it's about creating that rallying point and that vision. (...) Looking beyond the downturn and focusing on individuals that would ultimately get through the downturn was also something that respondents mention and focused on as indicated in the excerpts below. (...) It's also about leadership, about creating an understanding and inspiring the survivors because there are always going to be casualties and survivors. (...) Dignity counts. Not only to the person that is directly affected by your attention but also by the people that stay behind that see how you as a leader behave in a stressful situation or in a difficult situation, which leads to building of trust, earning of respect and creates a healthier future surviving company.

Interviewee 1:

But to convince them to stay in this business, it's not a business... it's not a sinking ship that we've got here, to keep them going.

4.3.24 Taking action

Based on plans derived from facts, organisations took various actions during the economic downturn with both short- and long-term goals in mind. Organisations attempted to reduce or delay capital spending, as is indicated in the excerpts below:

Interviewee 5:

Obviously we've had to reduce capital, we've had to reduce spending, we've had to close furnaces in, at one stage, we had probably only about twenty per cent of capacity on line. (...) Most of them in fact postponed to... by a few years' capital project.

Interviewee 4:

So on the XXX side we tried to produce as much as possible, cutting the cost, delaying capital that can be delayed so we delayed quite a bit of capital that can be spent, this year, without affecting our long-term viability of the project.

A prominent method for organisations to reduce costs was by means of reducing people through retrenchment. Indeed, interviewees from organisations that retrenched almost equated the economic downturn with retrenchment:



Interviewee 1:

We had to balance the capacity and the competence of the people with the workload.

Interviewee 2:

I think the other thing that it did was it introduced a tension in this company in that we realise that in order for us to financially survive we needed to fundamentally attack our cost base and that brings with it all the nonsense of a headcount reduction and all that sort of stuff so there's a headcount impact on the business, there's a capital expenditure component and then there's the funding of making this a better place. (...) My role was in...being part of a joint ...management leadership decision to restructure the business both in terms of how we do things, how we structure the company and so on and so forth with the end goal of a headcount reduction and a reduction in overall expenditure.

Interviewee 3:

What we've done in the processing side and I think we are more fortunate than on the mining side, because they had the big numbers and they reduced by 6 000 people. We set ourselves a target and we looked at the numbers we had in 2004 and we tried to get back to those numbers in terms of numbers of people, not in terms of costs.

In addition, organisations attempted to reduce costs, for example, by reducing the use of contractors and consultants:

Interviewee 5:

You know, by doing a lot of things ourselves which we'd normally have contractors, ah, either contractors or consultants.

Strategic actions were also taken, such as influencing the market by controlling the supply of products, changing from an acquisition growth strategy to an organic growth strategy and the empowerment of lower level workers in order to gain efficiency and effectiveness.

Interviewee 4:

The second way of looking at it was for us being in XXX and YYY, because we are a major producer of XXX we said how can we impact the market because the prices went through the floor, we had orders

cancelled from long-standing customers, so we basically shut down the operations.

Interviewee 4:

On the ZZZ side, because we are the biggest ZZZ, by shutting down our furnaces we basically impacted the market, the stock levels went down and as the stock levels went down the recovery came fairly quickly.

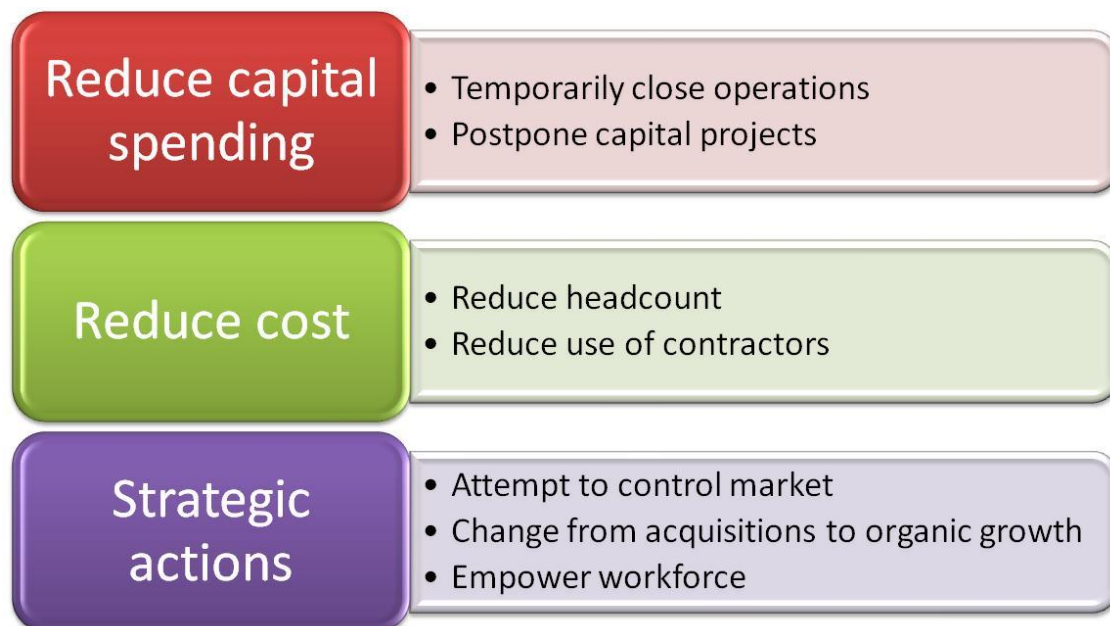
Interviewee 4:

So to us it was pretty much an eye opener in rapidly changing the strategy, turning it more to organic growth to say, for the time being at least, we've come to the end of purchasing because we are not going to get finance because the bankers got the main scare and they stopped providing finance.

Interviewee 3:

What we've done also in this downturn, maybe it's not because of the downturn, maybe it's just how I see the way to transform the business, historically in South Africa we told operators and the lower level guys, you come to work and leave your brain at the gate, management will tell you how to do the work and my view is that we actually want the guys to bring their brains into the gate and help us to do the work more effectively and more efficiently because they've been doing it for twenty years.

Figure 32: Summary of organisational actions during economic downturn



4.3.25 Defining action in terms of retrenchment

Respondents also defined their actions in terms of what they did **not** do, particularly with regard to **not** retrenching people. For example, in answer to my question on what effect the downturn had had on his organisation, Interviewee 6 defaulted to retrenchments and answered that they did not retrench:

Interviewee 6:

No, not major, not requiring major restructurings, not requiring major retrenchments, layoffs, change in operational plans and something of that sort.

Similarly, Interviewee 7 responded that the organisation did not introduce any large scale retrenchments.

Interviewee 7:

We didn't see any large scale retrenchments. Sure we saw retrenchments, but they were few here and there...

In fact, interviewees from organisations that did not retrench seemed proud that they had managed to weather the downturn without retrenching:

Interviewee 5:

I mean nobody was, not even, not even the lowest levels... not one person was retrenched through this period. We were down in some plants for six months and, and that again is a management culture and a management decision in our company. We, we look very well after each other, and after our business.

Interviewee 4:

Now, we had a choice we could look at, one of the options was retrenchments, we felt that and from the XXX Head Office in AAA the feeling was that we've had a bumper year, a record year since the start of the company and we've made a lot of profit in the previous year, 2008 and to go and retrench half of our people at this point in time would sort of leave a bad taste so we decided on the XXX side, specifically of the YYY side, not to retrench. We sat down with the



unions and we said we won't retrench, but we also negotiated with them to delay the annual increase, which was due in June and we basically got to an agreement, which I think was quite mature from the union's side as well, to delay the wages and see what happens to the industry later on in the year, which they agreed to.

4.3.26 Taking fast action

Respondents indicated the importance of acting fast.

Interviewee 2:

Firstly, you would need to be the first mover, don't wait until everyone else has done it and then follow; I mean there's even research on it. You would have to be a first mover, that is the first thing.

Interviewee 5:

So, ah, I think just one needs to take action as quickly as possible, like we did. We...decided in November, September last year we saw the writing on the wall, by November most of our furnaces were out. And we...really took very quick decisive action on that and, I think, that helped stabilizing our market in the first place to...make sure we don't have too much of an overstock situation.

Interviewee 0:

Ek sou baie vroeër met die proses begin het. Ons het omtrent ses of sewe maande voor die 'dip' geslaan het geweet. Ons kon dit duidelik sien.

[I would have started with the process much earlier. We know it about six or seven months before we hit the dip. We could see it clearly.]

4.3.27 Religion/faith

Religion and their faith played a role in some respondents' way of coping in general, particularly during the economic downturn.

Interviewee 1:

Every day – I ask my God for, for support.

Interviewee 1:

And I ask for help and guidance and what I must do and what's the decisions I must make and all those kind of things. That it must be the



right one and not for my personal interest but for the business. Or for the people, and that's the way, I'm, I'm – that's my life and I, I think that's, that's helping me to be a strong person.

Interviewee 1:

Dit is omdat die Here my help. [It is because God helps me.]

Interviewee 2:

[Silence] I think you, as an individual, you, ah [silence], I don't mind saying it... your religion plays a definite part in all of this in order to provide your anchor in life.

Interviewee 3:

Sunday we go to church.

In the excerpt below, Interviewee 1 indicated that he had discussed the retrenchment process with his church group and he felt consoled by the fact that they all prayed for him.

Interviewee 1:

It's what we want to discuss, that's what we want to discuss and during this whole time.... It's not that they were aware of what's happening within the detail. But they know about the retrenchment process and all those sort of things. And I know that all of them – they – I had 'pray cover'.

It seemed that both interviewees (Interviewee 1 and 2, from separate companies) who directly mentioned the role of religion during their experience of the economic downturn felt that it was not acceptable to depend on religion in the workplace. They were almost apologetic about it, as though they thought it was not acceptable to indicate it to me as part of the study or people's lives in general:

Interviewee 1:

It doesn't matter what some people think, it's not helping, but I know, for me, it's helping and it's almost if I was much stronger and – you're going through these things (...) that's maybe what they do not want to hear, but my religion is quite important. You need something that you can fall back on.

Although Interviewee 2 did not voice his doubt about the acceptability of religion (to me, or in general) in the workplace directly, he was hesitant to mention it (*'you, ah [silence], I don't mind saying it...'*).

4.3.28 Spousal support

Spousal support was specifically mentioned by respondents whose spouses (in this case, the wives of respondents) played a role in how they dealt with the stressors during the economic downturn. Whether the respondents saw their wives as a sounding board or as someone to take over the decision-making responsibility at home in order for the respondent to relax, spousal support seemed to play a role in coping during the economic downturn.

Interviewee 5:

I've got, my wife doesn't work, we're very lucky. So she looks after the home. So when I get home I don't need to make decisions. So you can go and do your sport or whatever and the rest of the time she...runs the house. So it's actually a bit of a...cop out in having to make decisions. It's actually quite nice to get somebody else to just do that for you. And, ah, but she enjoys that as well. So it's, it's ...

Interviewee 1:

...that's where my wife played her role. She's got no clue what's going to happen. She's got an outsider's view on that. And when I mention it to her she will tell me something and then I think about it and say: but maybe she's got a point and then I test it in a different way within the team.

Interviewee 1:

...you still need to talk to somebody. Somebody to get – just moral support from or – from the outside and my case, I use my wife for that. Not that she's got a clue what's going on in the business, but just somebody to listen. And she was willing, listening.

Interviewee 5 specifically mentioned that his wife did not work outside the home (*'I've got, my wife doesn't work, we're very lucky'*), although he seemed to try and defend it (*'And, ah, but she enjoys that as well. So it's, it's ...'*), perhaps because I am a woman and he felt he had to defend it towards me (a working woman), although I did not in any

way respond to his comment – positively or negatively. Interviewee 6 also mentioned specifically that his wife does not work outside the home:

Interviewee 6:

...because we have three young children, my wife doesn't work...

4.3.29 Emotional separation: depersonalizing actions

It was clear from the respondents' responses that the economic downturn was an emotionally stressful period for them, as Interviewees 1 and 0, for example, indicated:

Interviewee 1:

Daardie emosionele, daardie binneste gedeelte – Want dit raak jou persoonlikheid. Jy doen goed wat nie heeltemal jy is nie. Ek wil vir almal by ons werk gee en vir almal 'n glimlag gee want almal van ons is goed. Maar nou skielik moet ek vir sommige mense sê hulle is nie goed genoeg om hier te werk nie. Hulle kan dit persoonlik opneem, maar eintlik is dit die besigheid wat dit nie kan hanteer nie. Dit was baie moeilik om daardie 'link' te kry.

[That emotional, inner part of you – Because it involves your personality. You do things that are not totally you. I want to give work to everyone with us and I want to give a smile to everyone because all of us are good. But now suddenly I must tell some people that they are not good enough to work here. They can take it up personally, but actually it is the business that cannot handle it. It was very difficult to get that link.]

Interviewee 0:

Ek het onmiddellik my gesig weggedraai, want ek dink dat ek tranes in my oë gekry het.

[I immediately turned my face away, because I think I got tears in my eyes.] [Referring to people asking him whether he was 'OK' during the retrenchment period, one of the actions taken by the organisation during the downturn.]

Respondents attempted to take their 'hearts out' of their actions, focusing on what the business needed and not on individuals:



Interviewee 3:

When I was a bit younger and more aggressive and this is how it will work, I could just put myself aside and just do the restructuring and the people went and now I think my empathy moved a little this side and it is still tough to do it but you have to do it, you have to almost take your heart out and say this is what the business needs and you have to go and retrench people.

Interviewee 1:

When we've got the clear rule of capacity and competence. If the – and that's why we made it clear, before we start focusing on individuals.

Interviewee 0:

Ek dink dat mens 'n stadium bereik waar jy besef dat jy die emosies moet skei van dit waarmee jy besig is. Die oomblik as jy by daardie punt kom, kan jy die regte besluit neem. Die oomblik as jy emosioneel betrokke raak en jy in iemand se oë kyk met die wete dat jy nou vir hom hierdie goed vertel maar dat hy more of eendag nie meer geld kry nie...

[I think that one reaches a stage where you realise you have to separate your emotions from what you are busy with. You can make the right decision the moment you reach that point. The moment that you become emotionally involved and you have to look into someone's eyes knowing that you are telling him all these things but that tomorrow or some day he will not be getting any more money...]

Interviewee 0:

So jy moet regtigwaar emosieloos in hierdie ding gaan. As jou emosies by dit betrokke raak gaan jy die verkeerde besluite neem. So ek dink dit was omtrent die ding. Ek was emosieloos. [So you really have to go into this think without emotions. If your emotions become involved, you will make the wrong decisions. So I think that was about it: I was emotionless.]

The above two excerpts from Interviewee 0's transcript also indicate a belief that a person would make better decisions if he is not emotional about it. Interviewee 6 also indicated the same sentiment:

Interviewee 6:

I think that's given me the ability to cope with crisis better than many other people that get very emotional and become very bad at doing the analytical work because the problem with the crisis is it requires



very clear thinking, very fast. And if you all wound up emotionally, you can't do that.

However, it seemed that, although Interviewee 4 below sees himself as '*not a hectic emotional person*', he did experience emotions, although he attempted not to show them. Interviewee 0 expressed the same sentiment somewhat differently by indicating that he had to '*pretend that you are in control of the situation*' (my emphasis):

Interviewee 4:

No, to be honest I guess I'm not a very emotional person. I am, but I don't show a lot of emotions and stuff like that. Mense sê ek is baie rustig en ek panic nie gou nie. [People say I am very calm and do not panic easily.] So, to be honest, I do stress and I smoke a lot and stuff like that but I'm not a hectic emotional person.

Interviewee 0:

Jy moet voorgee dat jy in beheer van die situasie is en dat jy eintlik onafhanklik is en kan terugstaan en praat met mense wat jy eintlik glad nie ken nie. [You have to pretend that you are in control of the situation and that you are actually independent and that you can stand back and talk to people that you actually do not know.]

Interviewee 0 was very closely involved in the retrenchment process in his company during the downturn and emphasised at various points his attempt to separate his emotions from his actions. He felt *compelled* to do this for the sake of the people in the organisation, resulting in his ultimately cutting himself off from the people in the organisation:

Interviewee 0:

Ek dink dit sou onregverdig gewees het as ek enige emosie gewys het. Dit is moeilik. Ek het nog nie met iemand gepraat daarvoor nie. Maar ek sou dink dat as ek in die gehoor gesit het en iemand emosie getoon het dit op 'n massa histerie kon uitloop. Die mense sou sê dat die persoon wat die proses fasiliteer nie sterk genoeg is nie of dat hy self daaraan twyfel. Dit sou absoluut 'n massahisterie veroorsaak het. (...) Een ding wat dit aan my gedoen het is dat ek onbetrokke geraak het by mense as gevolg hiervan. Ek wil nie meer hoor van X, Y en Z en hoe dit met sy kat of hond gaan nie. As gevolg daarvan het ek miskien in my onder-bewussyn net besef dat ek nie meer



betrokke kan wees by ZZZ se besigheid wat nie 'n sukses is nie en hom raad gee nie, want hy is dalk die volgende persoon wat moet gaan.

[I think it would have been unfair if I showed any emotions. It is difficult. I have not spoken to someone about it. But I think if I sat in the audience and someone showed emotion, it would have resulted in mass hysteria. The people would have said that the person who facilitates the process is not strong enough or that he doubts it himself. That would have created mass hysteria. (...)One thing that it did to me is that I became detached from people because of this. I do not want to hear about X, Y or Z and how his cat or dog is. Because of this I perhaps unconsciously realised that I cannot be involved any more with ZZZ's business that's not a success, giving advice, because he may be the next person that must go.]

4.3.30 Balancing work and home life

Respondents indicated the importance of balancing their work with their life outside of work (referring, amongst other things, to family, friends, hobbies, etc.):

Interviewee 2:

These days I have to drive home myself but I think where I am fairly lucky is that I'm blessed with a lovely wife and lovely kids, half of them in and half of them out of the house, but my mindset has always been one of when I get home I will engage and it's quality time as my wife would call it, it's little time but it's quality time. Towards Thursday or Friday or on a bad day it's sometimes a little bit difficult but she's very supportive... So one balances in that regard. One does make a serious attempt to divide work from home life, you have to, otherwise it's a madhouse.

Interviewee 3:

So for me it's all about a balanced life. You have to have a balanced life. I worked for a guy who, when I asked him what grade are your kids in, he could not answer me. I can tell you my kids are in Grade 8 and Standard 5, that's Grade 7 and my daughter's in Grade 4, that's Standard 2 and I know what subjects they do and what activities they do and sport. I try and go and watch all their sport activities and so you have to have a balanced life, I really try to do that. I've seen too many people, a guy like HHH who I know well, he's just too much on the other side. It becomes more difficult the higher you go in organisations to have that balanced life but I've really tried hard to



actually maintain the balance and go on holidays for three weeks with the kids.

From the above excerpts it seems that this balance is not necessarily easy to obtain and respondents make a specific effort in this regard. However, they perceive it as necessary in order to avoid 'a madhouse'. Respondents varied in how they obtain this balance. One makes a cognitive decision to close the office door and walk 'into another world' effectively completely separating work and life:

Interviewee 0:

Ek dink om die kantoor deur in die middag toe te maak en weg te stap – dit is iets wat ek vir myself oor baie jare geleer het. As ek my kantoor deur toemaak, dan is wat by die kantoor gebeur het verby. Noem dit maar 'work-balance-life'. Dit is eintlik 'n hoofstuk wat ek elke dag afsluit, ongeag of dit baie goed of baie sleg gegaan het. Ek sluit daardie deur en stap weg en stap in 'n ander wêreld in. Dit is absoluut 'n kognitiewe besluit. Ek dink my persoonlike redding was om daardie skeiding te maak.

[I think to close the office door in the afternoon and to walk away – that was something that I taught myself over many years. So when I close my office door, then what happened at the office is over. Call it work-life balance. It is actually a chapter that I concluded each day, regardless of whether it went very well or very badly. I lock the door and walk away and walk into another world. It is an absolutely cognitive decision. I think my personal saving grace was to be able to make that separation.]

Another balances work and his life outside of work by combining these two 'worlds':

Interviewee 6:

It's impossible to divorce the two because particularly in this tough environment where there is a continuous leadership need and continual deal-making. So the thing is that it does not just end at four o'clock in the afternoon particularly with share holders and buyers that are US-based, with US-based firms buying from a local firm through a South African firm. So it's always involved, my job has always involved people around the world in the last 10 years 24 hours. So have never said I would try to say when I go home I am not going to deal with stuff, which is why I have always used my Blackberry heavily and am always happy to take a call... I do try when I get home to make sure I have enough time to put my sons to bed and then maybe relax for half an hour. I am always happy to

work after that and maybe have a phone call or work on a piece of work for 2 or 3 hours. So I try and make a space to have some time at home with my family and then carry on working. That's why I use my Blackberry, I am much more relaxed if I am continually in contact than having to wonder what's happening.

Respondents also mentioned the importance of sport and physical activity:

Interviewee 3:

So I really enjoy my work. At home as well, my family and my kids, I try to attend all their – they love sport and I love sport – so I try to attend all their sport functions, weekends I try not to work, weekends I spend with the family. I play golf sometimes on weekends; I have to. My wife knows I work hard and either Saturdays or Sundays I go play golf.

Interviewee 5:

I, I'm, you know, personally I'm a very active person. I play a lot of squash, I do a lot of gym and I, and that's how I always handle it, so I...(...) No, I think it's important. You've got to manage your life. You know, if you don't then you could get into trouble. And, I, it's something I've, I tend to do quite well, I believe. Ja, it's important you've got to, you've got to make that time. And by putting the time in your timetable and booking yourself.

4.3.31 Having a core team

It seemed that the respondents were typically part of a core team dealing with the challenges of the economic downturn:

Interviewee 1:

I think in our organisation that helped a lot and there were certain guys – we started with one or two that were in the core team and they understand the problem that we've got and then the three guys become five and then seven and we were at a stage about twelve, thirteen people working on – on this thing. But the core team of five guys were always 100% in line.

Interviewee 2:

I think the second thing in terms of handling stress is to ensure that you have the right team surrounding you.



Interviewee 2:

...do it by bloody committee or do you do it in a closed inner circle and I think sometimes a turnaround is based on having to make some quicker, difficult, inner circle decisions.

Interviewee 3:

You build a strong team, that's got the same view that wants to take the organisation somewhere. It's all about the people and the right people at the right level.

Even though a team might not have been very mature in terms of team formation, as in the case of Interviewee 6, the core team was still important:

Interviewee 6:

But it was all new people. But the recruitment process tends to build quite a relationship quite quickly and we were also just a small team doing a lot of things in the lead-up to the deal happening.

4.3.32 Trusting the core team

Trust played an important role in the respondents' work life during the economic downturn. They experienced support from their team members through trust, relying on each other:

Interviewee 6:

So there was good support. Probably... support is the wrong word as opposed to trust.

Interviewee 7:

None of us can operate independently to achieve what we want to achieve. We definitely all have to rely on each other for each of our contributions to make sure that the sum of our contributions feeds to the whole.

Having the right people around you, people that you can trust, is so important to the respondents that they indicated that getting these people to form part of the team should be a priority:



Interviewee 2:

It's a case of don't worry about the what, first get the right team on board. And that in itself is a very simple statement, but it's the most important statement that can be made about leadership in my mind. Getting the right people.

Interviewee 1:

And it's easier, but as soon as the team, the core team that I trust in...– because you need to work with a core team. You need to trust your managers. You need to make sure that the right people are in there and they will still support the – not you – but the direction of the business.

Putting the team in place becomes particularly important to them, as they cannot afford to have people in the team that they cannot trust during the process:

Interviewee 2:

And often you know, as the pressure builds, the team looks OK but as the pressure gets higher you suddenly realise that that one and that one are not going to make it and the problem is you are at that stage where there's so much at stake, can you afford to let those weaker people go? This goes back to your issue of your selection of people upfront and in it so important.

Interviewee 0 articulated why trusting the core team is so important. The respondents had to trust others as they provided them with, for example, information as a basis for team decision-making:

Interviewee 0:

Ek moes absoluut soos 'n kind vertrou het op die inligting wat ek gekry het. (...) Maar as jy dit gelees het [referring to an industry report that the organisations compiled and updated regularly] dan besef jy dat jy as individu hierdie besluite nie alleen kan neem nie. Iemand moet voorloop en sê wat moet gebeur.

[I had to trust in the information that I received like a child. (...) But if you read it then you realised that you as an individual cannot take these decisions alone. Someone has to walk in front and tell you what must happen.]

4.3.33 Dividing the pressure, aligning the vision

In addition to having a core team, respondents also indicated the importance of having clear roles and responsibilities within the team. This meant, as Interviewee 1 indicated, that tasks could be divided between team members:

Interviewee 1:

I think by when we start off doing that, we had a well-organised team – structured team. With clear roles, who is going to what in that area. It was always the intent that I'll do the communication to the people and it will come from me. But the actual, real, implementation will be handled by somebody else – the Operations Manager. (...) And there was a team just allocated to that. The roles in that – there was somebody focusing on the implementation side. The Operations Manager was focusing on that and the two General Managers in the other two regions. And then we had somebody that focused on the medium-term things. To get the same people focused on the short-term things as well as on the medium term, you're going – there's going to be gaps. You need to close that. So there was a different team focusing more on the longer-term things.

Team members must be very clear about what their specific roles and responsibilities are in order for all aspects of the plan to be implemented:

Interviewee 2:

There has to be very clear roles of responsibility and a single point of accountability, not by bloody committee and you have to be absolutely crystal clear on what each person's role is. (...) ...you've got to have clear roles and responsibilities to the people involved in that plan and you've got to have some pragmatic and practical performance management in place.

However, dividing tasks between different team members should also be accompanied by an alignment regarding the vision in order to ensure that, although different people would focus on different tasks, eventually everyone would be working towards the same goal or vision:

Interviewee 7:

I think we've done a good job amongst this team here to make sure that we all clearly understand where we are doing on this and what



each of our roles and responsibilities are in terms of achieving that vision. I think that has been well done. And because it has been well done, we have been able to communicate it down to the 5 000 odd people that we have working for us.

4.3.34 Trusting the team under you

It is not only important to respondents to be part of a strong core team that they could trust, it was also important to have a team under them that they could trust:

Interviewee 5:

You've got to make sure people are doing the right things and let them to do their, their job. And you, you know, then with time you get to know the people that work for you, so, ah, you know who you can trust. They will, they will do what they need to do, yes.

Interviewee 5:

If you don't trust people you shouldn't have them. Let's put it that way.

Interviewee 4:

I guess it was just in my own mind I knew I had one of the best teams in the industry. We've taken YYY Mine from a battling mine to the best mine in the YYY stable with the current team that I have. They were with me at YYY and we worked through it. The guys were all passionate about it and there was no hint of maybe we shouldn't.

Interviewee 3:

What I did do as well is I've got a very strong team in place and they believe in it as well and then they will drive it as well.

Having a team under them that they could trust meant that respondents could leave the team to focus on their tasks, simultaneously taking the pressure off the respondents because they did not have to worry about the team, and also allowing respondents to focus on their role in the core team during the downturn. In addition, respondents also fed on this trust to boost their own confidence, as Interviewees 4 and 5 explained:

Interviewee 5:

You know, from a senior management the best, the best way of coping is to, to really have people that you can trust that work for you. You know, it's all about people. (...) If you, if you cannot trust



the guys that, that work for you and that work with you then, then, then it's very tough. It gets very tough. (...) That, the trust, the, that, the people that work for you are the best or they are very good in what they do in that you can leave them and you can concentrate on what you're supposed to do.

Interviewee 4:

I guess it's the belief. How I got that last little bit is just worrying about it. Sitting there and you just think about it all the time and worry about it but then you have to turn it around. Then you say I've got this team and if there's one team that can do it, it's this team.

Interviewee 4:

I guess they supported me by the mere fact that they've looked at all the options and they realised they're not living in a different world, they realised that this is not easy but yet they were still up for the challenge and that gave me a lot of confidence because to be honest a lot of the guys that are on the team have a lot more experience on the practical side than I have. So you've got to sit back and say if this guy is confident that this is the way we can do it, then I'm happy. And I'm getting the confidence as well.

It seems that having the right team that report to them is important to such an extent that respondents recruited their teams specifically for this:

Interviewee 3:

It's all about the people you bring in. It's the structure and the people, but if you have the right people it becomes much easier.

Although it seems that recruiting the right team, one that they can trust to report to them is more general (in other words, it is important not only during an economic downturn), it was particularly important during the downturn, as previous excerpts have shown. The excerpt below highlights a specific example of how trusting in the team under him assisted a respondent during the downturn:

Interviewee 7:

I rely heavily on the mining guys to feed through to me what the opportunities are, where those opportunities are, what the grades are, how those opportunities can be financially modelled so that I can communicate them. I rely on the project team and the building of the project to communicate where they are, the progress that they are making, the results of the feasibility studies such that I can refine that and be able to communicate it further.

4.3.35 Taking team action

Regularly testing and evaluating actions within the team seemed to provide respondents with a sense of comfort:

Interviewee 5:

We, you know, we have regular meetings, uh, the whole of the Exec...Exco on a monthly basis and, and everybody knows what the situation is, where we gonna go, what we gonna do. We, we were continuously evaluating looking at alternative ways of handling what's happening.

Interviewee 1:

By testing, by setting up certain sessions and talk[ing] to these guys according to those workload equals capacity at competence. And get people involved and challenge them and think about those things. A certain group of people agree that this is the right way of doing it. And as soon as the core team in the business say: listen, we've got no other way, we need to do it. Maybe in a downturn environment, sometimes it's – it's easier to realise that you – that you need to change because the financial side of the business...

Interviewee 1:

And as soon as all of them said: yes, this is the way that we need to go, I know it's the right way. And we test it.

With reference to the day when he had to announce who would be retrenched in the organisation, I asked Interviewee 1: 'Think back to that day and if you can think, how did you feel? And how did you manage to get through that day?' He responded as follows:

Interviewee 1:

What I can say is, just before that session I had a discussion again with the team and confirmed that the things that we were doing is the right things. Just to confirm that. Because that's the only benchmark or fallback that I've got... is to, if anybody asks me anything, that we're going to focus on that.

It was as if Interviewee 1 felt better about what he was about to tell the people, because it was condoned by his core team. Similarly, Interviewee 0 also experienced the fact

that he perceived his actions to be part of a team action (and not as something he decided or did on his own) to be his preservation:

Interviewee 0:

Jy moet kan sê: 'Dit is nie as gevolg van my of AAA of BBB nie. Dit is goed wat gebeur het en ons is almal deel daarvan. Kom ek stap weg hiervan en ek stap in my eie lewe in'. Ek dink dit het my sonder letsels gelaat...ek sê nou sonder letsels... maar dit was my behoud.

[You have to be able to say: 'it is not because of AAA or BBB. This is things that happened and we are all part of it. Let me walk away from it and into my own life.' I think it left me without scars... I say without scars now... but it was my saving grace.]

By contrast, not having alignment between team members in terms of goals and actions seemed to reduce the level of comfort available to the respondents:

Interviewee 2:

What does raise stress levels in a team, in a broader team in an organisation is when there's not absolute alignment on the end goal, when different people have got different views on how to approach things or whether to or whether not to and then how to. Yes or no and then how? (...) Now, when you do serious revamp in an organisation you will always have one or two or whatever, a percentage and it could still be fairly small, of people that will not be comfortable with taking on the challenge of such a radical turnaround.

4.3.36 Having guidance

Respondents indicated that guidance was a method of dealing with the economic downturn. This guidance could take several forms. One was having a sounding board:

Interviewee 1:

You need somebody, if it's on your level, outside of the business. (...) I just want to mention [it] to somebody so they can understand. We've got a problem – think about it and come back to me and say listen, maybe we must do this; and it never happened.

Interviewee 6 frequently mentioned his brother and, although he did not specifically indicate that he used him as a sounding board, I got the impression that they discussed several issues and exchanged thoughts during the downturn, as can be seen in the excerpt below.

Interviewee 6:

My brother and I were talking about an individual that we both happen to know. He characterises it that you get two types of decision-makers, the emotional decision-makers and the analytical decision-makers and some people make decisions on the basis of how they are feeling instead of what the information in front of them is presenting. (...) ...but the whole system was at the verge of failing and I could see that, for instance, from my brother, he runs AAA in Africa.

Mentorship also seemed to be an important form of guidance for respondents. Sometimes it took the form of a person who can merely listen, as in the excerpt below:

Interviewee 1:

But I think if you've got – during this time, somebody that's – understand – not somebody that will advise you on what's the best solution. But, somebody that can listen and understand the people side of all those sort of things. I think that can, ...if it was possible for – I had a contact of – yeah, a contact with somebody like that, in a mentor role.

At other times, it could involve a more formal arrangement, like a coaching programme:

Interviewee 6:

I went to, maybe it was late 2008, and I went to... through a guy that did some coaching with me, executive coaching. He gets together CEOs of small companies and a lot of them were in retail and they were in complete denial about the downturn.

Sometimes, there was a specific person from their work environment from whom they learned and who acted as a mentor:

Interviewee 3:

I started working here three years ago and during my career I worked for a guy like DDD for about two years, one year directly reporting to

him. I've never learnt so much in my life as when working for him. (...) I've learnt a lot from a guy like GGG.

Several respondents also indicated that they sought guidance from popular literature:

Interviewee 1:

I was looking for guidance on leadership. You think you know all the things about leadership. And just looking for what's available in the market to get again, power or strength just to get through the issue.

Interviewee 3:

So what I believe in and if you read the book Good to Great, it says...

Interviewee 2:

It's like Jim Collins, Good to Great...

Figure 33: Summary of guidance methods used by respondents



4.3.37 Doing the right thing

'Doing the right thing' was central to some of the respondents' way of dealing with their actions during the economic downturn. They needed to make sure that their **actions were aligned with their values** and that they were doing the right thing in order for

them to continue. For some respondents (see Interviewee 3), it was easy, while for others (see Interviewee 1), it was more of a process to convince themselves that there was alignment between their values and actions.

Interviewee 3:

No. [Laughs] I've got a very simplistic view of life and for me stuff like this, we just have to do it so I just carry on, this is what I think is the right thing to do. If I have to get approvals from EXCO or the CEO, I will get that but the rest for me is – that this is what I think we need to do and I will then do it. I didn't experience it [as] tough at all.

Interviewee 1:

The way I interpret that was what's right and what's wrong? Do – do and that's linked to values and all those kind of things. To make decisions in this difficult time, and still, or to use the values of the business and your personal values to – to form the backbone of all your decisions, helped me a lot. (...)

Because sometimes, you say listen, I need to, to reduce the number of people. It's got an impact on the, on the individual's life. And you make it personal. To make it easier for me, is to say listen, on this spiritual right or wrong thing – value side of the business – you need to be strong on that. You need to make sure that it's tested in the market and there's a good reason for that. And then I said ok now I understand what's, what's important for me. What's right and wrong for me. It's not that it's wrong. It's part of the things that's out of your control. It helped me to make a, a much easier decision and, and understanding because I also need to understand it before I can get the people to understand that and motivate that and all those things. So that was, for me, a personal thing, that you need to... (...)

That you need to, to take a lead in the value side and I linked the business side on the spiritual – the things that's – that's – you can't see but it's still important. That's normally your benchmark or you checklist to say, we still on the right direction, on these things. It's not all emotional things. It will have an impact on emotional.

If, like in the case of Interviewee 5, one is not convinced that one is indeed doing the right thing, one will have doubt in one's mind (value dichotomy).

Interviewee 5:

And, and, you know, even though you don't believe that's the right thing, it sometimes is what you have to do, and that, that is why I suppose there is always that little bit of doubt in your mind. [The respondent in this case referred to retrenchment.]



Some respondents went to considerable lengths to align their actions with their values where there was apparently still a misalignment: after retrenching various people, these leaders assisted the people who had been retrenched to find alternative work, making the respondents feel better about their actions:

Interviewee 3:

I believe a lot in networking, so all the guys that we did retrench we have CVs for and I've sent them to a lot of head hunters that I know and some of them were accommodated by some of the head hunters so you have to retrench from a business point of view but there are other avenues that you can follow and try to help the guys... Some of them got helped; some of them did not get helped so that's the tough part. When I was younger it was much easier to do. We still do it, I still do it but it is a bit tougher now and I have tried to help the guys in a different way.

Interviewee 1:

And that was something that I was driving because I made the promise that we going to place the people.

Interviewee 1:

Op die einde van die dag het net sewe van die 56 mense, wat ons gesit het in XXX, nie werk gekry nie. Drie van hulle wou nie werk gehad het nie. So ons sou net vier gehad het wat nie werk kon kry nie. Van die vier het ek al na die tyd vir BBB uit die besigheid gestuur vir opleiding. Want dit het my beter laat voel daaroor. [At the end of the day only seven of the 56 people, which we placed in XXX, did not get work. Three of them did not want to have work. So we only would have not got work for four. Of the four I already sent BBB for training after that. Because it made me feel better about it.]

4.3.38 Believing in the plan

Respondents believed that it was important to believe that they had a good plan, a sound strategy. Some actively had to work on convincing themselves, like in the case of Interviewee 1:

Interviewee 1:

And the workload must be linked to strategy, where are we going?



What are the new things that we're going to do? If you're not spending time on that to convince yourself that we've got a sound strategy, we, during that time... Remember that was six... when we announced that, that was about five months after we started working on this plan. So we were 100% sure that the things we're going to do, is sound. It's still a good business to be in.

Others just believed in the process, plan or strategy, as in the case of Interviewees 0 and 7; it was important to them to believe in the strategy in order to communicate it to others and to act on it:

Interviewee 0:

Ek het nooit regtig by die huis of met ander mense hieroor gepraat nie. Ek dink dat dit miskien so is omdat ek in 'n sekere mate 'n harde mens is wat onbetrokke besluite kan neem, omdat ek in die proses geglo het. Nie onbetrokke nie – onverskrokke is 'n beter word... (...) Aan die einde van die dag moet 'n mens aan die strategie wat daar is glo. Ongeag, of ten spyte van, die afleggings was daar altyd 'n groeistrategie.

[I never spoke to someone at home or to other people about this. I think it is perhaps because I am in a sense a hard person who can make uninvolved decisions and because I believed in the process. Not uninvolved – undaunted is perhaps a better word. (...) At the end of the day one must believe in the strategy that was set. In spite of the layoffs there was always a growth strategy.]

Interviewee 7:

If you can demonstrate confidence in leadership that you can clearly demonstrate where the solution is and that you can see and actually believe it. When you actually believe it, the message is pretty easy to communicate back to the original work force and then you can move together in a direction.

Respondents had to align their actions with the plan, making it critical for them to believe in the plan/strategy, as illustrated in the excerpts below:

Interviewee 1:

And we test it. I think the Eight Point Plan was just a good way for us to challenge the processes that we – and it was high level things. Focus on work, focus – what's the – the status of the capacity? What's the status of your competence? (...) But I think what was nice for us was we had the Eight Point Plan and every week, every week, we had a session. And say, is it still on track? Is it what we need to do?



4.3.39 Feeling compelled to act

Respondents felt that they 'had to' take certain actions in order to save the organisation and jobs of many people (almost a case of 'sacrifice a few for the sake of many'). Respondents felt compelled to act:

Interviewee 0:

En jy móés dit gedoen het, want daar was nie 'n ander manier om dit te doen nie. (...) As dit die situasie is, het ons geen ander keuse om te doen wat ons moes gedoen het nie. 'n Mens besef dat ons, ter wille van die organisasie, sekere goed moet doen wat nie lekker of gewild is nie. Ons móét dit doen.

[You had to do it, because there was no other way to do it. (...) If that is the situation, we do not have a choice to do what we had to do. One realises that, in the interest of the organisation, one had to do certain things which were not nice or popular. We have to do it.]

Interviewee 5:

So, and, and knowing also that you often get into a position where you often don't have a choice, um (...) but you, a company often, um, has no choice but to do certain things under very, very, very stressful times.

It is as if respondents were attempting to rationalize their actions by aligning these actions with the short-term goal of the organisation during the downturn: to survive. It is clear from the excerpts below why they felt compelled to act in order to save the organisation:

Interviewee 3:

But you have to do it, you have to almost take your heart out and say this is what the business needs and you have to go and retrench people.

Interviewee 0:

Daarmee bedoel ek dat jy moet weet dat dit iets is wat jy moet doen ter wille van die groter organisasie. Dit is iets wat nie lekker is nie. Dit is waarskynlik die mees onaangenaamste taak wat en in my lewe gehad het, maar jy móés dit gedoen het, want ons kon almal sonder werk gesit het aan die einde van die dag.(...) Die visie was dus baie



eenvoudig. Eerstens het ek vir myself gesê dat ons deur 'n proses moes gaan ter wille van die X, Y en Z mense wat hier werk, wat families het en die maatskappy op die hande dra, om seker te maak dat hulle volhoubaar met hulle lewens kan aangaan.

[With this I mean that you have to know that it is something that you have to do in the interest of the organisation. It is something that is not nice. It is probably the most unpleasant task that I had in my whole life, but you had to do it, because we could have all been out of work at the end of the day. (...) The vision was thus very simple. Firstly I told myself that we have to go through the process because of the X, Y, and Z people that work here, that have families and which the company carries, to make sure that they can continue with their lives in a sustainable way.]

What complicated this situation further was the fact that respondents also frequently indicated that things (such as the economic situation) were out of their control, almost amplifying this rationalization of actions against the goal of survival ('We could not control it, we had to do it (take action, although painful) in order for the organisation to survive'):

Interviewee 5:

I mean you cannot, you cannot control the bigger economy. You can only do what you can do. And if, if that's not good enough, and the company eventually goes under or if, if it gets into a situation where you really...

Interviewee 0:

Ek is nog baie dae kwaad en miskien nog steeds in ontkenning want wat ons gedoen het en hoe ons dit gedoen het, is nie as gevolg van die mense nie. Dit was as gevolg van eksterne omstandighede.

[I am still angry many days and perhaps still in denial because what we did and how we did it was not because of people. It was because of external circumstances.]

Interviewee 4:

So I guess for me the big lesson that I take away is there's not much you can do if an economic downturn is going to hit you.

Interviewee 6:

...because the XXX price was so low and no amount of operational improvement could ever deal with that so you have to face the reality that, particularly this is the experience of being in a XXX business,

that being a price taker there are certain things you cannot control so you have to manage everything else...

4.4 CONCLUSION

In this chapter I applied micro-analysis and open coding as part of initial coding to break down the data and then conceptualise the data to describe how leaders coped during an economic downturn. Using excerpts and quoting the words of the leaders themselves enabled me to present their first-hand experiences and perspectives. The 39 categories I presented in this chapter formed the foundation for the focused coding (using axial and selective coding) stage of grounded theory, which I describe in Chapter 5.