

# **Gordon Institute of Business Science**

University of Pretoria

## **Determining the relationship approaches of organisational leaders during a turnaround**

Hemant Harrielall

14445116

A research report submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration

09<sup>th</sup> November 2015

## **ABSTRACT**

Business leaders face unprecedented 'new world' challenges in light of the 2009 global financial collapse and the resulting current contraction in economies brought about by currency pressures, depressed commodity prices, electricity supply constraints and weak and unpredictable demand. In the current climate, organisational turnarounds are likely to become the norm for the foreseeable future and leaders are responsible and accountable for spearheading and delivering on these efforts. Significant research has been established in the areas of leadership and organisational turnaround, yet this remains uncorrelated, while research with regard to leadership attitudes and perceptions during turnarounds is limited. This research study investigated the key factors which contribute to the relationship approaches of turnaround leaders.

This study presents qualitative research within an explorative design. To this end, data was collected through 15 in-depth interviews with senior leaders from an organisation currently executing a turnaround programme. Content analysis was conducted on the in-depth interviews to determine the research findings. The research findings indicate that despite tensions, insecurities and concerns experienced by turnaround leaders, leaders demonstrate high levels of communication to employees and exhibit high levels of transparency. The findings further show that leaders strengthen the level of assertiveness. The paper concludes with a research agenda for future turnaround leadership research action.

## **KEY WORDS**

Relationship approaches

Turnarounds

Leadership

## DECLARATION

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

\_\_\_\_\_  
Hemant Harrielall

9<sup>th</sup> November 2015

Date

## TABLE OF CONTENTS

<b>ABSTRACT</b> .....	<b>i</b>
<b>DECLARATION</b> .....	<b>ii</b>
<b>TABLE OF CONTENTS</b> .....	<b>iii</b>
<b>LIST OF FIGURES</b> .....	<b>vi</b>
<b>LIST OF TABLES</b> .....	<b>vi</b>
<b>CHAPTER 1: NATURE AND BACKGROUND OF THE RESEARCH PROBLEM</b> .....	<b>1</b>
1.1 Introduction .....	1
1.2 Research problem .....	3
1.3 Rationale for the research study .....	4
1.4 Research questions .....	5
1.5 Research objectives .....	5
1.6 Boundaries and assumptions of the research study .....	6
1.7 Research approach and chapter overview .....	6
1.8 Terms used interchangeably in this thesis .....	8
<b>CHAPTER 2: LITERATURE REVIEW</b> .....	<b>9</b>
2.1 Introduction .....	9
2.2 Theoretical background .....	10
2.2.1 Leadership approaches as a result of changes to leadership .....	10
2.2.2 Leadership approaches as a result of tensions experienced .....	11
2.2.3 Research opportunity identified for this study .....	12
2.3 Definition and characteristics of organisational turnaround .....	12
2.3.1 Definition of organisational turnaround .....	13
2.3.2 Characteristics of organisational turnarounds processes .....	15
2.3.3 Organisational turnaround strategies .....	16
2.3.4 Classification of business rescue .....	17
2.4 Definition of relationship approaches .....	17
2.5 Elaborating on selected leadership relationship approaches .....	18
2.5.1 Communication .....	18
2.5.2 Transparency .....	19
2.5.3 Assertiveness .....	20
2.6 Current theories on organisational turnaround leadership .....	22
2.6.1 Recommended leadership styles aimed at turnarounds .....	22
2.6.2 Characteristics of the recommended leadership styles aimed at turnaround .....	25

2.6.3 Other leadership attributes contributing to turnaround leadership .....	26
2.7 Research setting .....	26
2.8 Summary and conclusions .....	28
<b>CHAPTER 3: RESEARCH QUESTIONS and PROPOSITIONS .....</b>	<b>30</b>
3.1 Presentation of research questions and propositions .....	30
3.2 Summary and conclusions .....	32
<b>CHAPTER 4: RESEARCH METHODOLOGY .....</b>	<b>33</b>
4.1 Introduction .....	33
4.2 Research methodology.....	33
4.3 Research instrument .....	34
4.4 Sample population.....	35
4.5 Unit of analysis .....	35
4.6 Sampling method and size .....	36
4.7 Data collection.....	37
4.8 Data analysis.....	38
4.9 Ethical considerations.....	41
4.10 Research limitations .....	41
4.11 Summary and conclusions.....	42
<b>CHAPTER 5: PRESENTATION OF RESULTS.....</b>	<b>43</b>
5.1 Introduction .....	43
5.2 Descriptive analysis of interviewees .....	43
5.3 Research outcomes .....	48
5.3.1 Principal research findings.....	48
5.3.1.1 Cluster 1: Communication .....	48
5.3.1.2 Cluster 2: Transparency .....	55
5.3.1.3 Cluster 3: Control and assertiveness .....	58
5.3.2 Supplementary research findings .....	62
5.3.2.1 Cluster 4: Turnaround leadership aimed at desired objectives.....	62
5.3.3 Further research findings.....	68
5.3.3.1 Cluster 5: Turnaround Strategy and Vision .....	68
5.3.3.2 Cluster 6: Turnaround experiences and outcomes.....	70
5.4 Process observations .....	72
5.5 Summary and conclusions .....	72
<b>CHAPTER 6: DISCUSSION OF RESULTS .....</b>	<b>73</b>
6.1 Discussions related to the research propositions.....	73

6.1.1 Research Proposition 1: Leader’s disposition during an organisational turnaround event is to be less communicative. ....	73
6.1.2 Research Proposition 2: Leaders tend to be less transparent during an organisational turnaround event. ....	79
6.1.3 Research Proposition 3: Leaders tend to intensify their assertiveness during an organisational turnaround event. ....	84
6.2 Addressing the overarching research question.....	89
6.3 Highlighting supplementary and further research results .....	90
6.4 Summary and conclusions .....	90
<b>CHAPTER 7: CONCLUSION.....</b>	<b>92</b>
7.1 Introduction .....	92
7.2 Principle research findings .....	92
7.3 Recommendations for organisational leaders.....	96
7.4 Limitations of the research .....	96
7.5 Suggestions for future research.....	96
7.6 Conclusion .....	97
<b>REFERENCE LIST .....</b>	<b>98</b>
<b>Appendix A: Ranked Coded Data Analysis from Atlas.ti.....</b>	<b>106</b>
<b>Appendix B: Interview Schedule .....</b>	<b>107</b>
<b>Appendix C: Organogram depicting organisational positions for interviewees....</b>	<b>111</b>
<b>Appendix D: Consistency Matrix.....</b>	<b>112</b>
<b>Appendix E: Ethical Clearance Approval.....</b>	<b>114</b>
<b>Appendix F: Turn It Report .....</b>	<b>114</b>

## LIST OF FIGURES

Figure 1: South Africa's Percentage GDP Change from Q1 2008 to Q2 2015 .....	2
Figure 2: Schematic Representing the Overlap of the Core Subject Matters .....	7
Figure 3: Process Map Showing Classification of Research Approach .....	8
Figure 4: Schematic Defining Relationship Approaches .....	17
Figure 5: Degrees of Assertiveness.....	20
Figure 6: The Share Price History for the Previous Ten Years .....	27
Figure 7: Process Steps Defining Data Analysis.....	39
Figure 8: Number of Observations per Management Level.....	44
Figure 9: Number of Observations Related to Total Years of Service .....	45
Figure 10: Number of Observations Related to the Years of Service in the Current Role ...	46
Figure 11: Number of Observations Regarding Direct Reports.....	46
Figure 12: Number of Observations Regarding Total Departmental Headcount .....	47
Figure 13: Number of Observations Related to Organisational Functions.....	47
Figure 14: Summary of Results for Emergent Themes within Communication.....	74
Figure 15: Summary of Results for Emergent Themes within Transparency.....	80
Figure 16: Summary of Results for Emergent Themes within Assertiveness .....	85

## LIST OF TABLES

Table 1: List of interchangeable terms used in this research study.....	8
Table 2: Process steps characterising organisational decline and turnaround.....	15
Table 3: Techniques for qualitative data analysis .....	39
Table 4: List of personnel interviewed for data gathering.....	44

## CHAPTER 1: NATURE AND BACKGROUND OF THE RESEARCH PROBLEM

### 1.1 Introduction

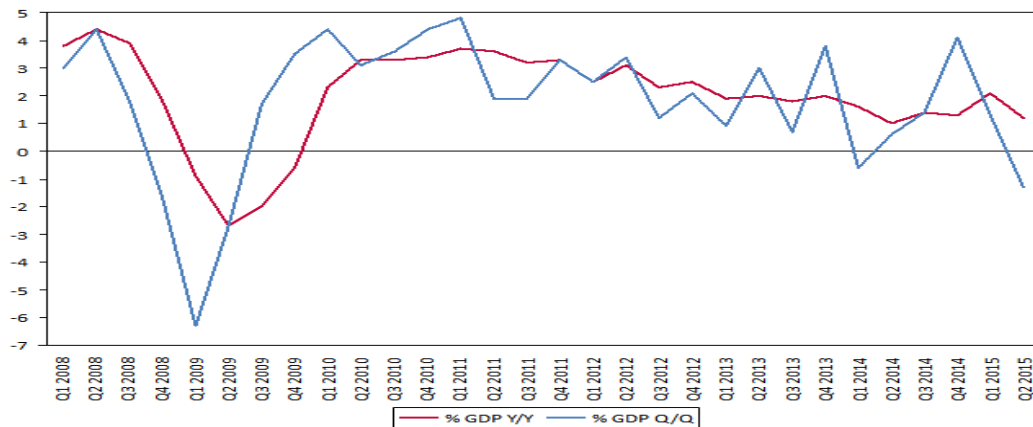
“Unlike temporary periods of decline, turnaround situations are characterised by significant time pressures, scarcity of resources and imminent threats to survival and are recognised as complex and heterogeneous phenomena. These conditions complicate the task of leaders charged with directing a company turnaround” (O’Kane & Cunningham, 2014, p. 963). As such organisational turnarounds require a different leadership capacity to ensure organisational alignment, swift remedial action and sustainability. Trahms, Ndofor and Sirmon (2013) confirm there is a notable distinction between the concerns and challenges facing business leaders during organisational turnaround as compared to normal operating performance improvements. Extensive research on organisational turnarounds and leadership has been conducted over a significant time frame (Hoffman, 1989; Pretorius, 2009; Schmitt & Raisch, 2013; Schoenberg, Collier, & Bowman, 2013; Walshe, Harvey, Hyde, & Pandit 2004). However studies tend to focus on these subjects in isolation and research studies with regard to leadership in the context of organisational turnarounds are limited (Avolio, Walumbwa, & Weber, 2009; Board, 2010; Cangemi et al., 2011; Hallinger, 2011). This research study is poised to explore defining leadership characteristics during organisational turnaround events.

South Africa’s gross domestic product (GDP) contracted by 1.3% in the second quarter of 2015. In recent years, South Africa is experiencing a deceleration in the rate of economic growth as depicted by the percentage GDP year-on-year changes in Figure 1. On average, the South African economy enjoyed a growth rate of five per cent between 2004 and 2007 followed by a decline from 2008 to the current average levels of two per cent, which was initially prompted by the global economic crisis (Statistics South Africa, 2015b).



**Figure 1: South Africa's Percentage GDP Change from Q1 2008 to Q2 2015**

Source: Stats SA (2015)



The current contraction in the economy has been brought about by currency pressures, depressed commodity prices, electricity supply constraints and weaker consumer demand (Statistics South Africa, 2015b). According to a recent report by the International Monetary Fund (IMF), South Africa's growth is estimated to be below 1.5% for 2015 and 2016. The report encourages reforms in education together with labour and product markets in order for South Africa to raise its competitiveness and productivity ("IMF downgrades", 2015). Furthermore Reuters Africa confirmed the current South African business confidence index is at its lowest levels in 22 years. This is an indicator of business concerns regarding poor local and global economic growth thereby impacting the performance of companies (Mapenzauswa, 2015). In an interview with Fin24, the chief economist at Economist.co.za highlighted the net return on assets for the first half of 2015 for South African industry was 5.7%. These low returns impacts organic and acquisitive organisational growth. Profits organisations are hoping to achieve are not being realised (Smith, 2015).

As a result of the prevailing economic factors, a substantial number of organisations could experience declining performance necessitating business turnaround interventions. These interventions are required to stabilise and remedy distressed and underperforming companies with regard to strategic, operational and organisational positions. Organisations suffering lacklustre performance over a sustained period are compelled to adopt turnaround interventions as a means of remedial action (Pretorius, 2009). The inclusive goal of a turnaround strategy is to return an underperforming company to a minimum standard state in terms of acceptable levels of profitability, solvency, liquidity and cash flow. This is achieved by reversing the causes of the crisis and achieving rapid improvement in financial performance through overcoming internal constraints and unfavourable industry characteristics (Pretorius, 2009; Solnet, Paulsen, & Cooper, 2010; Walshe et al., 2004). Organisational turnaround interventions are often implemented prior to exercising alternatives such as formal business rescue

procedures, company liquidations and, ultimately closures (Pretorius, 2009). According to Harvey (2004) a different type of leader is usually required for turnarounds. It is said turnaround management requires a more hands-on approach to ensure successful implementation and oversight (Harvey, 2004).

Research studies highlighting extensive leadership theories and organisational turnaround theories exist independently of each other. Contemporary studies offering rich insights into leadership has become prevalent over the last 60 years. Vast amounts of research pertaining to organisational turnaround processes and strategic implementation are also available. Yet leadership theories coupled with organisational turnaround research are deficient. This together with the increased number of turnarounds in South Africa (Statistics South Africa, 2015b); creates an opportunity to study the phenomena of leadership in the context of organisational turnaround.

## **1.2 Research problem**

“Leadership influence during times of change is well recognised in the literature; however, leadership during a turnaround is more complex and less understood” (O’Kane & Cunningham, 2014, p. 963). This view serves as basis for the argument that in-depth analysis of leadership practices and approaches during periods of critical organisational turnarounds remains scarce. A significant amount of literature looks into overall leadership styles, strategic approaches and requisite leadership elements such as emotional intelligence for strategic change initiatives. This includes seminal work from Cavazotte, Moreno, & Hickmann (2012); García-Morales, Jiménez-Barrionuevo, & Gutiérrez-Gutiérrez (2012); Hunt & Fitzgerald (2013); Murphy (2010); O’Kane & Cunningham (2012, 2014); Oreg, S., & Berson (2011); Trahms et al., (2013).

O’Kane & Cunningham (2012, 2014) (Trahms et al., 2013) assert although significant amounts of work has transpired over the previous 40 years to enhance the understanding of turnarounds and turnaround strategies, the areas concerned with leadership dynamics and leadership experiences such as tensions during turnarounds have received little or no empirical attention. Furthermore analysis of leadership behavioural practices during an organisational turnaround event has not been adequately represented in literature. In Board’s (2010) study on leadership with regard to the global financial crisis, offers the following argument: “...but excepting remuneration, there is a deafening silence about questions striking at the heart of firms, such as how executive leadership is carried out” (Board, 2010, p. 275).

Trahms, Ndofo and Sirmon (2013) state although the scope of turnaround research has significantly expanded in the previous two decades, research with regard to turnaround leadership remains “empirically and theoretically fragmented” (Trahms, Ndofo, & Sirmon, 2013, p.1277). To this end, theories regarding leadership behavioural practices in the context of organisational turnaround are uncommon and this clearly presents fertile ground to enrich this field.

Based on the above insights, there is a fundamental gap in knowledge with regard to turnaround leadership and features of leadership during turnaround events. This research study serves to explore leadership tendencies likely to be demonstrated during organisational turnarounds. A few elements of relationship approaches will be focussed on. In doing this, this study will partially address the gap in knowledge. This will help to further understand the complexity and illuminate challenges together with leadership tendencies during periods of turnaround. The culmination of this work is intended to enhance leadership awareness and create an opportunity for further research on this subject matter.

### **1.3 Rationale for the research study**

Following the aftermath of the global economic crisis in 2008, South Africa has not been able to restore the healthy growth rates enjoyed from the early 2000s until 2007. Figure 1 provides an indication of suppressed growth rates since 2008, with growth rates being at sub 2.5% since 2012 (Statistics South Africa, 2015). Prolonged factors such as dynamic global economic trends, aggressive market competition, persistent threats from emerging markets, hostile South African labour relations and electricity supply constrains ensure unprecedented challenges for today’s business leaders. This creates fertile ground for many organisations operating in South African markets to experience declining organisational performance, leading to financial distress and ultimately necessitating turnaround interventions.

As per convention, business leaders are responsible for the top-down implementation of organisational and turnaround strategies. Trahms, Ndofo and Sirmon (2013) state due to the depressed global economy, organisational decline and turnarounds will continue to be a concern for business leaders.

Mutually exclusive seminal works highlighting extensive leadership strategies and organisational turnaround strategies are abundantly available. This theory base provides guidance for turnaround strategy formulation and adoption which in turn will assist in manoeuvring through organisational turnaround challenges. Leadership

theories span over several themes and continue to evolve to remain contemporary yet the understanding of turnaround leadership lacks depth and richness. Current studies are limited and as such it emphasises the need for research development in this area (O’Kane & Cunningham, 2012; Trahms et al., 2013). In the current economic climate turnaround leadership is of particular importance. Further research studies will advance our theoretical understanding of turnaround leadership and will specifically illuminate some leadership tendencies during turnarounds. It is an opportune time to conduct a study of this nature. Organisations rely on leadership to advance turnaround agendas and as such it becomes important to understand the leader’s journey. In addition, turnaround leadership studies can impact turnaround phenomena in several ways and have far-reaching value. Such value can result in positive turnaround effects that will have a material impact on the performance of organisations which in turn will stimulate the economy and result in higher GDP growth.

#### **1.4 Research questions**

The primary research question selected to address the research problem for this study is as follows:

##### **What are the relationship approaches of leaders during an organisational turnaround?**

Secondary questions are derived from exploring a few supporting elements of relationship approaches likely to transpire in a turnaround setting. Research propositions will be based on these research questions which will be used to effectively address the research questions. These propositions will feature in Chapter 3. Secondary questions underpinning the primary question are as follows:

- What are the levels of communication demonstrated by organisational leaders during a turnaround event?
- What is the extent of transparency demonstrated by organisational leaders during a turnaround event?
- What is the intensity of organisational leaders’ assertiveness during a turnaround event?

#### **1.5 Research objectives**

By addressing the research questions, the research objectives will be achieved. The central thrust of this study is to advance academic and business knowledge by way of

determining constructs related to leadership styles, attributes and approaches demonstrated during organisational turnarounds. This study will result in theory development that will serve as a basis to enrich the limited literature currently available. In the true essence of research studies, this theory development will be used as a basis to expand this research topic further and thereby offer fine grained insights into leadership features during organisational turnarounds.

### **1.6 Boundaries and assumptions of the research study**

This study sets out to determine the behaviour of turnaround leaders in the context of organisational turnaround and does not explicitly focus on technical aspects of leadership. The study focuses exclusively on three relationship dimensions namely: communication, transparency and assertiveness. This research does not take into account other dimensions. The study is specific to the leader and does not take into account the experiences of followers. It is assumed participants will take part in an open and truthful manner based on their personal experiences. However, due to the nature of turnarounds, a degree of response biasness will transpire. Participants will offer insights favourable to prescribed leadership practices.

The core focus of the study is an investigation into leadership and not organisational turnarounds. The study is focused on establishing an understanding of the leaders' outward and innermost experiences during turnarounds and is not concerned with the mechanics or outcomes of the turnaround process. The turnaround event provides the context for this study and as such turnaround acumens will be presented in Chapter 2. The scope of this research is limited to determining leadership approaches. Any influences, good or bad, as a result of these approaches on the turnaround process, will not be explored. Such phenomena can be considered for future research studies.

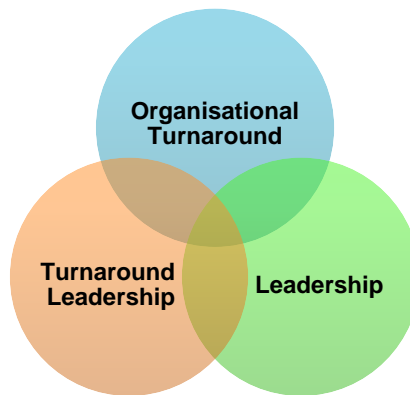
Finally, due to the limited time-frame and limited access to organisations currently undergoing a turnaround intervention, this research will be limited to a single South African-based organisation. It is believed the findings will result in generalizability and as such the findings will extend across other turnaround events albeit all sample units of this study will represent a single organisation.

### **1.7 Research approach and chapter overview**

The research approach commenced with a review of current organisational turnaround theory concentrating on leadership and requisite styles. An analysis of these studies and further research into leadership resulted in understanding the degree of overlap

between the subject matters; organisational turnaround, leadership and turnaround leadership (as demonstrated by Figure 2)

**Figure 2: Schematic Representing the Overlap of the Core Subject Matters**



Through the limited commonalities various facets related to turnaround leadership strategies, best leadership practices and to some degree turnaround leadership experiences were observed. This was conducted with the intention to determine what aspects related to organisational turnaround and leadership were lacking so this could be adopted to refine this study. Addressing the research problem centred on this will be beneficial for academic research and to South African businesses which can adopt this study going forward. This approach formed the basis of the literature review.

The literature review provides a theoretical background to this study and highlights all pertinent leadership theories to date. The literature review offers a view of the organisation featured in this study. The research propositions are then presented based on the research questions followed by the research design and methodology. Significant justification for the choice of research design is offered based on the nature of the study. The required research data was collected to assess and analyse, which led to the resultant research outcomes and conclusions. Recommendations for future studies are also noted. Figure 3 provides a process map to outline the research approach and likely outcomes.

**Figure 3: Process Map Showing Classification of Research Approach**



### 1.8 Terms used interchangeably in this thesis

**Table 1: List of interchangeable terms used in this research study**

<b>Terms</b>	<b>Alternatives</b>
Organisation	company, firm, business, corporate
Relationship approaches	behavioural, social, interactive, relationship dynamics
Approach	tactics, attitudes, practices, style, manner
Financial distress:	decline, failure, insolvency, distress
Communicative	open nature, forthcoming, unrestrained
Organisation turnaround	organisation rescue, organisation realignment, turnaround event, turnaround programme, turnaround intervention
Stakeholders	shareholders, organisational personnel, customers, suppliers

## CHAPTER 2: LITERATURE REVIEW

The literature review sets out to provide a theoretical framework and a critical analysis of the relationship among different works for this study. The scope of this theoretical framework is defined within the ambit of leadership in the context of organisational turnarounds. Relevant content from previous research will be presented in order to demonstrate the extent of established research in this field of study. Established theory with regard to organisational turnarounds, leadership during critical change and other determinants consistent with turnarounds will be combined to highlight all possible associations to this study. Pertinent content from previous research will be presented to highlight the core constructs contributing to the theoretical framework which will be set out under the following themes:

Theoretical background  
Organisational turnaround  
Leadership relationship approaches  
Organisational turnaround leadership; and  
Contextualising the organisation to be analysed

In order to provide a fresh and dynamic view of current theory, the collected literature was based on established work from reputed journal sources and concentrated within the previous five years. Research pertaining to organisation turnarounds spans over 40 years and for the study to be relevant during these transient times, it remains critical that this study be based on contemporary theory and practices. The literature review presented is a result of several iterations essential to establish the true essence of this study.

### 2.1 Introduction

As a first step in the discussion on leadership in organisational turnarounds, it is important to understand the practice of organisational turnarounds within the scope of this study. For this study, an organisational turnaround is deemed a deliberate intervention towards financial recovery by an organisation which has delivered sub-standard performance for a sustained period. This is typically an internal intervention to avoid formal business rescue proceedings. Features of distressed companies include revenues that do not cover costs, loss of market share, declining share price and low staff morale. In order to initiate a turnaround, the organisation has to acknowledge and identify its problems and, thereafter, develop and implement strategic



and tactical turnaround initiatives (Turnaround, n.d.). Further theoretical definitions will be expanded on in subsequent sections of this chapter.

## **2.2 Theoretical background**

Current research, with regard to leadership approaches during organisational turnarounds, is led by Conor O’Kane and James Cunningham based on their work in 2012 and 2014. These studies contribute to the theoretical background as they examine the effects of leadership changes and leaderships approach tensions during turnarounds. O’Kane and Cunningham identify that vast amounts of research is available with regard to turnarounds yet there exists a gap with regard to research focusing on leadership during turnarounds. Their 2012 study forms the basis of this particular research avenue and is supplemented by the 2014 study, which begins to hone-in on this subject matter. These studies offer fundamental knowledge in this field of research and begin to craft the dimension of leadership approaches during turnarounds.

### **2.2.1 Leadership approaches as a result of changes to leadership**

As an initial observation in this field of study, O’Kane and Cunningham (2012) established the effect of leadership changes on leadership approaches, the turnaround initiation and the performance of the turnaround. It is often argued that replacing either the entire or part of the existing leadership team is essential for successful turnaround implementation. In order to explore this position, O’Kane and Cunningham (2012) make use of four in-depth case studies, featuring different phases of the turnaround process, to highlight circumstances that occur with changes to the leadership team. Their research attempts to dispel the disparate outcomes of other research motivating leadership change during turnarounds. Further developments of this research leads to the focus on leadership approaches observed by newly appointed leaders and leaders who remain *in situ*. These approaches include the importance of humility, trust and integrity (O’Kane & Cunningham, 2012).

The essence of O’Kane and Cunningham’s (2012) study deals with consequences of change to the leadership team during turnarounds. The findings of this study conclude that the distinct leadership behaviour during turnarounds is strongly related to characteristics of existing leadership theories namely transactional leadership and transformational leadership. Using this as a basis, O’Kane and Cunningham (2012) pioneer the study approach into the characteristics of turnaround leadership in relation to modern day leadership approaches such as trust, humility and integrity. This is

achieved through determining how these leadership approaches vary for existing turnaround leaders and newly appointed turnaround leaders. Turnaround leaders are expected to adopt a more “employee-orientated and facilitative approach to emphasise their shared ownership of the turnaround challenge” (O’Kane & Cunningham, 2012, p. 60). This study brings to light how leadership approaches influence turnarounds by confirming that leadership stability and humility contributes towards a successful turnaround. Other behavioural elements, such as integrity and trust, also tend to contribute towards a successful turnaround. Supplementary findings to their research deals with the timing of leadership changes and the resultant effect on the organisation and ultimately the turnaround programme. Their study leads to a further in-depth study of turnaround leadership.

### **2.2.2 Leadership approaches as a result of tensions experienced**

The subsequent study by O’Kane and Cunningham (2014) focuses on the tensions leaders experience during turnaround events. Their examination of core tensions is made possible through a case study that investigates the types of core tensions leaders experience during turnaround, at what point in the process these tensions are experienced and how these tensions are dealt with.

Their study is prompted by the argument that significant research is available to understand turnarounds and various turnaround implementation strategies are available to leaders yet in-depth analysis regarding the role of the leader during turnaround events is lacking. This argument serves as the basis for the highlighted problem statement and motivation for this study featured in Chapter One.

O’Kane and Cunningham set out to explore how leaders experience leading the turnaround intervention by basing their study on leadership tensions derived from recurrent themes in literature, namely leadership change, leadership assertiveness and strategic orientation. Leadership change is concerned with the advantages and disadvantages of either replacing or continuing with the existing CEO. Strategic orientation deals with the prioritisation of tactical and strategic decisions as a means to deal with the declining performance, while leadership assertiveness deals with the hard and soft forms of leadership with regard to behaviour, styles and decision making (O’Kane & Cunningham, 2014).

The findings of this study suggest these tensions do not exist in isolation of each other and vary between newly appointed leaders and existing leaders. Newly appointed leaders tend to distance themselves from the cause of the decline; they tend to

promote a sense of urgency about the situation and centralise control during turnaround. Existing leaders are more inclined to assume responsibility, instil calm in the organisation, yet also centralise control as in the case of newly appointed leaders. O’Kane and Cunningham’s study centres on the management of these tensions by turnaround leaders. These tensions are determined through aggregating constructs of literature and present a well-rounded perspective on turnaround leadership. Yet little view is provided on other tensions or approaches that are likely to feature in leadership during organisational turnarounds.

Previous theoretical themes were defined as disposition, ownership and control. Disposition is classified as how the decline *situation* is portrayed to the organisation; is the situation portrayed as being dire and a sense of urgency created or is the situation portrayed as being under control to influence a sense of calm and confidence? Ownership is the phenomena of the leader, who either separates himself from the decline or assumes responsibility for the decline. Control is a dimension that concerns itself with how much of the decision making and control is centralised and how much is inclusive of the organisation (O’Kane & Cunningham, 2014).

### **2.2.3 Research opportunity identified for this study**

The studies by O’Kane & Cunningham (2012, 2014) have contributed to the void in literature regarding leadership and organisational turnarounds. These studies begin to establish a well-founded understanding of turnaround leadership dynamics. This theoretical background offers insights into the leader’s experience, which begins to offer a more realistic account of leadership during turnarounds. These studies were conducted post the turnaround events and, as such, the outcomes are based in retrospection. This presents an opportunity to construct this study while a turnaround event is developing. Furthermore, there exists opportunities to explore additional leadership behaviours. As indicated previously, the intention of this study is to augment the limited research along these lines and provide deeper insights into leadership approaches during an organisational turnaround event. Immense research has been conducted on leadership styles, yet very little work has gone into uncovering the true experience of the leader when faced with business imperative change.

### **2.3 Definition and characteristics of organisational turnaround**

Looking into the literature to examine the concept of organisational turnarounds, several definitions, causes and characteristics are presented. Descriptions with strong relevance to the scope of this study are presented in this section. The subsections

present brief characteristics of the turnaround process, highlights of turnaround strategies and differentiate the concept of business rescue and organisational turnarounds.

### **2.3.1 Definition of organisational turnaround**

Organisational turnaround is defined in several ways. In his 2009 work, Pretorius synthesises a definition based on other seminal work as: “A venture has been turned around when it has recovered from a “decline that threatened its existence” to resume normal operations and achieve performance acceptable to its stakeholders (constituents) through re-orientation of positioning, strategy, structure, control systems and power distribution. Return to positive cash flow is associated with achievement of “normal” operations” (Pretorius, 2009, p. 11).

The Chartered Institute of Management Accountants (2009) defines corporate turnaround as “the implementation of a set of actions required to save an organisation from business failure and return it to operational normality and financial solvency. Turnaround management usually requires strong leadership and can include corporate restructuring and redundancies, an investigation of the root causes of failure, and long-term programmes to revitalise the organisation” (Downey, 2009, p. 3).

Complementing these definitions, O’Kane and Cunningham (2012) provide the definition of organisational turnaround through the works of several others, as “company turnarounds can be understood as efforts at performance recovery by organisations that are facing severe or even existence threatening performance decline” (p. 55).

O’Kane and Cunningham (2014) expand this definition in their subsequent work as “A turnaround process occurs when a firm undergoes a survival threatening performance decline over a period of years but is able to reverse the performance decline, end the threat to firm survival and achieve sustained profitability. The need for a company turnaround is initiated by external forces, internal deficiencies or a combination of both” (p. 964).

Contrary to these fixed definitions, Walshe, Harvey, Hyde and Pandit (2004) argue that the terms ‘organisational failure’ and ‘turnaround’ are subjective and specific to respective organisations and, as such, there is no generally accepted definition. Their argument is supported with the following proposition: “while there are some established quantitative measures which for-profit organisations may use to track performance,

such as return on investment/assets or trends in profitability, the point at which poor performance becomes failure is difficult to define” (p. 201).

Walshe et al. (2004) defines organisational failure as follows: “organisational failure has been defined as an ‘existence-threatening decline’ in performance but that decline may be sudden or gradual, and can be precipitated by internal actions or inactions or by external circumstances and environmental factors. It rapidly becomes evident that organisational failure is a symptomatic rather than a diagnostic term, in other words it describes a situation facing an organisation but does little to help us understand how that situation was caused or came about, or what could or should happen next” (p. 201).

The subsequent definition for organisational turnaround as defined by Walshe et al. (2004) is as follows: “organisational turnaround can be simply defined as the actions taken to bring about a recovery in performance in a failing organisation. In practice, it usually consists of a collection of concerted or co-ordinated activities which may include the replacement of key individuals in the organisation’s management and leadership, immediate attention to major operational problems seeking short-term solutions, and the longer term, but often radical, redesign or re-profiling of the organisation and its business” (p. 201).

As a distinct difference to the study by Walshe et al., recent studies make reference to organisational decline and distinguish between organisational decline and organisational failure. By definition, an organisation undergoing a turnaround implies that its performance can be resurrected as opposed to a failed organisation which cannot be rescued (Pretorius, 2009). “On the basis of the definitional approach to understanding failure, one can conclude that decline precedes failure, which is the end state of deteriorating performance. Turnaround focuses on signs and causes of decline, while learning from failure depends on the post- mortem approach” (p. 12). The research by Pretorius (2009) brings to light that organisational turnaround is reactive to declining organisational performances yet a proactive attempt to prevent organisational failure altogether. Based on the several literary sources of information, organisational turnaround can be formally or informally instituted within an organisation, based on the organisation’s discernment of results and tolerance for non-performance. As such, the definition of organisational turnaround by Walshe et al. (2004) is more suited to describe organisations in a state of decline rather than failing organisations.

As a supplementary note, Trahms, Ndofor and Sirmon (2013) define organisational decline as when a company's performance worsens over a sustained period of time. "Causes of organisational decline originate from external factors, such as gradual changes in the competitive landscape or sudden environmental jolts, as well as internal factors, such as operational deficiencies and ineffective resource management" (p. 1278).

### 2.3.2 Characteristics of organisational turnarounds processes

Walshe et al. (2004) provide context to the stage theories and models which have been used to describe the process of organisational failure and turnaround. By current definition, the descriptions of these phases are more applicable to organisational decline rather than organisational failure.

**Table 2: Process steps characterising organisational decline and turnaround**

Source: Walshe et al. (2004).

Process Step	Description
Decline and crisis	"An often long and gradual period of performance decline, which may be characterised by a progressive loss of business, market position, resources, reputation and external support" (p. 203).
Triggers for change	"The events or circumstances which mean that the extent and seriousness of decline is eventually recognized and explicitly acknowledged by internal and external stakeholders in the organisation, which may be a particular financial, operational or leadership crisis" (p. 203).
Recovery strategy formation	"The production of a plan to deal with the organisational failure which explicitly acknowledges the scale and nature of the problems and sets out strategies or methods for dealing with them" (p. 204).
Retrenchment and stabilisation	"The shorter term actions aimed at turnaround which are often concerned with dealing with operational management problems, sorting out the finances, preventing any further decline or deterioration, and securing 'quick wins' in performance which will aid survival" (p. 204).
Return to growth	"The longer term and ongoing actions aimed at turnarounds which tend to be concerned with setting out the new vision for the purpose and objectives of the organisation, establishing a longer-term strategy for investment and development, and securing its long-term success" (p. 204).

Walshe et al. (2004) aptly describe the phases of organisational decline and turnaround, yet state this is the general path an organisation is likely to traverse,

however, the organisation does not have to be sequential, as outlined above, nor does it have to progress through all phases.

Walshe et al. (2004) identify three types of interventions pertaining to turnaround strategies namely: replacement, retrenchment and renewal. Replacement focuses on changes to the senior leadership team. Typically the chief executive, together with a few members of the executive management team, is affected. New hires are sought from either within the organisational or outside the organisation. Retrenchment is concerned with staff reductions and other cost cutting measures, which is in response to declining revenues. Retrenchments are intended to achieve a reduction in fixed costs in an attempt to improve the organisation's profitability. Typically, retrenchments lead to optimised work processes and is intended to increase workforce productivity, yet this results in unemployment, uncertainty within the organisation and financial implications for the organisation. Renewal involves a shift in the organisation's strategic focus and overall purpose of the organisation. As such it involves a review of all operations, market sectors and scale of operations. Renewal also involves in-depth analysis of the organisation's culture and leadership in an attempt to bring about fundamental performance improvements (Walshe et al., 2004).

Though these theories are dated, they remain evident in current day turnaround events, with either individual options or a combination of these interventions being undertaken by declining organisations.

### **2.3.3 Organisational turnaround strategies**

Consistent with previous studies, the organisational turnaround responses is defined as "operational or efficiency orientated or a more entrepreneurial-type strategy" (O'Kane & Cunningham, 2012, p. 55). Operational and efficiency related strategies include implementation of austerity measures, cost reduction initiatives, retrenchments and reduction of assets, while entrepreneurial-type strategies include market penetration strategies, product diversification or a combination of both (O'Kane & Cunningham, 2012). The essence of turnaround strategies is fairly consistent across the difference studies and after decades of research, these are fairly established theories. Various turnaround models are presented by several sources through extensive research in this area.

### 2.3.4 Classification of business rescue

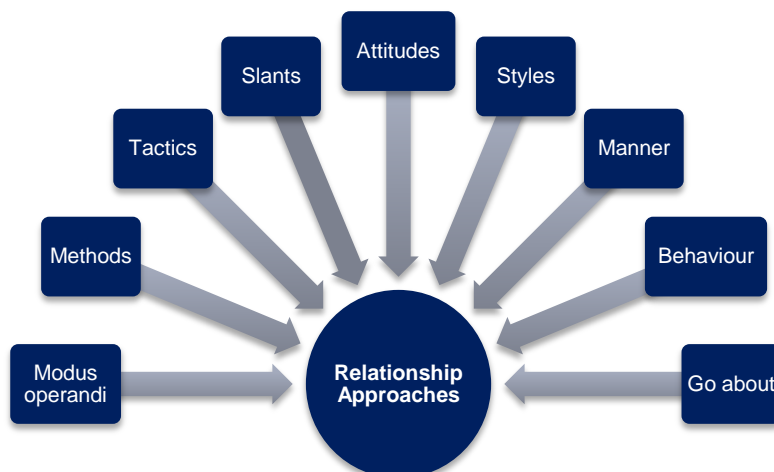
In contrast to organisation turnaround, Chapter 6 of South Africa’s new Companies Act, No. 71 of 2008 defines the concept of business rescue. Werksman’s Attorneys define business rescue as, “proceedings aimed to facilitate the rehabilitation of a company that is financially distressed by providing for – the temporary supervision of the company, and the management of its affairs, business and property, by a business rescue practitioner; a temporary moratorium (stay) on the rights of claimants against the company or in respect of property in its possession; and the development and implementation, if approved, of a business rescue plan to rescue the company by restructuring its business, property, debt, affairs, other liabilities and equity” (Levenstein & Barnett, 2014, p. 2). A financially distressed company is defined either as a company is unlikely to pay its debts due in the next six months or a company likely to be insolvent in the next six months (Levenstein & Barnett, 2014). Business rescue proceedings involve the appointment of a third party practitioner, who takes over the management of the organisation and develops and executes the business rescue plan (Cliffe Dekker Hofmeyr, 2012). As such the scope of this study is limited to organisational turnarounds only based on the clear distinction between business rescue and organisational turnaround.

### 2.4 Definition of relationship approaches

Relationship approaches are explained by definitions and synonyms contained in the all-encompassing schematic represented by Figure 4 below.

**Figure 4: Schematic Defining Relationship Approaches**

**Source:** (Farlex, 2015)





## 2.5 Elaborating on selected leadership relationship approaches

Several behavioural characteristics contribute to relationship approaches. This study focuses on the leader's extent of communication, level of openness or transparency with their teams, and degree of assertiveness during turnarounds. The selected dimensions expand on the theoretical background depicted by the research conducted by O'Kane and Cunningham. These dimensions will partially assess the relationship approaches of leaders to employees during turnarounds.

### 2.5.1 Communication

"A leader with perfect clarity enjoys greater influence than one with a perfect sense of direction. When followers choose how much attention to pay to leaders, they listen only to the most coherent communicators" (Dewan & Myatt, 2008, p. 351). Myatt and Dewan (2008) further state a leader's relative influence depends on their personal qualities and one such quality is the ability to communicate. Communication by leaders is more effective if there is increased clarity. Their argument also states clarity of message is important because an organisation's employees do not only focus on the content of the communication but also concern themselves with how others perceive the communication. As a result clear communication is encouraged in order to gain a common understanding among followers, thereby, creating cohesion. Myatt and Dewan (2008) also discourage the use of different media platforms as in their view, this could compromise clarity.

Dionne, Yammarino, Atwater, and Spangler (2004) suggest communication is a primary element in contributing to effective teams. Their study states "open and easy communication within a team is critical for goal accomplishment and completion of regular, daily team activities" (Dionne et al., 2004, p. 181). This assertion is made with the view communication is a proponent of transformational leadership.

Joseph and Winston (2005) add the communication practices of a leader are a determinant for the level of organisational trust. Their study states increased communication increases the trustworthiness of leaders through the increased social exchange between leaders and followers. To complement this view, Lee, Gillespie, Mann, and Wearing (2010) advocate knowledge sharing among leaders and subordinates enables trust within the organisation, thereby, increasing team effectiveness. Knowledge sharing also leads to superior team performance (Lee et al., 2010). Furthermore, in a study by Berson & Avolio (2004), it was found leaders who communicated consistently and effectively ensured employees were clearly orientated

to the goals of the organisation. The communication style of these leaders was to actively participate in listening and transmitting and being open when communicating to subordinates (Berson & Avolio, 2004).

Fairhurst and Connaughton (2014) state communication does not only represent a catalyst for change, it can also lead to results for change as well. Communication is strongly encouraged and Fairhurst and Connaughton delve into different “value commitments” of communication (p. 8).

### **2.5.2 Transparency**

Transparency which lends itself to openness is encouraged by Lee et al. (2010) as follows: “This involves the leader setting an example by conveying to the team his/her candid insights and experiences, concerns, personal beliefs and lessons learned, as well as facilitating opportunities for the team to share. These behaviours in turn encourage members to feel safe to freely share their personal beliefs, hunches, insights, concerns and problems, as well as task-related knowledge” (p. 13). Michie and Gooty (2005) state being transparent is a self-transcendent behaviour and, as such, leaders are naturally committed to these behaviours and demonstrate them without emotional conflict. Based on this, leaders’ behaviours are more consistent and authentic (Michie & Gooty, 2005).

Berson and Avolio (2004) concluded transformational leaders tend to communicate effectively to employees and also are open with employees. This enables trust and fosters sound relationships between leaders and employees. As a result of the open communication style, leaders are able to articulate the organisation’s vision, objectives and strategy in an effective manner, thereby, increasing employee awareness of what is being communicated (Berson & Avolio, 2004).

Eisenberg and Witten (1987) state “the idea that open communication may not always be good is resisted by many because it contradicts deeply held beliefs about human relationships” (p. 420). In direct contrast, Eisenberg and Witten (1987) suggest it is not always necessary to demonstrate open and transparent communications. In some instances not disclosing information may be warranted under the appropriate contingencies, which include individual, relational, organisational and environmental. Individual contingencies are personal motives and preferences that affect communication styles. Relational contingencies are based on shared history between the employees of the organisation. Organisational contingencies are related to the job

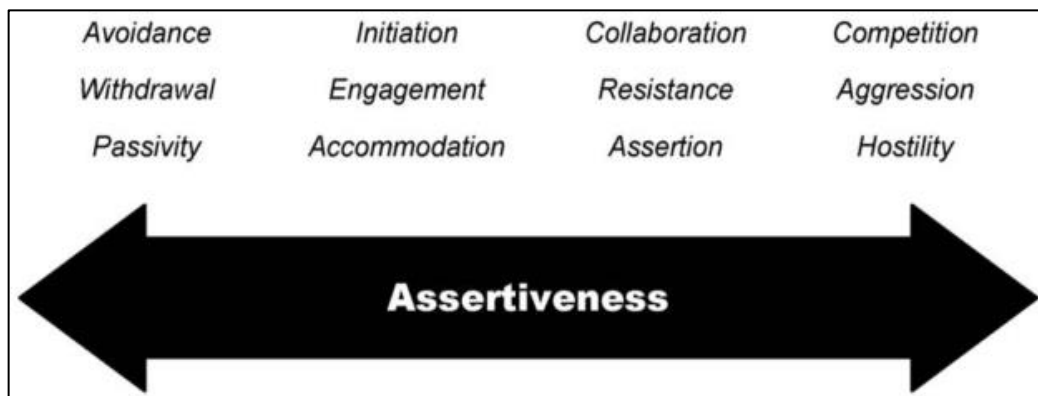
and other organisational activities while environmental contingencies may constrain internal and external communications (Eisenberg & Witten, 1987).

### 2.5.3 Assertiveness

Assertiveness is defined “as a dimension in everyday perceptions reflecting an individual’s interpersonal willingness to stand up and speak out for their own interests and ideas, pursuing their objectives and resisting others’ impositions” (Ames, 2009, p.113). Ames (2009) describes assertiveness as a broad term and its application can be varied depending on the situation. Figure 5 highlights the spectrum of assertiveness and how it can vary from being submissive to being hostile.

**Figure 5: Degrees of Assertiveness**

Source: Ames (2009)



According to Ames (2009) there are varied views regarding organisational effectiveness and interpersonal assertiveness. In some instances leadership assertiveness positively influences organisational effectiveness, while in other instances it ends in negative results. Assertiveness is deemed as a weakness based on the analysis conducted by Ames (2009), yet it does not feature as a dominant leadership characteristic. Ames (2009) goes on to conclude that either low levels of assertiveness, or high levels of assertiveness, lead to low organisational effectiveness and it is important to apply the apt level of assertiveness for optimal effectiveness. Low levels of assertiveness lead followers to believe there is a lack of care and commitment from the leader, while high levels of assertiveness ensures difficult relationships between the leader and followers. Ames (2009) states that getting the optimal level of assertiveness is a challenge for most leaders.

“In times of uncertainty people often look to leaders, particularly strong and directive leaders, to provide a clear and unambiguous agenda and path to follow” (Rast, Hogg, & Giessner, 2013, p. 635). Rast et al. (2013) state that during periods of uncertainty, employees tend toward strong, direct and typically autocratic leadership. Four general qualities of autocratic leadership are discussed by Rast et al. (2013): “They make all the important decisions; they are primarily concerned with task accomplishment rather than the happiness or satisfaction of followers; they maintain considerable social distance from followers; and they motivate followers by punishment or the threat thereof rather than by rewards” (p. 636). The study reveals that generally employees prefer democratic leadership over autocratic leadership. However during periods of uncertainty, employees prefer autocratic leadership as they deem autocratic leaders to be more reliable sources of information and there is an increased level of trust in autocratic leaders. The rationale for this preference is due to the autocratic leaders’ unambiguous approach and clarity with regard to strategic direction and associated tasks (Rast et al., 2013).

The research study by O’Kane and Cunningham (2014) is intended to build on the leadership assertiveness dimension. To this end, the tensions involved with leadership assertiveness are categorised as hard leadership styles and soft leadership styles. Hard leadership is consistent with autocratic leadership where the leader takes a command and control approach. Soft leadership is open and supportive as the leader assumes a more people orientated approach (O’Kane & Cunningham, 2014). Arguments are offered in support of both hard leadership and soft leadership styles during turnaround events. The two schools of thought are in direct conflict with each other due to the nature of these approaches. The basis for this is due to the fact these leadership styles are situational. Advocates for the autocratic approach strongly support this in the belief this results in improved execution and efficiency. In addition, the enhanced control associated with autocratic leadership brings about confidence from stakeholders. It is believed leaders demonstrate more credibility by adopting an autocratic approach during turnarounds as they are perceived as being courageous, decisive and resilient (O’Kane & Cunningham, 2014).

In direct comparison, advocates of the softer approach make the strong argument that this leadership style brings about a more collective cause and describe this as “shared ownership of the turnaround challenge” (O’Kane & Cunningham, 2014, p. 965). The benefits of this include increased levels of organisational trust and honesty, which leads to reduced anxiety and a more cooperative workforce. Several extracts from research suggests this approach ensures higher levels of commitment from employees

and that leaders are able to better understand employees (O’Kane & Cunningham, 2014).

In light of these two opposing styles O’Kane and Cunningham derive a hybrid of hard and soft leadership styles. This approach is recognised as an in-between approach of either being too assertive or demonstrating low levels of assertiveness. The following extract represents this dimension: “The tension for turnaround leaders, therefore, involves knowing when and to what degree to be assertive. How can workforce anxieties be appropriately acknowledged and managed in a way that does not escalate them further and heighten resistance to the turnaround? Being overly assertive can be good for short-term goal achievement but it may jeopardise good relationships, while low levels of assertiveness may engender social benefits at the expense of goal attainment” (p. 966).

Bhatti, Maitlo, Shaikh, Hashmi and Shaikh (2012) state that if leadership outcomes is based on productivity then autocratic leadership is more suited but if leadership is aimed at maintaining morale and a good work environment then democratic leadership is preferred. The findings to their study suggest that the democratic leadership style has a positive impact on job satisfaction as this creates a sense of ownership with employees (Bhatti et al., 2012).

## **2.6 Current theories on organisational turnaround leadership**

Looking into existing literature to examine the leadership styles that are typically recommended and demonstrated during turnaround interventions, it was possible to highlight leadership approaches which characterise these leadership styles.

### **2.6.1 Recommended leadership styles aimed at turnarounds**

Murphy (2010) quotes Crandall (1995), Rindler (1987) and Shook (1990) as saying “in times of significant change and periods of crisis, the saliency of leadership is dramatically increased” (p. 162). Murphy states the following in reinforcing the criticality of leadership in turnarounds: “In organisational turnarounds, it is leadership that provides a sense of direction by setting priorities and short-term goals; establishes a sense of urgency; defines responsibilities; resolves conflict; conveys enthusiasm and dedication; and gives credit where it is due and rewards it accordingly” (p. 162).

According to Hunt and Fitzgerald (2013), “transformational leadership is one of the most popular and widely researched approaches to leadership today” (p.30).

“Transformational leadership emphasises the affective and emotive qualities of the leader in engaging with and heightening the motivational arousal levels of subordinates. Transformational leadership is conceived as a process that generates and builds an exceptional level of influence over followers, harnessing follower commitment and leading to accomplishments above normal levels of expectation” (p. 30).

Consistent with this description is the definition by Lussier and Achua (2014, Chapter 9), “transformational leadership seeks to change the status quo by articulating to followers the problems in the current system and a compelling vision of what a new organisation could be” (p. 328). It is argued in work by Hur, van den Berg and Wilderom (2011) that turnaround leaders require “well-honed transformational leadership competencies” to lead organisations during turnarounds (p. 600). Their work concludes that “transformational leadership facilitates the relationship between emotional intelligence and leader effectiveness, as well as emotional intelligence and service climate” (p. 601). Research by Cavazotte, Moreno and Hickmann (2012) substantiates these views, concluding in their study that there exists a relationship between transformational leadership and organisational change efficacy.

In addition, García-Morales, Jiménez-Barrionuevo and Gutiérrez-Gutiérrez (2012) suggested transformational leadership creates emotional links and inspires higher values and describe transformational leadership as “the motor and transmitter of the organisation’s culture and the dissemination of knowledge oriented to seeking the best possible organisational performance” (p. 1040).

Avolio, Walumbwa and Weber (2009) define transformational leadership as “leader behaviours that transform and inspire followers to perform beyond expectations while transcending self-interest for the good of the organisation” (p. 423). This definition tends to delve into the essence of leadership required to transform organisations and begins to latch onto personal characteristics that may be associated with this particular type of leader.

In further support of transformational leadership, Liu, Siu, Shi (2010) argue that the transformational leadership style is similar to positive leadership style. Positive leadership is defined as “positive attitudes of passion, skills, and confidence to inspire followers, has the potential to elevate followers in the long-term in areas such as trust, commitment, and well-being” (p. 456). This assessment affirms the practice of

transformational leadership suited for change initiatives and can be used to achieve sustainable results.

These listed definitions together with other seminal works, unanimously agree transformational leadership traits are required for organisational turnaround interventions. The summaries presented complement each other and are consistent, thereby, offering several advantages of transformational leadership during organisational turnaround. Based on the review of specific literature concerned with transformational leadership, transformational leadership offers distinct advantages over other leadership styles owing to its characteristics.

Despite the uniformity of several studies, with regard to transformational leadership, O’Kane and Cunningham (2014) argue leadership during turnarounds is never one dimensional. Their study focuses on elements of leadership, yet steers away from transformational leadership and begins to delve into the leader’s experience of his/her leadership stance during turnarounds.

Subsequent to these theories, Kellis and Ran (2015), offer insights into other recommended leadership styles. These styles are termed as relationship-based leadership and are said to have constructive effects on company outcomes. Elements of servant leadership assist in breaking down the conventional hierarchal leadership approach and helps build stronger bonds between leaders and followers. Kellis and Ran (2015) indicate that the concept of mindfulness is used as a means to enrich mutual trust between leaders and followers, facilitating inclusivity and increasing creativity. Furthermore, Kellis and Ran (2015) highlight the concept of empowering leadership through which leaders empower followers to make decisions and pursue goals on their own. This type of leadership has been found to increase employee performance, enhance employee satisfaction and decrease obstructive employee resistance (Kellis & Ran, 2015). The insights from Kellis and Ran (2015) are summarised as follows: “transformational leadership and servant leadership using empowerment, meaningful work, emotional intelligence, and mindfulness can be used as tools to enhance worker engagement, productivity, and commitment, as well as to effectively communicate goals, vision, and culture. These relationship-based approaches must be coupled with values-based leadership in order to avoid drifting toward a culture that allows wrongdoing to occur” (p. 619). Joseph and Winston (2005) argue servant leadership increases the level of trustworthiness between leaders and employees and brings about additional benefits such as empowerment and increased service levels.

The inference taken from these various recommended leadership styles for turnaround events is that transformational leadership is intensely prescribed and used as a model for the ideal leadership style during transformation. Other supporting leadership styles complement transformational leadership and are recommended, but to a lesser extent.

### **2.6.2 Characteristics of the recommended leadership styles aimed at turnaround**

The dominant features of the above mentioned leadership styles are depicted in this section. The characteristics of the recommended leadership styles for turnaround begin to offer insights in the leadership approaches. While the characteristics will be briefly highlighted in this section, the actual leadership approach underpinning these characteristics will not be discussed, as this will be used later in the study to triangulate the findings from the case study.

Cavazotte, Moreno and Hickmann (2012) offer four dimensions of transformational leadership (p. 444) which include:

- 1) “Idealised Influence”. This is commonly known as charisma, which is attributed to leaders who arouse fervent popular devotion and enthusiasm, thereby, aligning the organisation to the leader’s values and principles.
- 2) “Motivational Inspiration”. This represents the leader’s ability to capture the full commitment of the organisation, or part thereof, to deliver or exceed ambitious goals by inspiring employees. Often these goals result in significant advances for the organisation.
- 3) “Intellectual Stimulation”. In this dimension, leaders often challenge the status quo and promote creative and innovative thinking; and
- 4) “Individualised Consideration”. This represents the leader’s ability to ensure personal support for the team involved by treating everyone as individuals, all with independent traits and requirements.

These defined dimensions are consistent with the characteristics highlighted by Lussier and Achua (2014, Chapter 9) who suggests transformational leaders are known for monumental changes. This is achieved through communication, articulating the desired vision of the future and leveraging off the relationship with followers through shared motives. In essence Lussier and Achua (2014, Chapter 9) summarises the characteristic of transformational leadership as “the transformational leader seeks to transform a weak or declining organisation by influencing followers to buy into a new vision and new possibilities” (p. 311).



One of the more compelling arguments was derived by Avolio, Walumbwa and Weber (2009) where they define authentic leadership and its characteristics. “Authentic leadership is a pattern of transparent and ethical leader behaviour that encourages openness in sharing information needed to make decisions while accepting followers’ inputs” (p. 423). Authentic leadership lends itself to relational transparency and an increased self-awareness with the leader. Relational transparency refers to presenting one’s genuine self to others through sharing information, being open and sharing feelings, as seen fit. This theory offers characteristics desired for turnaround leadership as having several benefits; leadership efficacy, effective leadership interventions and trust are associated with authentic leadership (Avolio et al., 2009).

### **2.6.3 Other leadership attributes contributing to turnaround leadership**

Hunt and Fitzgerald (2013) use Salovey and Mayer’s 1990 definition of emotional intelligence as “the sub-set of social intelligence that involves the ability to monitor one’s own and others’ feelings and emotions, to discriminate among them and to use this information to guide one’s thinking and actions” (p.31).

Hur, van den Berg and Wilderom (2011) stated that emotionally intelligent leaders are rated as more effective by their subordinates (Hur et al., 2011). Sosik and Megerian (1999) stated the importance of emotional intelligence is becoming increasingly important to improving organisation performance. On this basis, Sosik and Megerian conducted research on this topic that was further distilled. In the study, they concluded correlations between emotional intelligence predictors of leadership and leadership behaviour varied based on the leaders self-awareness (Sosik & Megerian, 1999). Sosik and Megerian have uncovered a further dimension to the leadership paradigm which was confirmed Antonakis, Ashkanasy and Dasborough (2009) that relationship approaches to leadership are inherently based on emotional intelligence and, as such, influences leadership-desired outcomes (Antonakis, Ashkanasy, & Dasborough, 2009).

## **2.7 Research setting**

The study will be conducted within a single organisation that is currently undergoing a turnaround. Due to the sensitivity of a turnaround event, the organisation has agreed to the research study on condition the identity of the organisation, the identities of the interviewees and all information related to the study remains confidential.

The following information was sourced through the company profile page on the company’s website. The organisation was founded approximately 90 years ago and

has being a listed organisation on the Johannesburg Securities Exchange for over 50 years. The organisation is a member of a global multinational which is the controlling company for the organisation. The company is headquartered in Johannesburg having several operating sites across South Africa and in ten African countries. The company employs over 3000 people and considers itself as an industrial leader. With over 41 production sites in sub-Saharan Africa and an extensive distribution network, the company offers a diverse product range to several markets such as agriculture, food processing, hospitality, healthcare, mineral processing and the automotive industry. The brand associated with company is a trusted South African brand. This organisation tends to serve a multitude of channels (business-to-business and business-to-consumer) and its customer base extends from fixed long term customers (+/- 20 year contract periods) to everyday retail customers.

Over the previous five years the organisation’s performance has being declining. While the organisation remains profitable, the operating profit margins have reduced by roughly 50% to previous levels. Healthy profit margins were in the order of 23% yet current profit margins have declined to 12%. Over the previous seven years the share price has declined steadily and is now at a third of the previous ten year high.

**Figure 6: The Share Price History for the Previous Ten Years**

Source: (“Standard Bank Online Share Trading”, 2015)



The information presented below is a consolidation of several sources. These sources included communiques, company presentations, town hall meetings and status update; all of which was shared with the organisation over the course of the turnaround.

Significant reasons for the decline include the loss of market share due to price sensitive customers, poor on-stream product reliability leading to a loss of key customers, increased competition and an increase in the number of smaller competitors thereby further eroding market share. For several years, this organisation

dominated the market and enjoyed market share in all major sectors in excess of 70%. Over time small to medium competitors began attacking their market share through competitive pricing and the organisation was slow to react. Furthermore, the organisation suffered serious production reliability issues that led to the loss of several large contracts. Despite earlier interventions to remedy the initial signs of decline, the organisation continued to suffer large financial losses and experience dismal performances over the previous two years. Operating profit margins were significantly lower than what the rest of the group in other geographies enjoyed.

Significant changes to the senior management team transpired at the beginning of 2015 which signified the start of the turnaround. The turnaround strategy is a medium term plan focussing on three distinct phases. Phase one concentrates on stabilising the organisation's performance. This phase centres on a significant organisational restructure which will essential realign the business and its processes and reduce the headcount by up to 40%. Phase one also focuses on the delivery of sustainable high impact cost saving initiatives in an attempt to drive business efficiencies. This phase, which is currently being executed, incorporates a complete revision of the organisation's strategy. Phase two focuses on regaining previous performance levels by driving out the competition, securing long term profitable contracts and increasing customer service levels. This will be implemented post 2015 and will also rely on improved market conditions to support this. Phase three is focused on growth and will require an intensive capital expenditure programme to secure major investment to install new infrastructure or upgrade existing ones. The intensity of phase three is contingent on the outcome of the initial phases. The parent company has close oversight on this turnaround intervention and has imposed short term performance measures to assess the effectiveness of the turnaround.

## **2.8 Summary and conclusions**

The literature review presents several opinions on organisational turnaround, leadership and supporting characteristics for turnaround. The studies by O'Kane and Cunningham (2012, 2014) present the theoretical background of this study due to its relevance. The theory presented offers insights into contemporary literature, which included a theoretical background into turnaround leadership. Several studies offer insights into leadership theories and explore the merits of the individual theories, yet the application of these theories remains broad-based. Chapter Two of this study attempts to illuminate the current yet limited turnaround theories by providing a historic view of studies and theories. This review indicates there are several constructs related to leadership and turnaround; however there is a lack of synthesis between these

subjects. With organisations leveraging on leadership during turnarounds to resolve the crisis, leaders need to be more orientated to and aware of their behavioural practices during such times. This study aims to explore a facet of leadership experiences during organisational turnarounds and will set out to investigate the relationship approaches of turnaround leaders. Chapter Three will provide a discussion on the research questions and propositions which were derived from identifying the gap in literature following this review.

## CHAPTER 3: RESEARCH QUESTIONS and PROPOSITIONS

This chapter stems from the presentation of the literature in Chapter Two and the depiction of the research problem as presented in Chapter One. Addressing the research question is directly tied to the purpose of this study. The research questions and supporting propositions assist in developing the focal points of the study. With these clear research questions and propositions in place, the researcher is now in a position to make more informed decisions regarding the study design, along with the relevant sample population, and what data is required to facilitate the study (Farrugia, Petrisor, Farrokhyar, & Bhandari, 2010). The development of the research question is based on the literature review after several iterations in order to refine the research question. The primary research question is constructed in a way to address the overall anticipated impact of the study, which is to bridge the gap in knowledge regarding the relationship approaches of leaders during corporate turnarounds.

### 3.1 Presentation of research questions and propositions

In line with the aim of this study, the research question below attempts to determine possible relationship approaches displayed by turnaround leaders through their behavioural characteristics during an organisational turnaround event. The intent of the research question, and supporting propositions, is to explore the personal behavioural elements demonstrated by leaders during a turnaround event.

The following represents the overarching research question this study serves to address.

#### **What are the relationship approaches of leaders during an organisational turnaround?**

This study will focus on a few critical relationship dimensions. These dimensions will underpin the research question and will be constructed as propositions. The propositions offer benefits such as defining the direction for the data collection, determining the scope and course of the study, and assisting the researcher to determine the appropriate research methodology, together with other supporting activities (Miles, Huberman, & Saldana, 2014). It was decided propositions such as communication, transparency and assertiveness will be explored in order to obtain an in-depth understanding of these relationship approaches. This also creates an opportunity for future research to explore other areas that are not defined in this study and augment the current study.

Question 1: Are organisational leaders less communicative during a turnaround event?

**Proposition 1: Leader's disposition during an organisational turnaround event is to be less communicative.**

Rao (2015); Cunningham, Olshfski, & Abdelrazek (2009); Fee, Hadlock, & Pierce (2013); Schoenberg, Collier, & Bowman (2013); Carmeli, Tishler, & Edmondson (2011); Appelbaum, Mitraud, Gailleur, Iacovella, Gerbasi & Ivanova (2008), Berson and Avolio (2004); Dewan and Myatt (2008); Dionne et al. (2004); Fairhurst and Connaughton (2014); and Joseph and Winston (2005), articulate in several forms that avid communication during change implementation is essential to lobby support and ultimately ensure success of such initiatives. The proposition suggests leaders tend to become less communicative during turnarounds. It is assumed leaders become less communicative as a result of the personal challenges they face during turnarounds.

Question 2: Do organisational leaders demonstrate less transparency during a turnaround event?

**Proposition 2: Leaders tend to be less transparent during an organisational turnaround event.**

By, Burnes, & Oswick (2012); Cangemi et al. (2011); Kamisan & King (2013); Dinh, Lord, Gardner, Meuser, Liden & Hu (2013); Cameron (2008); Berson and Avolio (2004); and Lee et al. (2010), all promote transparency as an important leadership characteristic to enable trust and organisational alignment with regard to change imperatives. On the other hand, Boyd (2011); Schmitt & Raisch (2013); and Abebe, Angriawan, & Yanxin Liu (2011), suggest that due to the uncertain nature of turnarounds, leaders tend to become anxious about their future state in the organisation. Eisenberg and Witten (1987) view is that high levels of transparency is not encouraged. Proposition 2 aims to conclude whether transparency is compromised as a result of leaders concerns for themselves.

Question 3: Do organisational leaders intensify their assertiveness during a turnaround event?

**Proposition 3: Leaders tend to intensify their assertiveness during an organisational turnaround event.**

Vakola (2013), Appelbaum et al. (2008); Hallinger (2011); Hofer (1980); Ul Hassan, Shah, Zaman, Ikramullah, & Ali Shah (2011); Cameron (2008); Olsen (2010); and Oreg

and Berson (2011), Ames (2009); Bhatti et al. (2012); and Rast et al. (2013) suggest leaders typically assume an assertive and autocratic stance during critical change imperatives, such as turnarounds. As a result, leaders tend to increase their dimensions of control with regard to several business facets.

### **3.2 Summary and conclusions**

The research question and supporting propositions are articulated in a specific and unambiguous fashion. The research questions have to be stimulating and pertinent to the participants to gain their interest and support (Darke, Shanks, & Broadbent, 1998). This cues the reader to the direction of the study and helps delineate the scope of the study. The research questions and propositions are formulated by means of core constructs from the literature review, together with the overall intent of this study. Extensive review of the available literature enabled a fine grained research question to be developed. Core elements include communication, transparency and control. The outcomes of the research will either validate or dismiss the propositions and, thereby, establish baseline research for leadership relationship approaches during turnarounds. The research methodology to achieve these outcomes is elaborated on in the following chapter.

## CHAPTER 4: RESEARCH METHODOLOGY

This research effort attempted to construct a sound and robust study to address the research question, meet the research objectives and contribute to the identified research problem. This was achieved through the development and execution of the research methodology outlined in this chapter. The research methodology is the synthesis of the research study. According to Yin (2013), the methodology is a logical structure that connects empirical data with the research questions and ultimately to its conclusions. Yin (2013) regards the research methodology as the blueprint of the study, dealing with four research areas: what questions to study, what data is relevant, what data should be collected and how to analyse the results (Yin, 2013). The key purpose of the research methodology is to make certain the evidence addresses the research problem. This chapter details the method of the study; the principles utilised for data collection and analysis, and demonstrate how the results of the data analysis process were tested against the literature and research propositions.

### 4.1 Introduction

The research study methodology is crucial for the development of an effective plan to meet the short- and long-term goals of the study (Saunders & Lewis, 2012). This research methodology set out to advance the mechanisms required to address the core objectives of this study, which is to address the research questions, realise the research objective and address the overall research problem. The selection of the most effective research methodology was critical to meet these goals.

The research propositions featured in Chapter Three served as the basis of the research design and methodology. The propositions focused the data collection of the study and determined the course and scope of the study (Bailey, 2014; Yin, 2013). The research question set out to determine behavioural aspects of a turnaround leader. Together with this, and the probing nature of the research question and supporting propositions, a qualitative empirical study in the form of a descriptive case study was considered as an appropriate research method.

### 4.2 Research methodology

Braun and Clarke (2013, Chapter 1) argue qualitative research closely resembles real life as the data analysis is not conducted in isolation but in the context of a scenario. It is further stated qualitative research is based on analysis of words and responses and is not just an analysis of numbers. Braun and Clark (2013, Chapter 1) assert



qualitative research is, “rich, exciting, and challenging in lots of ways; it captures the complexity, mess and contradiction that characterises the real world, yet allows us to make sense of patterns of meaning” (p. 10). In addition, Marshall (1996) offers the following: “qualitative studies aim to provide illumination and understanding of complex psychosocial issues and are most useful for answering humanistic questions”, (p. 522).

Several studies depicting turnaround research also make reference to the use of case studies to explore leadership and turnaround phenomena experienced during turnarounds or influencing the outcomes of turnaround. A case study design is defined as “a research strategy which involves the investigation of a particular contemporary topic which is real-life context, using multiple sources of evidence” (p. 116). In addition, case study research design assists in addressing research questions that are explanatory in nature. The case study approach allowed the researcher to thoroughly investigate and penetrate complex topics and interactions that would have normally be difficult to quantitatively assess. Appelbaum et al. (2008) state “the objective of a case study is to provide a pragmatic approach to dealing with transformational change, particularly the role and responsibility of leadership” (p. 21).

The advantage of the case study design is it enables the researcher to determine a deeper understanding of the context of the research and the related forces within that context. Gibbert and Ruigrok (2010) state case studies have provided some of the most pioneering leadership and management acumens (Gibbert and Ruigrok, 2010).

### **4.3 Research instrument**

It was established that a qualitative empirical study in the form of a descriptive case study is the most appropriate research method for this particular study. The specific research instrument adopted for this study looks at a single holistic case study. The rationale for the approach was based on the fact the research study focuses on research subjects belonging to a single environment with no sub-units involved. This enables rich analysis of the data which serves to better illuminate the case. Furthermore, the interpretation and analysis of data occurs at overall level of the unit of analysis and does not feature any sub-sets of data and analysis thereof (Baxter & Jack, 2008).

Braun and Clarke (2013, Chapter 1) offer the argument qualitative research closely resembles real life as the data collection method is more natural, hence the decision to conduct face-to-face interviews rather than distributing the questionnaires

electronically. Bailey (2014) indicates in-depth interviewing serves as the mechanism to explore the unique aspects of the case.

As such, case studies allow for interviews with constituents of the unit of analysis to be conducted during which direct observation of these individuals occurred. Interviews, as a result of case study research, is used to represent the collective knowledge of the group, organisational, social and political phenomena observed (Yin, 2013). Semi-structured in-depth interviews allowed for an in-depth study of the characteristics surrounding relationship approaches of turnaround leaders and attempted to reveal as many insights as possible from within the identified unit of analysis.

#### **4.4 Sample population**

The population is the entire pool from which a statistical sample is drawn. Saunders and Lewis (2012) refer to the population as the “complete set of group members” (p. 132). The population of the study was confirmed to be the leadership team of the particular organisation. The organisation’s leaders were defined as the personnel responsible to lead or manage a strategic core function within the selected organisation. The sample population assumed a more specific definition and were derived from the organisation’s entire pool of leaders, as any leader currently exposed to the turnaround efforts at the particular organisation. This comprised of general managers responsible for business units with several interrelated teams. Heads of departments were responsible for specific purpose teams and typically reported to general managers or the CEO in the case of support functions. The selection of leaders cut across all core and a few support business functions. Core business functions included operations (across three areas) and the sales and marketing functions. Support business functions included the human resources and information systems functions.

As per agreement with the organisation to conduct this research, the name of the organisation, together with the names of the interviewees, is confidential. Appendix C provides a schematic of the organisational levels across which interviews were conducted, drawing context to the seniority of organisational leaders that participated in this study.

#### **4.5 Unit of analysis**

Determining the unit of analysis is a crucial step in the research design as assists in identifying the areas on which to concentrate on during data gathering. By definition

the unit of analysis refers to the level of abstraction at which variability is measured. Typically, the unit of analysis is the 'who' or 'what' that is being studied. For behavioural studies the most common unit of analysis are the individuals (Baxter & Jack, 2008). Braun and Clark (2013, Chapter 1) state a case study should only determine evidence from the unit of analysis. Saunders and Lewis (2012) also recommend the unit of analysis is a convenient choice and is accessible.

The context for this study was organisational turnarounds with the three research propositions serving as the variables of the study. The intent of the case study was to determine the degree of contrast, or convergence, of these variables based on the empirical evidence gathered from the turnaround leaders. The unit of analysis was thus the account and experiences of leaders responsible for spearheading the turnaround effort at the particular organisation.

#### **4.6 Sampling method and size**

Sampling strategies encompasses two types: probability and non-probability. The primary difference is probability sampling involves random sampling, whereas non-probability sampling involves non-random sampling. Marshall (1996) indicates there are three possible approaches to sampling in qualitative research, namely, convenience sampling, judgement sampling and theoretical sampling. Further research by Mack, Woodsong, Macqueen, Guest and Namey (2005) suggest the most commonly used sample techniques in qualitative research include purposive sampling, also known as judgement sampling, quote sampling and snowball sampling. These sampling methods are non-probability sampling techniques, which by its nature involves non-random sampling. Non-probability sampling has the tendency to increase researcher bias, which was noted as a limitation of these sampling methods.

This study made use of the non-probability methods of judgement sampling and snowball sampling in the form of referral sampling. Judgement sampling is a technique where the researcher selects sample elements based on their knowledge and professional judgement to actively select the most productive sample to answer the research question (Marshall, 1996). Judgement sampling and quota sampling are similar as they both identify samples on selected criteria, yet quota sampling is more specific to size and proportions of subsamples (Mack, Woodsong, McQueen, Guest, & Namey, 2005). Specific size and proportions of sub-samples were not applicable in this study and, as such, judgement sampling was more suited to determine the sample participants. Sample units were hand-picked from the sample population based on the researcher's knowledge and experience within the organisation. The functional level of

the organisation's leaders was the unique criterion used to select subjects for this study. Organisational members belonging to the executive and senior leadership teams were considered for this study.

Following the identification of the sample subjects, through judgement sampling, subsequent participants were recommended and selected as credible subjects for the study. This is a classic representation of snowball sampling. Mack et al. (2005) refer to snowballing as chain referral sampling and it is considered a form of judgement sampling.

Marshall (1996) indicates sample sizes for case studies are normally small as a result of the study's distinct characteristics of interest. Furthermore, case study research is not based on generalisation as in quantitative research, but based on in-depth subject analysis. Marshall (1996) suggests an appropriate sample size for a qualitative study is one that adequately answers the research question. The sample size of 15 was utilised in this study to achieve in-depth subject analysis in support of addressing the research question.

#### **4.7 Data collection**

A semi-structured interview questionnaire was developed as a standard template to collect the primary data. The interview questionnaire was designed to connect the research propositions in support of the overarching research problem and to shape the outcomes of the interview to achieve a beneficial response. The interview questionnaire is contained in Appendix B.

"In a semi-structured interview, questions are planned, but they are not necessarily asked in the same order as they are listed. The development of the conversation in the interview can decide which order the different questions are handled, and the researcher can use the list of questions to be certain that all questions are handled" (Runeson & Höst, 2009, p. 145). The semi-structured interview approach was adopted to allow for improvisation and further examination based on the subject's responses. The aim behind this approach was to also allow a conversational feel to prevail rather than the tone of a formal interview process. Furthermore, it was the researcher's intent to create a cordial atmosphere and allow the study subjects to spontaneously offer insights and reveal personal motives, feelings and approaches. Interview questions contained open-ended questions deliberately designed to delve deeply into the unique feature of interest and elicit responses from the study subjects. Careful consideration was taken not to make the interview questions too rigid.

The interviews comprised of open ended questions aligned to the research propositions of this study. The initial part of the questionnaire was designed to collect information related to the organisation's demography. Due to the nature of this section, these were closed-ended questions.

The questionnaire explores dimensions related to the research propositions themed primarily on levels of communication, levels of transparency and intensity of control and assertiveness demonstrated by the leaders during a turnaround event. These dimensions were arranged in respective sections of the questionnaire. Questions related to levels of communication were covered under choices of communication channel, communication strategies adopted, clarity of messages, and the depth of communication within the organisation. Questions related to levels of transparency explored the levels of trust within the team, consistency of the information shared, and alignment, and questions were used to explore the level of the leader's openness in various forms. With regard to assertiveness, questions were framed along the lines of autocratic and democratic leadership styles, the degree of centralisation and, the levels of authority imposed. The interview questions were comprehensively framed within the context of the turnaround event currently ongoing within the organisation.

Interviews were conducted with key personnel responsible for leading strategic turnaround activities in their area of responsibility. The objective of interviewing 15 participants in person was fulfilled. The duration of the interviews was approximately 60 minutes per interview. Due to ethical considerations, audio recordings of the interviews did not take place. Interview responses were written down as the interview progressed. This arrangement was discussed with interviewee prior to the commencement of the interview.

#### **4.8 Data analysis**

Like a number of authors, Darke, Shanks and Broadbent (1998) suggest in order to allow for some flexibility in the process, and to be open to new ideas in the event of new content emerging, data collection and data analysis should have some overlap (Darke et al., 1998). According to Yin (2013) the following process defines the steps required for data analysis.

**Figure 7: Process Steps Defining Data Analysis.**

Adapted from Yin (2013)



Literature pertaining to case study data analysis is limited yet the few sources available remain consistent. The intention behind this process is to comprehensively analyse the evidence gathered and reduce and/or eliminate any alternate interpretations (Yin, 2013). The above process served as a practical and systematic guide to analyse the evidence gathered.

According to Yin (2013), there are five techniques used for analysing case study data which is represented in the table below.

**Table 3: Techniques for qualitative data analysis**

Adapted from Yin (2013)

Techniques	Description
Pattern matching	Pattern matching compares evidence based patterns with pre-defined predictions or propositions. This technique is used to find similarities and differences with the gathered evidence and the research propositions. This results in the validation or rejection of the research propositions.
Explanation building	Explanation building attempts to offer contributing theories or explanations about particular occurrences. This technique is relevant to explanatory case studies. The essence of explanation building is to determine the underlying reasons of the findings from the evidence gathered. Through this process, causal links are gathered.
Time series analysis	Time series involves the comparison of a trend of evidence gathered to a pre-defined theoretical trend. This is typical used when analysing historical data with current findings. Typically this technique reveals developments of theories and causal relationships between past and current trends.
Logical model	Logical model techniques represent a complex chain of events that occurred over time in a systematic and logical fashion in order to reduce the complexity. This is done to show recurring cause and effect relationships. This technique can be utilised at an individual or an organisational level.
Cross case synthesis	Cross case synthesis refers to pattern matching using word tables. This technique assists in comparing similarities and differences in

	observations and processes. This technique is used for multiple case study analysis and helps understand how relationships exist among these cases.
--	---

Essentially these techniques represent the five broad techniques available and assist in guiding the research study conclusions (Yin, 2013). From the above, pattern matching was the primary technique adopted to analyse the data for this study. The rationale for this approach is that the nature of this study takes the form of a single holistic case study and as such this represents a simple case study. The remaining techniques are to be used to address more complex and multiple case studies. However, elements from the explanation building and time series techniques will be used to offer a richer and more insightful description of the results.

Prior to embarking on utilising the data analysis technique, data coding was essential to refine the interpretations of the interview. Coding is essentially a system of organising and sorting data. Coding is a systematic process and allowed the researcher to firmly understand the essence of what was trying to be conveyed and represented. This is achieved by assigning meaningful labels to emergent and recurring themes, thereby classifying them into groups. The coding process was iterative to allow for the refinement of the evidence. This enabled patterns and consistencies in the data to emerge (Saldana, 2009).

Due to ethical considerations, audio recording of the interviews was not possible. Comprehensive interview notes were taken and later transcribed to electronic format. The electronic copies of the interview transcripts were then read and examined to determine the initial list of high level emergent themes. Thereafter, a manual grouping was undertaken to determine the number of responses for the high level emergent themes and to identify further themes. This resulted in a definitive number of themes being concluded. The individual interview responses were then coded based on the information contained within each theme. This was conducted through the use of computer software programme Atlas.ti Version 7. These codes identified common and differentiating elements within the emerging themes. The research results presented in Chapter Five of this study were based on the emerging themes and demonstrate extent of the results through the number of common codes. Appendix A illustrates the outcome of the ranked coded data analysis. This represents the content analysis techniques resulting in the emergence of themes based on commonalities and frequency of responses. The graphic contained in Appendix A presents the number of coded data responses per assigned code across the 15 interviewees and the percentage of interviewees who offered responses for each assigned code.

Codes were clustered according to emerging themes and these themes were then validated or refuted against the research propositions, together with the theory presented in Chapter Two. These results are discussed in Chapter Six of this study. The resultant conclusions based on these results are presented in Chapter Seven.

#### **4.9 Ethical considerations**

This research study focused on a listed entity. In order to preserve the public and business interests of the organisation, anonymity of the organisation and the interviewees is essential. This preliminary decision had no influence on the analysis and outcomes of the results. A list of the interviewee job functions is included to provide context of the interviewees and their responses. All material concerned with the interviews remain secure and confidential.

#### **4.10 Research limitations**

In line with the detailed research methodology, limitations pertaining to this approach existed. By definition case study research lacks objectivity, is not thorough and outcomes can be general. However case study research is credited with being more suited to deal with contemporary phenomena within real-life context (Yin, 2013). This particular case study focused on a single organisation and relies on multiple sources of data from the list of interviewees.

According to Saunders and Lewis (2012) data collection for case study research is generally done through “a combination of interviews, observation and documentary analysis as well as questionnaires” (p. 117). In addition, Yin (2013) quoted six sources of evidence, namely, documents, archival records, interviews, direct observation, participant observation and physical artefacts. Evidence from various applicable sources has to be consolidated to determine emergent themes and patterns. This particular research study made use of just one data gathering technique; semi-structured interviews. As such, there was no opportunity for data triangulation as there were no other applicable sources of evidence, suited to the nature of this study.

Saunders and Lewis (2012) encourage the use of multiple case studies, but this recommendation was not feasible, as this particular study focused on one organisation. The decision was to limit this case study to a single organisation due to the nature of turnarounds and the fact the researcher had access to the senior executives at this



particular organisation as opposed to other organisations. The views of the interviewees may be biased due to the common environment and culture.

#### **4.11 Summary and conclusions**

This chapter outlines the research methodology to address this research study. The nature of the research questions determined in Chapter Three served as the basis for selecting the particular research design. Decisions regarding the choice of a single holistic case study as the research instrument, the unit of analysis and data collection and analysis were substantiated. The data gathering and analysis processes were elaborated on. Research limitations were identified and presented in order to provide a view on potential errors. This chapter presents the research strategy and execution for this study. From this, a set of detailed results was achieved and is presented in the following chapter.

## CHAPTER 5: PRESENTATION OF RESULTS

Key observations from the interviews are presented within the context of the research question and propositions. Open-ended questions were presented during the interview process in order to solicit comprehensive responses and uncover first-hand insights. The interviews were conducted over a period of seven weeks based on the availability of the interviewees. Data was gathered and analysed according to the identified process outlined in the previous chapter.

### 5.1 Introduction

The presentation of the results follows the layout of the research propositions in Chapter Three. The relevant research propositions and emergent themes containing key outcomes are contained within clusters. Following the analysis of the results, six major clusters were evident. The research results are presented across six clusters, according to principle research findings, associated with the core focus of this study, supplementary findings and other research findings. Eight emergent themes grouped in three major clusters aligned to the research proposition will be used to support the principle research findings.

Data analysis was conducted on the transcribed interview responses using inductive content analysis. The manual and software-based coding led to concrete emergent themes being developed, underpinned by a comprehensive quotation database. A detailed analysis of the coded data ensued to determine frequency and relationships of emergent themes. Themes with minimal responses were excluded from the ones presented in this chapter. The presentation of the analysis contains quotations from 15 interview transcripts out of which 21 themes materialised. A description of the emergent themes is presented and will include the percentage of respondents and total number of responses per theme.

### 5.2 Descriptive analysis of interviewees

The following analysis provides an in-depth view of the leader's level in the organisation, incumbency, span of control and core function responsibilities. These dimensions highlight the level of seniority of the organisational leaders and showcase the leaders as reliable sources thereby confirming the credibility of the results. It must be noted these dimensions were not used to select any of the sample units. The function of the interviewees, together with analysis on incumbency and span of control,

is provided in order to contextualise the seniority of the respondents. Table 3 contains a list of the interviewees.

**Table 4: List of personnel interviewed for data gathering**

List of Interviewees	Job Role
Interviewee 1	Chief Transformation Officer
Interviewee 2	General Manager: Sales and Marketing
Interviewee 3	General Manager: Operations (Heavy Industry)
Interviewee 4	General Manager: Human Resources
Interviewee 5	Business Manager - Market and Business Development
Interviewee 6	CEO (Acting) (former General Manager Operations)
Interviewee 7	Senior Transformation Manager
Interviewee 8	General Manager: Operations (Light Industry)
Interviewee 9	Head of Sales
Interviewee 10	General Manager: Emerging Africa
Interviewee 11	Head of Supply Chain
Interviewee 12	Head of Production
Interviewee 13	General Manager: Regional Business Unit
Interviewee 14	Head of Marketing
Interviewee 15	General Manager: Information Technology

Appendix C provides an organogram highlighting the reporting structure of the above mentioned interviewees. These individual responses are extremely valuable as they are responsible for setting the tone and direction of the turnaround event, which has significant influence on the research propositions.

**Figure 8: Number of Observations per Management Level**

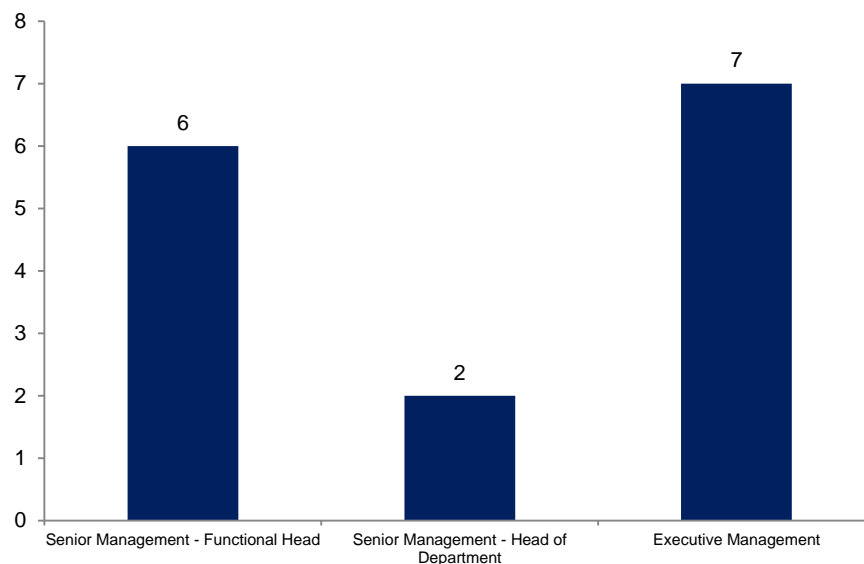
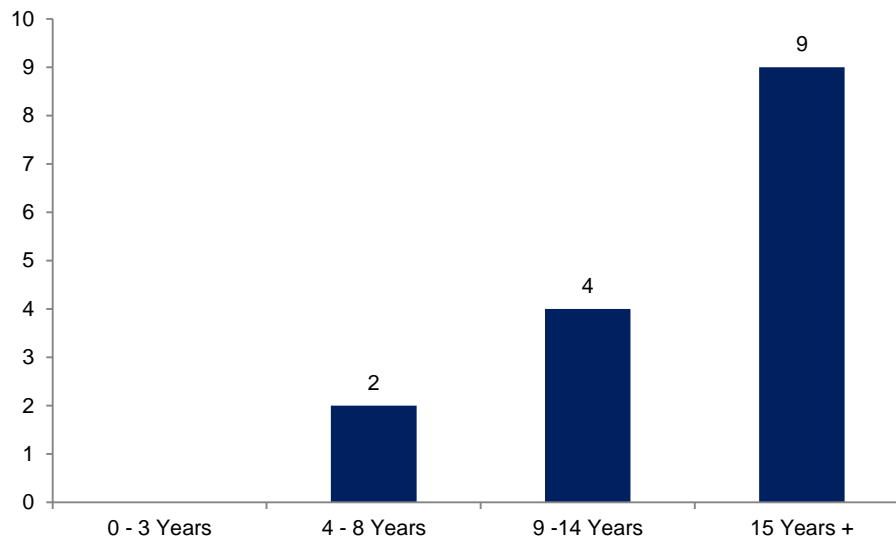


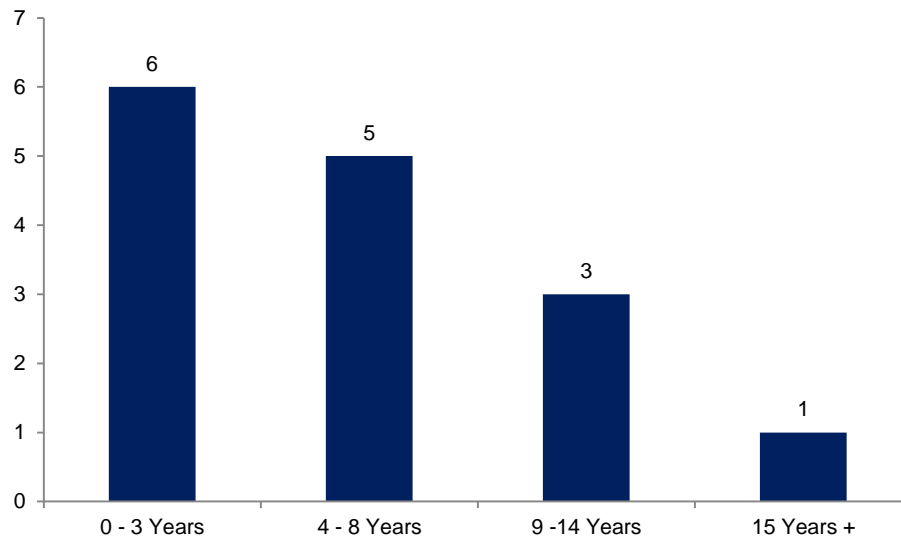
Figure 8 demonstrates the number of observations per management level for the total pool of interviewees. The majority of respondents serve as members of the executive management team and include the former acting CEO and his direct reports. The six functional heads interviewed report into the general managers and are responsible for large scale departments within the core functions of the organisation.

**Figure 9: Number of Observations Related to Total Years of Service**



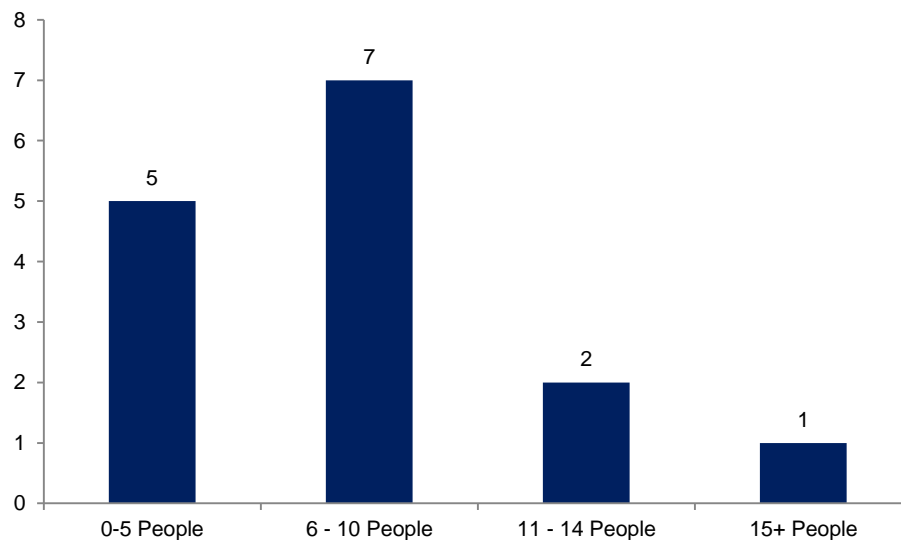
More than half of the interviewees were employed in the organisation for 15 years or more, which confirmed the depth of their experience and affirmed their intimate knowledge of the organisation. As such, their responses were calibrated with the political and business acumen of the company selected for this study. Nine out of 15 respondents are firmly established in the organisation, having in excess of 15 years of service. This validates the vast experience of the respondents.

**Figure 10: Number of Observations Related to the Years of Service in the Current Role**



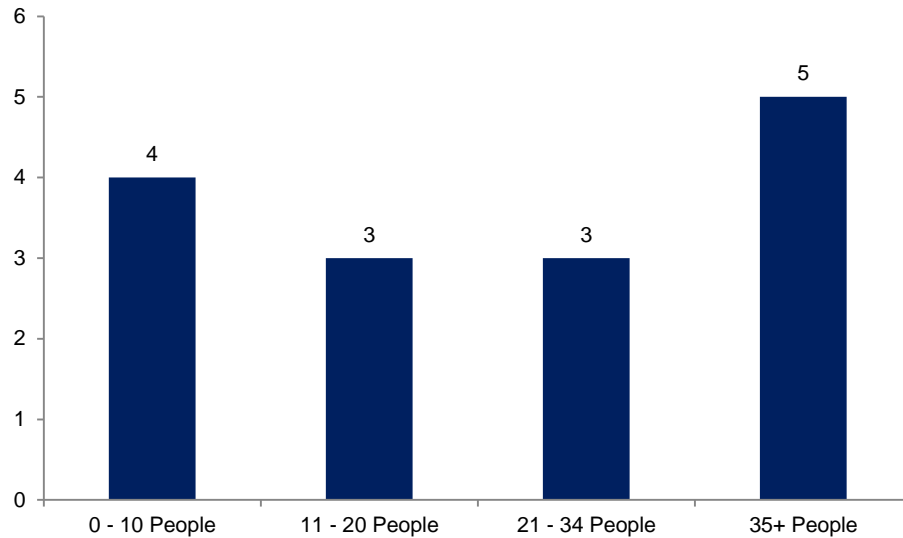
The leader's experience in their current roles varied with several serving for less than three years. This suggests these six leaders possess basic on-the-job experience in their current roles. This can induce response biasness from these six leaders. The remaining nine respondents have over four years of experience in their current roles, thereby reinforcing their intimate knowledge of the organisation and the functions for which they are responsible.

**Figure 11: Number of Observations Regarding Direct Reports**



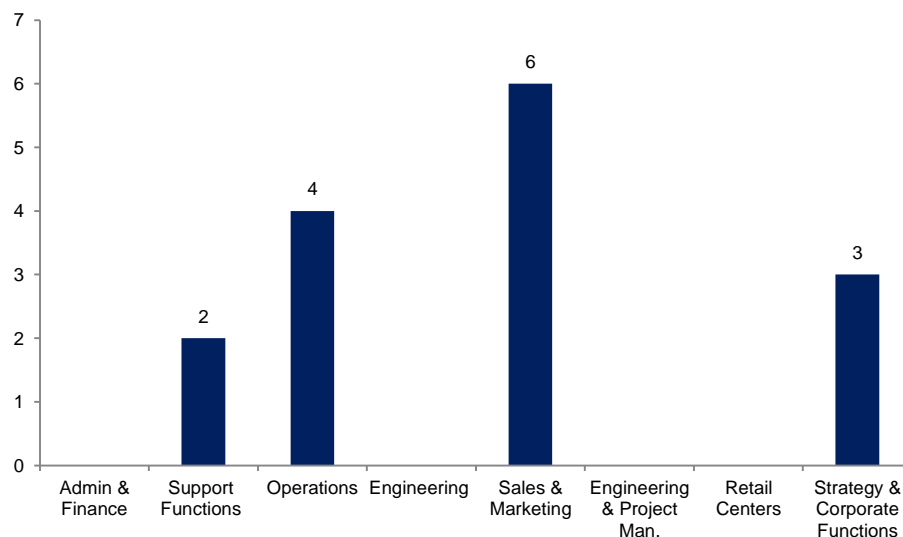
Most respondents have fairly concentrated teams with 12 of the 15 respondents having 10 or less direct reports. Of these 12, five respondents have five or less direct reports. This would suggest it would be easier to manage these teams due to reduced complexity.

**Figure 12: Number of Observations Regarding Total Departmental Headcount**



The total departmental headcount provides an illustration of the span of control for the respondents. Leaders interviewed have varied span of control based on the number of direct reports and the total number of people in their functions. This provides a good representation of leaders across the varied span of control. The five respondents with greater than 35 employees in their function serve as core functions of the organisation, namely Sales & Marketing, Operations and Emerging Africa.

**Figure 13: Number of Observations Related to Organisational Functions**



Most respondents belonged to the Operations function and the Sales & Marketing function. Generally these functions account for the majority of employees across the various organisational levels. These functions consequently have an increased level of complexity compared to other organisational functions. This also ensures interviewee responses included a spectrum of leadership approaches, namely, leadership interactions ranging from senior organisational levels to the coalface.

## 5.3 Research outcomes

Based on the analysis of the data coding outcomes, 21 emergent themes were identified. A ranked summary of these themes is contained in Appendix A. The criteria to select these themes included the percentage of respondents and the number of responses per theme which resulted in comprehensiveness of the results. High impact excerpt responses, underpinning each theme, will be presented. The remaining themes were grouped, based on similarity and context, to represent an additional three major clusters. The supporting quotations are not exclusive to each theme, and feature as overlaps in several themes.

### 5.3.1 Principal research findings

The following research findings are applied to establish the results of the study, which will be to confirm or refute the research propositions, thereby addressing the research question:

**What are the relationship approaches of leaders during an organisational turnaround?**

#### 5.3.1.1 Cluster 1: Communication

**Research Proposition 1:** Leader's disposition during an organisational turnaround event is to be less communicative.

The following themes are concerned with level of communication and the communication methodologies demonstrated and experienced by turnaround leaders. These themes will be used to corroborate Research Proposition 1.

**Emergent Themes:** High level of communication  
Communication tactics; and  
High level of feedback

#### **Theme 1: High levels of communication**

**Description:** High levels of communication refer to active and avid communication as demonstrated by leaders. High levels of communication include frequent formal and informal communication, active listening and feedback provided to the organisation and

regular updates through several communication channels. High levels of communication bring about reinforcement of key messages and alignment.

Percentage of respondents = 100%

Total number of responses = 107

**Observations:** It emerged that turnaround leaders actively participate in communicating with employees. High levels of communication ranked third overall in terms of the number of responses. All respondents contributed to this theme. The evidence presented suggests turnaround leaders embrace active employee communications and concur information sharing aids the course of the turnaround event.

- *“I tend to communicate openly with my team and set the record straight from the word go”*
- *“Communication is very active in this phase”*
- *“The more people know, the better are the results”*
- *“Communication at any junction is critical”*
- *“We had frequent and in depth conversations with our employees at the very beginning of the turnaround”*
- *“Early communications set the background and imperatives and tend to be broad-based”*
- *“I think once the intent was made clear, I maintained communications with everyone and told them when things were changing so that no-one is surprised”*
- *“I make mention of all the pertinent plans and the reasons behind them. If you convince people of why you are trying to achieve these plans, then they are happy to support this”*
- *“At the early stages of turnaround, I tell everyone everything as we can use this to improve our performance”*
- *“Everyone in my team rather hear what is going on from me than others”*
- *“At the beginning it was like a beaten drum as we had to ensure an understanding of what we wanted to achieve and bring about the change”*
- *“It is also important to keep people informed with current information and on board with what is going on with them all the time”*

Turnaround leaders have an open door policy and are prepared to hold direct and interactive discussions involving pertinent content with employees.



- *“I am always ready to talk to someone who wants to come up to me and chat and make everyone’s voice heard”*
- *“In a team environment, encourage openness and direct conversations. People sometimes need to hear a rational reason for the change to help them come to terms with the change”*
- *“...there is a degree of what should be said and what not; I do not bother with this and say everything”*
- *“I have always been open with my teams over the years and this situation will not change that. I believe it is important to be consistent and people develop trust in you. I cannot compromise my position during the turnaround and expect my relationships to be the same afterwards. The turnaround varies with intensity and I will let people know about occurrences as soon as I do”*
- *“I have an open door policy and maintain open communication. I encourage others to talk openly and believe I am an active listener. I attempt to kill rumours quickly and address anything that may be bothering someone”*

The analysis suggests communication is a fundamental instrument to ensure alignment, engagement and orientation.

- *“The constant communication removes all confusion and everyone will eventually understand”*
- *“Communication, alignment and constant follow ups”*
- *“There are several meetings to ensure alignment and progress”*
- *“We identified and communicate the challenges, anticipated what will happen and make sure there are no surprises”*
- *“The organisation received succinct quality information as opposed to general communication. The organisation knew what the company was going to do and how each and every person will be affected”*
- *“The initial communication set the tone for this turnaround and made certain everyone knew what the business imperative was. We made use of defined upfront communication to set the record straight and it was abundantly clear that the company was not going to change their minds. We also based everything on truthful information”*
- *“Alignment can only be achieved through a significant amount of talking and healthy level of communication”*
- *“I start addressing confusion from day one. Confusion is always an integral part of the business. I identify individuals in my team that have a level of tolerance to deal with this and those that do not. I assess the impacts and take a decision based on*

*this. I also identify and manage the risk associated with this. Generally communicating helps with this”*

- *“We typically have informal meetings. Our meetings are more of a discussion type forum. This allows people to be speculative in an open forum. Should this speculation be off track we can align with the global message that everyone is meant to receive and understand. This is especially the case when people are not privy to information and I try to make sure that they are”*

Respondents indicated communication is not only avid but also frequent and instantaneous.

- *“You will see that I tend to communicate extensively and to a large audience”*
- *“Most of the time I tend to communicate with my team as soon as possible to avoid losing any valuable content of the message”*
- *“I tell my team what is going on as soon as information is made available”*
- *“I say everything as people need information to make informed plans”*

## **Theme 2: Communication tactics**

**Description:** Communication tactics refers to communication techniques and methodologies utilised by the leader to deliver critical turnaround communication messages to the organisation. These deliberate methods and techniques are used to achieve a plethora of desired outcomes. By way of example, these desired outcomes in turnarounds could be high motivation, employee engagement, alignment and high morale.

Percentage of respondents = 87%

Total number of responses = 68

**Observations:** Turnaround leaders make use of similar communication methods to deliver turnaround content. Respondents suggested different communication methods are used to cascade communication from top management across all organisational levels.

Predominant communication methods used by turnaround leaders include verbal communication through meetings, telephone and video conferences.

- *“I provide feedback in meetings and seldom engage in teleconferences”*

- *“We typically make use of management meetings and other face-to-face meetings”*
- *“Verbal communication works best for me”*
- *“I have regular meetings with my team, teleconferences with those not located in Gauteng. We have regular green area meetings and shop talks as well. If there is a formal plan, we have to engage with the unions first and then talk to our staff. This is very structured and done over a period of time. All communication related to turnaround is face-to-face”*
- *“I tend to make use of discussions, face-to-face meetings and just general chatting. I steer clear away from electronic forums such as emails as this creates confusion and debate. I do use the slide packs distributed for our info”*
- *“I certainly do not use email. Emails dilute messages. All communication is face to face. It is a dialogue and not one way communication. This helps to gain clarity and feedback from the audience or individual. I can then take the message back to the leadership team and articulate it better”*

Other means of communicating important turnaround content include the use of communication packs in the form of presentations, emails and the use of generic messages to ensure communication reaches a wide spread audience.

- *“We then share presentations and plans with this team through minutes of meetings and email”*
- *“For the larger organisational audience, we use the general email distribution address to share the message with all”*
- *“We tend to develop tailor-made communication packs with the help of our HR department for the specific departments”*
- *“We tend discuss our plans with the CEO and get agreement. We have an executive management meeting and this is shared with all senior leaders. We then share presentations and plans with this team through minutes of meetings and email. For the larger organisational audience, we use the general email distribution address to share the message with all. These emails include highlights of the turnaround, any progress must yet it is mostly done to cajole the team in executing their plans quicker”*
- *“If need be I reinforce the message in an email”*
- *“We made use of several communication instruments though we had face to face meetings with our senior leadership team and encourage them to do the same with their teams”*
- *“Emails were mostly used for broadcast messages. We had a weekly call with the implementers”*

- *“Usually multi-channel including general announcements, team/departmental briefings, one-on-one discussion with leaders and town hall sessions”*
- *“I made use of video conferences, teleconferences, electronic methods and face to face meetings”*
- *“It makes sense to make use of the communication packs offered by the Transformation team, we have meetings and teleconferences to make sure that everyone knows what is going on”*

Through various communication approaches and mediums, turnaround leaders attempt to ensure consistent content, alignment, employee engagement and, most importantly rapid change.

- *“We communicate with specific and general messages at the start of the turnaround after all our planning as we need to stop the bleeding as soon as possible”*
- *“I made use of all the packs developed by the executive management team and the communications department. This was to ensure that everyone received the same information and there were no disparities amongst departments”*

### **Theme 3: High levels of feedback**

**Description:** High levels of feedback from the organisation refer to the participation and engagement of the organisation with regard to the turnaround communications and strategies discussed with them. This provides a view on the degree of two-way communication experienced in the organisation. This theme also stems from responses from leaders and will provide a view on their dimension of control and assertiveness in their teams.

Percentage of respondents = 73%

Total number of responses = 32

**Observations:** Turnaround leaders experience and invite feedback from their teams. Feedback is offered by the staff during consultation processes and when the organisation is being communicated to.

The organisation’s ability to provide feedback is reinforced through the open door policy exhibited by turnaround leaders.

- *“During formal consultation processes, personnel are encouraged to provide alternatives to assist with the challenges”*

- *“An important pre-requisite of feedback is that it should not be judgemental, the recipients must understand it, and they must be able to accept it and, importantly, they must be able to do something with it”*
- *“I have an open door policy and maintain open communication. I encourage others to talk openly and believe I am an active listener. I attempt to kill rumours quickly and address anything that may be bothering someone”*
- *“I ask for their opinions. I ask for suggestions. I am certain that our efforts are a collective effort and I provide evidence on why we should adopt any particular suggestion”*

Turnaround leaders underscore the importance of feedback as critical in refining and aligning turnaround plans.

- *“Feedback is the only means of determining whether our plans are working or not and the more feedback we have, the more informed we are”*
- *“Feedback is critical to ensure progress and also to determine if the correct measures are being adopted and undertaken”*
- *“I would also allow for some discussion post the broadcast; this is an important barometer to assess what messages were received and heard and an opportunity to get first hand reactions”*
- *“It is important to constantly receive feedback as this helps the next steps of the plans unfold”*
- *“Our people are close to the action and realise they can save their jobs by offering suggestions and ways to improve the business”*
- *“Through consistent meetings and obtaining feedback from the staff to ensure alignment and we are doing what is expected from us”*
- *“I use other people’s feedback as a dip stick to sense what is going on and then decide on my course of action”*

Evidence of soliciting and receiving feedback suggests there is a degree of two-way communication between the turnaround leaders and the organisation’s employees.

- *“As the turnaround progresses, plans become more specific and this is when I tend to seek more information from my team and communicate with them about what is going on”*
- *“We talk often as a team and on individual basis and I check for consistency and alignment”*

- *“...all communication is face-to-face. It is a dialogue and not one way communication. This helps to gain clarity and feedback from the audience or individual. I can then take the message back to the leadership team and articulate it better”*
- *“...I ask my team for their feedback and use this as a sounding board. I am seen as sincere as historically I was never dishonest with my team”*

### 5.3.1.2 Cluster 2: Transparency

**Research Proposition 2:** Leaders tend to be less transparent during an organisational turnaround event.

The following themes are concerned with transparency and will be used to corroborate Research Proposition 2.

**Emergent Themes:** Evidence of transparency  
Lack of transparency

#### Theme 4: Evidence of transparency

**Description:** Evidence of transparency demonstrates if leaders set out to intentionally share information with the organisation. This also deals with the amount of information shared and the lack of hidden agendas or conditions. Transparent and open communication pertains to the availability of comprehensive information required for collaboration, cooperation and collective decision making.

Percentage of respondents = 93%

Total number of responses = 99

**Observations:** Leaders see transparency as important during turnarounds and demonstrate transparency during communications with their personnel. Respondents offered strong evidence transparent communications often transpires during information sessions and during informal discussions.

- *“I say things as they are”*
- *“This is a difficult period, granted, yet sugar coating the realities brought us to this situation and we now need to deal with it”*
- *“Most of the time I tend to communicate with my team as soon as possible to avoid losing any valuable content of the message”*

- *“We did not embargo any messages though we did leave out sensitive information that was relevant to specific people”*
- *“The initial communication set the tone for this turnaround and made certain everyone knew what the business imperative was. We made use of defined upfront communication to set the record straight and it was abundantly clear that the company was not going to change their minds. We also based everything on truthful information”*
- *“...subsequent messages are more explicit and often targeted at a narrower audience e.g. those affected. Detailed briefings with leadership team used during implementation”*
- *“Transparent communications regarding the objective and goals of the turnaround are important”*
- *“I have a culture of openness in my team and as such we talk about it”*
- *“I am much more transparent than most other leaders, perhaps too transparent. I show that I am genuine by telling what I know”*
- *“I had a genuine openness rather than say things for the sake of it”*
- *“I always say the truth and keep what I say factual”*
- *“It is also important to keep people informed with current information and on board with what is going on with them all the time”*

The general consensus is more knowledge and information transfer is favoured.

- *“The more people know, the better are the results”*
- *“I believe that this conversation is about raising their gaze and helping them focus on a positive and controllable locus. The worst you can do as a leader is sympathise with their circumstance; you miss the opportunity then to help them to move on”*
- *“...here is a degree of what should be said and what not; I do not bother with this and say everything”*
- *“People should know so that they can make their minds up as to what they will be doing about the situation”*
- *“At the early stages of turnaround, I tell everyone everything as we can use this to improve our performance”*
- *“I often say things that should have being spoken about especially if it has a positive effect on someone. Sensitive information is offered with discretion. I believe the more transparent I am, the more the team will be at ease”*

## Theme 5: Lack of transparency

**Description:** The lack of transparency refers to the deliberate intent and action to withhold information from the organisation. The information shared with the organisation's employees may be screened or possess a hidden agenda to purposefully manoeuvre the turnaround events towards a desired outcome.

Percentage of respondents = 67%

Total number of responses = 22

**Observations:** In some instances there exists a lack of transparency with regard to communications during turnarounds. Turnaround leaders opt to screen communication content depending on the organisational level being communicated to and the sensitivity of the information.

- *"This is a sensitive period and information to the general workforce is normal generic as we do not want strategic plans to leak to the public and markets"*
- *"Typically there is no protocol during this time yet there is sensitive information which I will decide on whether it is worth communicating to the team or not"*
- *"I say what is necessary and avoid reading too much into the material as this is when people become misled"*
- *"In terms of communicating upwards I feel that you have to create an opportunity and take responsibility to voice your concerns. I have done this with great hesitance"*
- *"Communicate only facts and what the organisation needs to know at the time"*
- *"The communication from the top is never clear and at times there was confusion"*
- *"Only tell them what I am told and only at times when I receive communication"*
- *"Sometimes there is sensitive information and we have to filter that as a lot of what we do has dealings with the unions"*
- *"I tend to discuss sensitive information with my direct reports and indicate to them what could be said and what not"*
- *"I want to ensure that people know enough yet also do not want a total breakdown in the workforce"*
- *"This is a phased approach and sometimes we all have our own agendas"*
- *"I tend not to share information that I know is going to change over time and only divulge what I am confident about. I want to comfortably know that the plans are consistent and then I tell my teams. I have cancelled our monthly meetings as the essence of this is lost with all that is going on. I am asked lots of questions and only*



*answer what I have concrete information about. All other questions, I evade. We have had lots of changes to plans and hence I only say things when I know for sure”*

- *“You get to know people and then can use this information to selectively communicate to others”*
- *“Certain messages arouse the wrong feelings and emotions within people. It’s best to keep these messages general and adjust nuances to suit the situation”*

### **5.3.1.3 Cluster 3: Control and assertiveness**

**Research Proposition 3:** Leaders tend to intensify their assertiveness during an organisational turnaround event.

The following themes are concerned with dimensions of control and assertiveness and will be used to corroborate Research Proposition 3.

**Emergent Themes:** Assumes control of the situation  
Displays intensified assertiveness; and  
Demonstrates assertiveness

#### **Theme 6: Assumes control of the situation**

**Description:** This theme refers to the leader’s dimension of control and explores the degree of authority on the situation. This theme examines the leader’s ability to influence and direct employee behaviour or the course of events of the turnaround. Assuming control of the situation also refers to a leader’s intent to determine the behaviour and supervise the execution of the turnaround.

Percentage of respondents = 100%

Total number of responses = 101

**Observations:** In an attempt to ensure swift and smooth execution of the turnaround implementation, leaders assume control of the turnaround plans. Leaders assert their authority on the situation by determining approaches to people, developing contingency plans in the wake of upsets and becoming more tactical during the turnaround.

- *“I am responsible for transforming the organisation”*
- *“The programme is closely managed and tracked actively due to the nature of turnarounds”*

- *“In this situation however, performance is critical and I am close to any big deals or strategic imperatives in order to ensure that they are on track and that any risks are mitigated”*
- *“I tend to manage my operations closely, operate in a safe regime and ensure a high level of customer service”*
- *“I tend to lead the conversation during this time and make certain that everyone understands”*
- *“If we felt that the challenges and confrontations were not going anywhere, then we did not encourage this further. This turnaround was about dealing with the 80 – 20 rule. We knew that the 20% of our plans had imperfections yet this did not deter us from our course”*
- *“...keep reinforcing the message and always be willing to listen even if it is unlikely that you will change your chosen course of action”*
- *“Direct and focused during this time since strategic and high level activity should have been completed ahead of the announcements/implementation”*
- *“I then make the call and decide on what’s best for the team and the turnaround”*
- *“I tend to deal with this swiftly in order to prevent further morale and performance issues amongst others”*
- *“Everyone is entitled to their opinion. If they offer any useful contribution, I must consider this and see it as beneficial. I will explore and offer feedback. If it detracts from the cause, then there is no further discussion”*

Respondents suggest turnaround leaders tend to take control of the situation in order to get things done.

- *“I tend to do some things on my own”*
- *“I am more hands on and tend to get involved with my staff as to how we manage plant upsets and the ways we will tackle them”*
- *“I was probably hands on when dealing with senior level personnel who challenged outcomes after being affected”*
- *“I tend to get involved with the overall execution and once that is in play for the company, I distance myself from the activity and monitor the outcomes”*
- *“I generally reign in more control as we have several sites across the country”*
- *“I am more direct during this time yet cognizant of the strategic direction. The strategic direction is our compass for the change. I am directly involved with the team to make decisions as quick as possible. If you are not direct, then you are perceived as not being in control. The organisation perceives you as floundering”*

*and thinks you do not know. You have to be more direct, to be seeing as having more control and this will ease the team”*

### **Theme 7: Displays intensified assertiveness**

**Descriptions:** Leaders who intensify their assertiveness tend to be dominating and possess supreme power over others. Intensified assertiveness leads to a domineering approach coupled with characteristics of autocratic leadership being displayed.

Percentage of respondents = 93%

Total number of responses = 49

**Observations:** Turnaround leaders leverage intensified assertiveness to bring about rapid results, align outcomes to plans and affirm the need for change. Intensified assertiveness is demonstrated during times of confusion, organisational resistance and fatigue in the organisation. Intensified assertiveness is also used to ensure progress with initiatives. It is suggested turnaround leaders intensify their control and assertiveness in order to bring about swifter action.

- *“It is important to closely manage the programme as any deviation must be corrected”*
- *“We had a very headstrong approach due to the upfront planning. In fact we were absolutely sure that this was the correct path for us and we made sure we articulated this”*
- *“If it does not, then my response becomes a function of my patience and I would be inclined to revert to a very A-style approach”*
- *“However, this is not joint decision making and so it is a consultative process”*
- *“Direct and focussed during this time since strategic and high level activity should have been completed ahead of the announcements/implementation”*
- *“I have to lead by example and roll up my sleeves and get involved with my team”*
- *“We mention the business imperatives during meetings especially over board meetings as we require local support to drive these initiatives. There is constant engagement with this topic to make sure the message is driven home”*
- *“If not, then I have to closely manage the affected programmes and ensure things get back on track. We cannot afford any slip ups and unnecessary attention on us”*
- *“The turnaround plans cannot be interrogated as it is developed by senior management. This is non-negotiable”*

- *“The approach from myself and colleagues is to maintain the same course of action and do as you are told”*
- *“I am definitely hands on and for a turnaround this is the first option! I am responsible to develop a strategy and tactical plan and roll out yet find that I have to be close to the action for larger customers and deals”*

### **Theme 8: Demonstrates assertiveness**

**Descriptions:** This theme determines if leaders possess the quality of being self-assured and confident without being aggressive. Assertive leaders tend to behave confidently and are bold in their approach. This is a mode of communication as it paves the way for alignment, yet being too assertive can result in a lack of engagement.

Percentage of respondents = 73%

Total number of responses = 27

**Observations:** Assertiveness is an important approach to turnaround leaders.

Leaders maintain the progress and course of the turnaround implementation plans by being assertive. Assertion is exercised when leaders are challenged and confronted. Leaders opt to be assertive to demonstrate intent and will. Being assertive creates a good balance between autocratic and passive leadership.

- *“I tend to lead the conversation during this time and make certain that everyone understands”*
- *“Our approach becomes aggressive and competitive”*
- *“We were very clear that we will not be changing anything and that there will be no exceptions”*
- *“As a leader, when decisions are made expect to be challenged/confronted but the decision has been made so stick to the script and the agreed reasoning why”*
- *“...keep reinforcing the message and always be willing to listen even if it is unlikely that you will change your chosen course of action”*
- *“Listen, consider and if required, modify/amend your decision but generally an assertive approach to maintaining the chosen course of action will generally pay dividends”*
- *“Direct and focussed during this time since strategic and high level activity should have been completed ahead of the announcements/implementation”*

- *“We can then deal with emotions afterwards”*
- *“I then make the call and decide on what’s best for the team and the turnaround”*
- *“I tend to listen. If I don’t have an answer then I don’t speculate. If it makes sense then great else I say it as it is and make certain that I am consistent. I can’t dream up a response to make someone feel good as this is a waste of time”*
- *“I have an open door policy and maintain open communication. I encourage others to talk openly and believe I am an active listener. I attempt to kill rumours quickly and address anything that may be bothering someone”*

### **5.3.2 Supplementary research findings**

The following research findings assist in establishing other turnaround leadership styles and behavioural approaches and can be used to further motivate the primary research findings. Similar emerging themes were grouped to form three additional clusters. These emerging themes featured strongly and could not be overlooked. It remains prudent to present the themes related to turnaround leadership styles and behavioural approaches. The remaining unrelated themes will be listed with a brief description.

#### **5.3.2.1 Cluster 4: Turnaround leadership aimed at desired objectives**

**Emergent Themes:**

- To ensure alignment
- To exhibit and achieve consistency
- Creating a sense of urgency
- Demonstrates empathy and care; and
- Limited empathy and care shown

#### **Theme 9: To ensure alignment**

**Description:** The alignment of strategies is important to ensure everyone is pulling in the same direction and there is momentum behind the intended change. Ensuring coherent alignment of results within the organisation by ensuring employees understand the relevance of their contributions. Everyone has an understanding of what is required to advance the organisation. This theme featured prominently suggesting turnaround leaders are sharply focused on taking action to ensure alignment.

Percentage of respondents = 100%

Total number of responses = 133

**Observations:** Ensuring alignment was the theme with the most number of responses. Turnaround leaders are acutely focused on establishing alignment across the organisation. Turnaround leaders tend to tailor their actions and speech to ensure alignment which mobilises the turnaround implementation plans. Alignment is seen as a strong leading indicator for change. Alignment is achieved through communication, knowledge transfer and addressing concerns and confusion. Turnaround leaders are wholly responsible for ensuring alignment among their teams.

- *“It is all about alignment and getting everyone on board”*
- *“There are several meetings to ensure alignment and progress”*
- *“We constantly have to align team members and provide context to make certain everyone understands why we are undertaking the turnaround”*
- *“As mentioned, we spent significant effort to align everyone to the new operating model and structure”*
- *“We have to limit this and deal with it to ensure we are all aligned and in support of what we want to achieve”*
- *“Communication, alignment and constant follow ups”*
- *“We had a framework and guiding principle set out before anything else and this was there to assist with elements such as trust, consistency and alignment”*
- *“Avoid long complex epistles where the key message is diluted or lost altogether”*
- *“Keep future ambiguity to a minimum and keep referring back to the why the change is necessary in the first place”*
- *“Alignment can only be achieved through a significant amount of talking and healthy level of communication”*
- *“All work we do is linked back to the strategy. We are always forced to align and there is more emphasis on turnaround. We have to use the fact that meeting the targets is critical for our survival”*

#### **Theme 10: To exhibit and achieve consistency**

**Description:** Demonstrating consistency demonstrates the leader’s intent and ability to deliver reliable and steady communication messages and plans to employees for whom the leader is responsible. This also refers to communication, behaviour and general approach that is in agreement with itself and is a consistent pattern of behaviour. Leaders are typically coherent and have a uniform approach in all dealing with employees.

Percentage of respondents = 100%

Total number of responses = 109

**Observations:** Turnaround leaders strive for consistency with their dealings and interactions within the organisation. Leaders focus on being consistent with regard to their communication and knowledge transfer. Consistency is said to limit confusion, bring about confidence regarding the organisation's turnaround approach and improve the organisation's efficacy to execute the turnaround plans.

- *"I insist on consistency on all levels and I myself try to maintain this with my communication on an individual basis"*
- *"I always maintain the same messages as I experience it"*
- *"I rely on the communication from the top and use the same message to provide communication to my team"*
- *"I do not stray from the presentations developed and make certain I convey the message that I hear and nothing else"*
- *"We used our framework and guiding principles to communicate processes and find the best way to ensure consistent messages. This was always in place (the guiding principles) which we stuck to which brought about consistency"*
- *"Employees valued the consistency and guiding principles"*
- *"When providing information, keep data fact based, do not speculate or guess, and do not indulge in conjecture or 'what might be'. Stick with 'what is'"*
- *"Communicate only facts and what the organisation needs to know at the time"*
- *"...I believe it is important to be consistent and people develop trust in you..."*
- *"People in my teams can validate the information I share with them with each other as my approach is consistent"*
- *"I generally follow up to ensure consistency in what we agreed to"*
- *"...this is limited by being open, providing consistent messages to all and making certain there is understanding"*
- *"It is thus important to remain consistent, provide timely feedback and communication and state the reality of the situation at all times"*

### **Theme 11: Creating a sense of urgency**

**Descriptions:** Organisational turnaround normally demands swift implementation and execution of plans so the organisation can restore its performance within a narrow timeframe. Generally there is a greater sense of urgency and impetus required and leaders tend to bring this about through communication and constant motivation. This

theme focuses on the degree of leaders acting and cajoling to create a sense of urgency for swift results.

Percentage of respondents = 80%

Total number of responses = 39

**Observations:** Turnaround leaders demonstrate enthusiasm to bring about rapid change. The nature of turnaround suggests organisations have to be nimble and respond with great speed to prevent further performance deterioration. Turnaround leaders set out to energise and mobilise the organisation. This is largely achieved through communication and constant reinforcement of key messages.

- *“...fix the organisation as quick as possible and move forward”*
- *“Our name for this programme also suggests rapid action”*
- *“...yet it is mostly done to cajole the team in executing their plans quicker”*
- *“We tend to be decisive as we want quick results”*
- *“This is an anxious time for all and hence we need a smooth and quick implementation to settle the organisation”*
- *“We stressed the need for prompt results and created a sense of urgency”*
- *“Time is precious during this time and we have to execute our plans”*

## **Theme 12: Demonstrates empathy and care**

**Description:** Empathy refers to the leader’s ability to share and recognise emotions and feelings of others. This is achieved through the intellectual identification of feelings, thoughts and attitudes of others. Care refers to leader’s ability to give serious attention and consideration to employees in order to avoid inflicting emotional pain.

Percentage of respondents = 100%

Total number of responses = 78

**Observations:** In some instances, turnaround leaders tend to be concerned about the well-being of the people they are responsible for. The nature of turnaround events suggests this is a demanding event. Leaders, together with their teams, become fixated on the mechanics and deliverables of the programme. As a result, the impact of the turnaround programme can go undetected. There are instances when turnaround leaders acknowledge the turnaround is a sensitive period and adopt care and empathy



for people in their teams. This is evident in the manner in which people are communicated to and the way issues are dealt with.

- *“I am able to gauge if there is some doubt and I tend to address this by emphasizing the communication”*
- *“This helps sensitize people to issues and provides them with a sense of reality”*
- *“I recognise that people are worried and emotional and try to bring them back to the challenges we are facing and the underlying reasons for those challenges”*
- *“I tend to listen and comfort people”*
- *“People react differently to this depending on their bond and association with the company (the value-brand) and other people. As a leader you need to understand when the circumstances require your emotional intelligence and rational intelligence”*
- *“Through a genuine invitation to express a view/opinion on the proposed or declared course of action/change proposed”*
- *“Constant communication and an open door policy to allow individuals an opportunity to share their concerns either individually or as teams/departments”*
- *“We take the time to give everyone the same opportunity to voice opinions and maybe just to vent”*
- *“I offer support and listen to them. It is important to deal with people gently during this time as everyone is sensitive. We must listen and try to adopt ideas as we encourage this”*
- *“By listening, offering advice, talking to people and reassuring everyone when the situation demands that. We try to make to motivate everyone and let them know how important they are”*
- *“I treat people with importance during this time and make the situation more about the people”*
- *“Under steady state, we focus on operational matters whilst under this state of flux we focus on people”*
- *“I use the broader team and the leaders around me to make people feel at ease”*
- *“...I tend to send out positive messages to settle people”*
- *“There is lots of uncertainty which everyone is going through now. If I know something I tell people or I use this information to provide answers. If I do not know, then I acknowledge that I do not have the information on hand, request some time and communicate to the team as soon as I know something. I do not allow this to linger yet offer clarity within two days at most”*

### Theme 13: Limited empathy and care demonstrated

**Description:** Limited empathy and care refers to low levels of empathy and care demonstrated by leaders.

Percentage of respondents = 67%

Total number of responses = 22

**Observations:** There are instances when the pressure and demands of the turnaround event take precedence over the welfare of employees. Turnaround leaders then tend to intensify their control and desire for results and neglect to take into account the impact of their decisions on people. From the responses, it can be determined that in some instances a lack of care and empathy is deliberate, in order to advance the progress of the turnaround event. In other instances, the lack of care and empathy is consequential and not intentional.

- *“It is difficult, I know yet we have to go through this pain to fix the organisation”*
- *“This is probably lacking as this is time for prompt responses”*
- *“We have to limit this and deal with it to ensure we are all aligned and in support of what we want to achieve”*
- *“This is a difficult time to allow all suggestions to transpire as we have to deliver what the turnaround demands”*
- *“I think at least you owe the aggrieved person the opportunity to help you with unravelling this. Then set the record straight and don’t fall into the trap of sympathising or empathising with their belief if you believe that the right way for you to react is to confront (intelligently) the behaviour”*
- *“Difficult in most cases particularly where redundancies are concerned since one may not be able to demonstrate sufficient empathy/care as perceived by the employees”*
- *“Listen, consider and if required, modify/amend your decision but generally an assertive approach to maintaining the chosen course of action will generally pay dividends”*
- *“We can then deal with emotions afterwards”*
- *“It is impossible for me to reassure and care about everyone in this patch”*
- *“It is not the time to worry about peripherals”*

### 5.3.3 Further research findings

#### 5.3.3.1 Cluster 5: Turnaround Strategy and Vision

**Emergent Themes:**

- Strategic orientation to overall plan
- Contributes to a positive outlook
- Executive sponsorship; and
- Aligned to the organisational aspirations

#### **Theme 14: Strategic orientation to overall plan**

**Description:** Strategic orientation refers to the leader's ability to link the long term vision to tactical and operational actions in order to achieve the goals of the organisation's strategy. In the turnaround scenario it deals with revising the strategy and realigning the organisation to deliver the revised strategy.

Percentage of respondents = 67%

Total number of responses = 55

**Observations:** Leaders are acutely aware of the desired outcomes for the turnaround programme and adjust their strategies accordingly. Leaders tend to adjust their strategic approach in the way their functions operate and with regard to the manner in which they deal with people. Leaders tend to adopt strategies with employees to bring about alignment, engagement and performance related to the turnaround implementation.

#### **Theme 15: Contributes to a positive outlook**

**Description:** This theme refers to the turnaround leader's ability to provide a compelling prospect and future expected state for the company which serves as an aspiration for everyone to achieve.

Percentage of respondents = 87%

Total number of responses = 47

**Observations:** Leaders explore ways and means to articulate the desired vision for the organisation that brings about a sense of purpose in individuals in their teams. Leaders also identify that turnarounds are bleak and attempt to deal with this by

focusing on the achievements and the positive future state. This is aimed at assisting with issues regarding low morale and to increase enthusiasm among employees.

### **Theme 16: Executive sponsorship**

**Description:** Executive sponsorship demonstrates the extent of leadership, support, ownership and continuity of the turnaround programme from the executive management team. Executive sponsors serve as lobbyists for the overall programme.

Percentage of respondents = 73%

Total number of responses = 36

**Observations:** Executive sponsorship was demonstrated by leaders who believed in the cause and the established strategy in order to deliver the turnaround implementation. Leaders demonstrated their commitment by reinforcing the strategic direction with their teams, embracing the need for this change and constantly attempting to align their teams to the requisite changes. Leaders also demonstrated executive sponsorship by maintaining a consistent approach with what was set out and not wavering in their execution. This sponsorship was critical to rallying support for the programme as it was led from the front.

### **Theme 17: Aligned to the organisational aspirations**

**Description:** Organisational aspirations refer to the long term and most aggressive goals the company aspires to achieve. Aligning to the organisational aspiration is for everyone within the company to embrace and act in a manner consistent with the organisation's aspirations.

Percentage of respondents = 67%

Total number of responses = 25

**Observations:** Leaders adapted strategic and tactical plans specific to their functions in order to facilitate the execution of the turnaround implementation. Leaders adopted various approaches to re-focus the organisation and bring about quick change in the mind-sets of their employees. Leaders, themselves, had to come to terms with the situation, unfreeze their beliefs and way of doing things, and adjust to the expectations of the turnaround programme.

### 5.3.3.2 Cluster 6: Turnaround experiences and outcomes

**Emergent Themes:** Collaboration between organisational levels  
Negative impact of turnarounds  
Empowerment; and  
Organisation experiences scepticism and lack of trust

#### **Theme 18: Collaboration between organisational levels**

**Description:** This theme refers to the leader's ability to bring about harmony and cooperation within the respective team in order to achieve the organisation's goals. Collaboration means that employees will co-operate and willingly assist each other.

Percentage of respondents = 93%

Total number of responses = 31

**Observations:** Leaders used open communication and dialogue to ensure alignment in the organisation thereby resulting in collaboration. Leaders ensured a consistent approach and emphasised the common goal to all. The turnaround leaders made a conscious effort to limit confusion, address insecurities and challenges in order to maintain the intended course. This resulted in compounded support and effort.

#### **Theme 19: Negative impact of turnarounds**

**Description:** This theme refers to the strong and bad effect that the nature of the turnaround and turnaround leadership has had on personnel.

Percentage of respondents = 73%

Total number of responses = 37

**Observations:** Turnarounds result in a significant amount of insecurities as employees fear losing their jobs. Trust in leadership is also compromised during turnarounds as employees might not always agree with the turnaround plans developed by the senior leadership teams. Employees become anxious, loose focus and become emotional. Employee morale and employee engagement is also compromised. Leaders also demonstrate assertiveness and intensified control and this is perceived as dominance.

## Theme 20: Empowerment

**Description:** This theme explores whether leaders provide others with the power and authority to do make and execute decisions. It also lends itself to determine if leaders tend to make employees stronger and more confident, especially in controlling their own destiny during the turnaround.

Percentage of respondents = 67%

Total number of responses = 38

**Observations:** Despite the need to exercise control during this time, leaders also tend to empower others by providing them with opportunities to contribute to turnaround plans, engaging with senior management and leading the turnaround implementation plans for their own areas. Turnaround leaders acknowledge it is not possible to have complete control over all operations and rely on other senior managers and middle managers to execute turnaround implementation plans. Turnaround leaders also identify with employee resilience and offer these employees more insights into what is going on. Turnaround leaders also allow employees to voice opinions challenge the plans and provide alternatives, which could be considered if aligned to the turnaround objectives.

## Theme 21: Organisation experiences scepticism and lack of trust

**Description:** This theme explores the degree of doubt and lack of belief and confidence employees may experience as a result of the turnaround event or the turnaround leadership experienced.

Percentage of respondents = 53%

Total number of responses = 15

**Observations:** Communications and dialogues between turnaround leaders and employees result in scepticism and lack of trust, as employees do not believe the leader is being transparent or sincere. Leaders tend to become circumspect about employee efforts and integrity. Leaders also become weary of challenges specific to the turnaround and tend to screen information to avoid issues with employees.

## **5.4 Process observations**

Despite the unforgiving and often callous nature of turnarounds, all respondents contributed enthusiastically and took the time to illuminate the essence of their individual turnaround experiences and approaches. All respondents were decisive with their answers and this could be as a result of their intimate experience with the turnaround. Respondents offered answers quickly and did not take time to deliberate or craft answers to generate positive perceptions.

Respondents appeared comfortable with the discussions and spoke with confidence and conviction. A few interviewees conveyed their appreciation for being interviewed as it provided an opportunity to reflect on the turnaround journey and their personal journey during this time. Respondents were professional at all times despite the conversations having a very spontaneous and casual feel. Respondents did not offer scathing comments, were not judgemental of any particular event or person and the conversations focused on their practices during the turnaround implementation.

Respondents spoke freely, offering deep insights and, in some instances, provided examples to contextualise their responses. There was a feeling of sincerity which became increasingly apparent as the interviews progressed. Responses among the turnaround leaders were consistent with subtle nuances being apparent for specific functions.

## **5.5 Summary and conclusions**

A descriptive analysis of the interviewed leaders was provided to highlight the depth of the responses. The primary research findings were illustrated as three specific clusters to address the research question and corresponding research propositions. The results presented demonstrate alignment with existing literature in addition to providing unique insights on turnaround leadership. These results together with the literature presented in this study will be used to corroborate the research question and propositions in the following section.

## CHAPTER 6: DISCUSSION OF RESULTS

This chapter addresses the objectives of the study by discussing the research findings from Chapter Five in detail. The research findings will be aligned and corroborated with the literature presented in this study. The research questions and propositions were constructed on the basis of the existing literature. Through the in-depth interviews and data content analysis, the results outlined will contribute to a further understanding of established literature concentrating on turnaround leadership. The presentation of results will follow the format of the research propositions as presented in Chapter Three. The discussion of the results is based on the analysis of the excerpt responses highlighted under the various themes in Chapter Five. Addressing the research propositions will serve to address the overarching research question, recalled below:

**What are the relationship approaches of leaders during an organisational turnaround?**

### 6.1 Discussions related to the research propositions

The research propositions to be corroborated with the primary research results are:

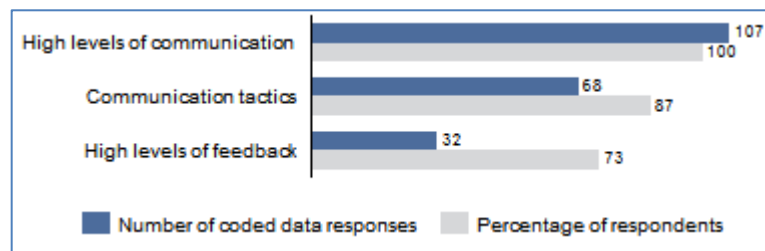
- Proposition 1: Leader's disposition during an organisational turnaround event is to be less communicative.
- Proposition 2: Leaders tend to be less transparent during an organisational turnaround event.
- Proposition 3: Leaders tend to intensify their assertiveness during an organisational turnaround event.

#### **6.1.1 Research Proposition 1: Leader's disposition during an organisational turnaround event is to be less communicative.**

Research Proposition 1 set out to establish the level of communication displayed by turnaround leaders. As the proposition states, the assumption is that turnaround leaders suppress the levels of communication due to the hostile nature of turnarounds and as a result of concern for themselves. A significant number of interviewees provided commentary related to the themes centred on communication. In order to provide a comprehensive view of the outcomes, three emergent themes featured in the communication cluster. The individual themes had distinct differences from each other yet all contributed to the overarching theme of communication.



**Figure 14: Summary of Results for Emergent Themes within Communication**



### **Inferences from Theme 1: High levels of communication**

The emergent theme ‘High level of communication’ was a dominant one and featured as the theme with the third most responses (see Appendix A). All 15 respondents provided comments in support of high levels of communication. Dionne et al., (2004) state communication is a proponent for transformational leadership. Excerpt responses from section 5.3.1.1 illustrate leaders rely heavily on communications to cascade key messages to all organisational levels. Turnaround events are of significant magnitude and wide-spread action is required to ensure a successful implementation. Communication is deemed as a key catalyst for change by turnaround leaders. All leaders agreed high levels of communications were essential at the beginning of the turnaround programme in order to orientate the organisation with the reality of the organisation’s plight and the intended remedial action. This view is substantiated by the following responses:

- *“I tend to communicate openly with my team and set the record straight from the word go”*
- *“We had frequent and in depth conversations with our employees at the very beginning of the turnaround”*

Early communications was intended to convey the imperative to change and ensure strategic orientation. This is consistent with the study by Myatt and Dewan (2008) who state that upfront, clear communication is essential to ensure a common understanding, to gain commitment and establish cohesion among the workforce.

As indicated in section 5.3.1.1, turnaround leaders used communication to a large extent to ensure alignment with the turnaround strategies. The theme ‘Ensuring alignment’ featured as the one with most responses and it was unanimously stated that communication was the key driver to ensure alignment. Berson and Avolio (2004) state leaders who communicated consistently and effectively ensured employees were

clearly orientated to the goals of the organisation. This was found to be consistent in the practices of the turnaround leaders based on responses as highlighted below:

- *“Alignment can only be achieved through a significant amount of talking and healthy level of communication”*
- *“Communication, alignment and constant follow ups”*
- *“There are several meetings to ensure alignment and progress”*

The communication approach was deliberate and purposeful, as the senior leadership initially communicated with the executive management team to secure alignment and commitment. Thereafter, this audience took the same messages to the teams below them and followed the same process. Eventually the entire organisation, across all geographical regions, was infused with the same key turnaround messages. These observed communication practices are consistent with Dionne et al. (2004) study which confirms communication is critical to establish effective teams.

Leaders could identify with resistance and the resultant impact of the turnaround being experienced. Thus it was important to reinforce the imperative to change. Leaders used communication to address employee concerns and suppress emotions. While this might have been the outcome in some instances, in other instances employees became anxious about their future job security and this created a significant amount of uncertainty within the organisation. This view was confirmed by one respondent stating, *“Constant communication removes all confusion and everyone will eventually understand.”*

Joseph and Winston (2005) argue the communication practice of a leader is a determinant for organisational trust. Their study states increased communication increases the trustworthiness of leaders through the increased social exchange between leaders and followers. This level of communication is in response to the turnaround symptoms experienced by the organisation. The benefit is two-fold; one is to address the organisation’s concerns, thereby focusing the organisation on the core elements of the turnaround, while the spin-off benefit will be the development of trust as indicated by Joseph and Winston (2005).

The view from turnaround leaders in section 5.3.1.1 is that the harsh realities of the organisation’s plight had to be shared with everyone. Turnaround leaders agreed information sharing is important and everyone has to be aligned to the arduous journey the organisation has undertaken. Information sharing and illuminating the issues was

deemed as important. Leaders make use of extensive communication to not only share newly adopted strategies with the organisation but also provide the organisation with guidance and knowledge of execution strategies. Lee et al., (2010) confirms knowledge sharing leads to superior team performance. In addition to increased performance, knowledge sharing also leads to the establishment of trust. These communication practices are, therefore, encouraged.

There was, however, a varied view regarding the communication of turnaround strategies specific to lower level teams. Some leaders preferred not to communicate plans directed at their direct reports as it was believed this would compromise morale, safety standards and productivity lower down the organisation. These views go against the literature presented as avid and open communication is encouraged in order to develop trust, performance and commitment within the organisation (Dewan & Myatt, 2008; Joseph & Winston, 2005; Lee et al., 2010)

Turnaround leaders also make use of extensive communication to ensure constant engagement and to limit confusion and speculation. Leaders were also fixated on achieving rapid results and, as such, used frequent communication to bring about a sense of urgency within the organisation. Leaders used communication to set the tone of the turnaround event. High levels of communication features during advanced stages of the turnaround, whereby leaders provide feedback to their teams and offer recognition for efforts. Fairhurst and Connaughton (2014) state communication does not only represent a catalyst for change but can also lead to results for change as well.

Lussier and Achua (2014, Chapter 9) also suggests transformational leaders are known for immense changes, which are achieved through communication, articulating the desired vision of the future and leveraging off the relationship with followers through shared motives. Communication is an enabler of transformational leadership, which is required during transient times (Avolio et al., 2009; García-Morales et al., 2012; Hunt & Fitzgerald, 2013; Hur et al., 2011; Lussier and Achua, 2014, Chapter 9).

## **Inferences from Theme 2: Communication tactics**

Communication during the early stages was conducted mostly via face-to-face meetings, which demonstrate there was a serious intent to offer first-hand communication. Section 5.3.1.1 discussed the use of emails, turnaround specific presentations, and communiques used after the initial communications had taken

place. In most instances this was used to reinforce the message and demonstrate consistency in what was said. This approach was consistent among all respondents. Despite the geographical spread of the organisation, verbal communication by means of telephone and video conferences was utilised by turnaround leaders. Verbal communication was the preferred method in order to ensure proper articulation of the key messages, thus limiting confusion and disparities. The following responses support this view:

- *“I provide feedback in meetings and seldom engage in teleconferences”*
- *“We typically make use of management meetings and other face to face meetings”*
- *“Verbal communication works best for me”*

These communication methods are chosen to ensure consistency in what is being communicated, alignment and to bring about rapid change. Dionne et al., (2004) state open and easy communication assist with team effectiveness and completion of tasks. Leaders also indicated that informal meetings and discussions take place where a significant amount of information and reassurance is shared with those involved. This in itself is a communication method to lobby support and ensure consistency. Leaders also maintained an open door policy, thereby being seen as approachable, which is supported by the following response: *“I tend to make use of discussions, face-to-face meetings and just general chatting”*.

The listing of these communication methodologies provides a view that these methodologies support and promote high levels of communications. Turnaround leaders adopt deliberate tactics to communicate with their employees in order to realise pre-defined objectives that will aid the turnaround event.

Through the adoption of communication tactics, it can be inferred turnaround leaders make a concerted effort to ensure communication with employees. In some instances, due to the geographic spread of the organisation, turnaround leaders rely on several communication methods to ensure communication at all touch points is achieved. Myatt and Dewan (2008) do not encourage the use of different communication mediums as they believe this will compromise the clarity of the message. Turnaround leaders make use of standardised communication packs to ensure consistent messages, yet this is delivered through several mediums. In the case of the turnaround leaders, this is overlooked as the intension to actively communicate and inform all employees supersedes the requirement to ensure communication is perfectly clear. The following excerpts provide such evidence:

- *“For the larger organisational audience, we use the general email distribution address to share the message with all”*
- *“We tend to develop tailor-made communication packs with the help of our HR department for the specific departments”*
- *“I made use of all the packs developed by the executive management team and the communications department. This was to ensure that everyone received the same information and there were no disparities amongst departments”*

### **Inferences from Theme 3: High levels of feedback**

As illustrated in section 5.3.1.1, turnaround leaders tend to welcome healthy levels of feedback. Feedback is requested by turnaround leaders and offered by employees. Requesting and received feedback from the organisation suggests there is evidence of two-way communication. Leaders allow for feedback to ensue during communication and consultation sessions, and employees are given an opportunity to share their views and feelings. Leaders make use of this feedback to address any concerns, align employees with expectations and address confusion and speculation that might be evident. Employees also expect leaders to provide them with feedback on suggestions or queries raised, as all the content might not be readily available to all organisational levels. Myatt and Dewan (2008) state employees are concerned with how communication from organisational leaders is interpreted. Feedback solicited by turnaround leaders will inform leaders of any discrepancies between what was communicated and how it is being interpreted. Evidence of this is supported by the following responses:

- *“Feedback is the only means of determining whether our plans are working or not and the more feedback we have, the more informed we are”*
- *“Feedback is critical to ensure progress and also to determine if the correct measures are being adopted and undertaken”*

Berson and Avolio (2004) state the communication style of leaders, who share knowledge, is to participate in active listening and transmitting, and being open when communicating to their subordinates. This style solicits feedback and aids in building trust within the organisation (Berson & Avolio, 2004). Feedback is critical in determining the progress of turnaround implementation plans. Feedback also assists in calibrating plans which have deviated from the intended course or are compromising results. In essence requesting and experiencing feedback within the organisation promotes dialogue between the leaders and employees. This theme provides a health

indicator of the communication levels within the organisation. The following responses substantiate this view:

- *“We talk often as a team and on individual basis and I check for consistency and alignment”*
- *“...all communication is face-to-face. It is a dialogue and not one-way communication.”*

### **Conclusions related to Research Proposition 1**

Based on the content analysis, Research Proposition 1 which states that a leader's disposition during an organisational turnaround event is to be less communicative has to be rejected. It can be concluded that leaders exhibit high levels of communications during organisational turnaround events.

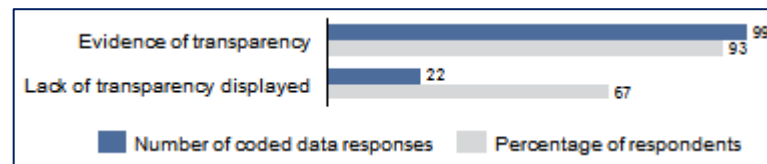
The practices of turnaround leaders with regard to communication were found to be consistent with the stated literature in the sense that communication is extensive, seen as an enabler for change and used to circumvent challenges and bring about spin-off benefits, such as trust. A healthy dose of communication is exhibited to support and propel the turnaround agenda. This finding is consistent with literature. Communication tactics and methods are adopted to facilitate the execution of communication and deliver wide spread messages. Feedback features within the organisation and provides substantiation that two-way communication is present. These findings will complement current literature

#### **6.1.2 Research Proposition 2: Leaders tend to be less transparent during an organisational turnaround event.**

Research Proposition 2 set out to establish the levels of transparency displayed by turnaround leaders. As the proposition states, the assumption is that turnaround leaders are less transparent. Turnarounds often involve critical strategic plans which organisations choose to keep confidential in order to maintain their competitive advantage in the market. Furthermore, turnarounds involve organisational restructuring and often retrenchments feature. It is a known characteristic that turnaround leaders are often guarded (Schmitt & Raisch, 2013). Turnaround leaders can opt to filter or withhold information from the organisation in an attempt to maintain employee morale or maintain the focus of the organisation on delivering the turnaround programme.

A significant number of interviewees provided commentary related to the themes centred on transparency. In order to provide a comprehensive view of the outcomes, two emergent themes featured in the transparency cluster. The individual themes included evidence of transparency, and a potential rival theme, lack of transparency. All but one respondent provided strong views that transparency was maintained and beneficial during the turnaround. Responses for the rival theme were minimal. It can be concluded that turnaround leaders exhibit high levels of transparency during turnaround events.

**Figure 15: Summary of Results for Emergent Themes within Transparency**



#### **Inferences from Theme 4: Evidence of transparency**

Excerpt responses from section 5.3.1.2 illustrate turnaround leaders opt for transparency and openness when communicating and interacting with employees. In many instances, leaders commented on transparency as being essential for alignment and to build trust. Leaders agreed transparency ensured consistency in the communication and the actual occurrences of the turnaround programme. Lee et al., (2010) encourages openness and transparency, as this creates an environment free to share ideas, feelings and insights. In addition, this environment fosters trust and leads to enhanced working relationships.

The need to be transparent presented itself in several scenarios. At the onset of the turnaround, leaders were compelled to inform their teams of the organisation's predicament and what was required to remedy the situation. This highlighted the burning platform and created understanding for the desired change. Leaders agreed being transparent about the situation from the outset enabled a sense of urgency within the organisation. Leaders identified that transparency was a prerequisite for alignment and commitment to the turnaround implementation. Leaders acknowledged being too transparent brought about anxiety among employees, yet their preference was to be forthright about the situation from the outset. This afforded people time to adapt and deal with the change during the early stages of the process. It was important for leaders to gain alignment and the commitment of the organisation in precise context as

their resultant efforts would stem from this alignment and commitment. This assessment was based on the following responses:

- *“I say things as they are”*
- *“This is a difficult period, granted yet sugar coating the realities brought us to this situation and we now need to deal with it”*
- *“It is also important to keep people informed with current information and on board with what is going on with them all the time”*

The initial intention to be transparent set the tone for subsequent communications and interactions. Leaders took it upon themselves to inform employees of any confirmed developments as indicated in section 5.3.1.2. Leaders were aware of the anxieties their open communication could result in, yet maintained people can deal with the consequences through a proactive approach and this affords the employees more time. This stance was consistent among a significant portion of the managers based on responses such as *“People should know so that they can make their minds up as to what they will be doing about the situation.”*

As stated previously, Berson and Avolio (2004) concluded transformational leaders tend to communicate effectively to, and are also open with their employees. This enables trust and fosters sound relationships between leaders and employees. As a result of the open communication style, leaders are able to articulate the organisation’s vision, objectives and strategy in an effective manner, thereby, increasing the employee awareness of what is being communicated (Berson & Avolio, 2004).

Transparency was a result of turnaround leaders demonstrating care and empathy towards employees. Turnarounds are succinct and allow for little deliberation. People tend to experience a host of emotions and concerns during this time. Turnaround leaders acknowledge the impact of the turnaround on employees and, indeed, themselves. This allows the leader to empathise with employees and show care and concern for their wellbeing, which is demonstrated by statements such as *“I often say things that should have being spoken about especially if it has a positive effect on someone. Sensitive information is offered with discretion. I believe the more transparent I am, the more the team will be at ease”*. However, leaders are not able to offer any recourse and tend to offer more moral support and encouragement to their teams. During this time, leaders communicate in a direct and open fashion as an outward gesture of their care and empathy for employees. According to García-Morales, Jiménez-Barrionuevo and Gutiérrez-Gutiérrez (2012), transformational



leadership creates emotional links and inspires higher values through understanding the organisation's culture and sharing of knowledge or information. This can only be achieved through transparency.

Leaders choose to be transparent in order to be consistent as indicated in sections 5.3.1.1 and 5.3.2.1. Leaders have to communicate new strategies and operational tactics to their teams as turnarounds involve impactful revisions of business practices. Leaders convince their teams to adopt these strategies and tactics by illustrating a positive future state. Leaders are transparent about their aspirations for the future end-state and, in line with consistency are required to also acknowledge the bleakness of the current state. Constant reinforcement of the difficult measures the organisation has to undertake to recover was also in place. Such statements include *“Transparent communications regarding the objective and goals of the turnaround are important”*

Turnaround leaders deem transparency as an enabler for trust. Employees will be more trusting of their leaders if they are accurately informed about plans prior to them being executed. Should trust in leadership be in place, employees will exhibit confidence and respect in the leadership and believe the leader has adequate control over the situation. Michie and Gooty (2005) state when displayed, being transparent is something leaders are naturally committed to do and, as such, there is no emotional conflict with the leader. Avolio, Walumbwa and Weber (2009) define transformational leadership as “leader behaviours that transform and inspire followers to perform beyond expectations while transcending self-interest for the good of the organisation” (p. 423). This definition suggests transformational leaders do not possess any hidden agendas and have to demonstrate transparency in order to overcome self-interest, which was exhibited by the turnaround leaders.

### **Inferences from Theme 5: Lack of transparency**

The general consensus by turnaround leaders is to demonstrate transparency, yet there are instances when turnaround leaders opt to limit information. Section 5.3.1.2 provides evidence that turnaround leaders tend to compromise transparency for a few reasons, which include but is not limited to: the possibility of a hidden agenda, information containing sensitive content, and as a result of situational intricacies.

Information is screened and adapted to suit a particular audience as the turnaround leader might want to preserve the morale and engagement of the team. The turnaround leader might also choose to provide communication to employees when it is

convenient for them to do so. Responses such as *“Typically there is no protocol during this time yet there is sensitive information which I will decide on whether it is worth communicating to the team or not”* support this view. Turnaround leaders are also concerned with creating and maintaining an impetus for results and will withhold any information that will compromise the desired thrust. These behaviours describe the hidden agendas of the turnaround leaders. Based on the depth of experience, with regard to the number of years of service, turnaround leaders develop an intimate understanding of their teams. They can then identify and appreciate the resilience and professionalism of some team members as opposed to others. This creates an imbalance with the leader’s approach to transparency as the leader will be more inclined to be transparent to the more resilient and professional employees. Leaders are also mindful of employees with a high degree of influence within their teams and generally adjust their levels of transparency based on the desired outcome they wish to achieve. According to Eisenberg and Witten (1987), this demonstrates relational contingencies where the decision is made to limit transparency as a result of various relationships within an organisation. These relationships influence choices to reveal or conceal information. The following responses are in support of this view:

- *“You get to know people and then can use this information to selectively communicate to others”*
- *“Certain messages arouse the wrong feelings and emotions within people. It’s best to keep these messages general and adjust nuances to suit the situation”*

Often turnaround implementation plans affect all organisational levels. In some instances, plans might contain details about specific people and departments and also include sensitive market information. In these instances, turnaround leaders must assume an ethical standpoint and opt to exclude sensitive information when communicating to employees. This can compromise the quality of the information provided as this information is now fragmented. According to Eisenberg and Witten (1987), this demonstrates organisational contingencies as revealing information can impact the interests of the company. Such responses include:

- *“I tend to discuss sensitive information with my direct reports and indicate to them what could be said and what not”*
- *“This is a sensitive period and information to the general workforce is normal generic as we do not want strategic plans to leak to the public and markets”*

Leaders also experience inconsistent communication and information from senior leaders and prefer to limit information sharing with their teams on these grounds. An example of such a response is *“The communication from the top is never clear and at times there was confusion”*. While this appears to be reasonable, it nevertheless compromises transparency. Reasons for limiting transparency in some instances are founded but there is no guarantee the organisation will perceive it in this manner. These findings are consistent with the study conducted by Eisenberg and Witten (1987).

## **Conclusions related to Research Proposition 2**

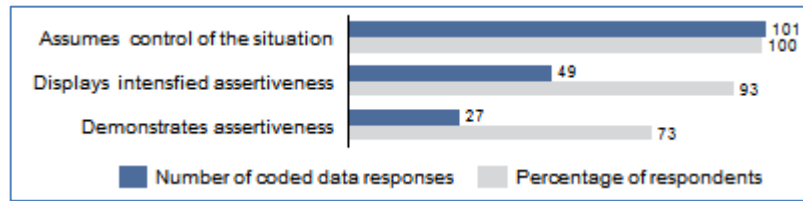
Based on the content analysis, Research Proposition 2 which states leaders tend to be less transparent during an organisational turnaround event, has to be rejected. It can be concluded leaders demonstrate significant transparency during a turnaround event. Strong evidence is presented in support of leaders demonstrating transparency, limited personal agendas and general openness. There is a sincere sentiment the organisation is better off knowing the realities of the turnaround situation. It can be concluded that instances of compromised transparency is contextual and not necessarily a norm. These findings will supplement current literature.

### **6.1.3 Research Proposition 3: Leaders tend to intensify their assertiveness during an organisational turnaround event.**

Research Proposition 3 sought to establish the degree of assertiveness displayed by turnaround leaders. Turnarounds are often a time for swift and precise results. Research Proposition 3 draws attention to the fact leaders tend to intensify their assertiveness in order to ensure swift and appropriate execution of turnaround plans. Several studies are at odds about the degree of assertiveness and what is appropriate.

Three related themes were used to draw conclusions to Research Proposition 3. It is strongly evident from the responses that turnaround leaders assume control of situations and people management during this time. All respondents commented on the emergent theme “assume control of the situation”, which contained 101 responses. Not only can it be established turnaround leaders demonstrate assertiveness but also intensify the level of control, which presents itself in Theme 7. The data analysis reveals there is evidence of assertiveness, yet this assertiveness is also intensified.

**Figure 16: Summary of Results for Emergent Themes within Assertiveness**



### **Inferences from Theme 6: Assumes control of the situation**

Section 5.3.1.3 illustrates the fact turnaround leaders identify that the organisation is at a loose end during the turnaround period. In light of this, leaders assume control of the situation by disseminating critical information to the organisation, determining the course of action for their functions and making decisions to ensure the progress of the turnaround continues. The responses suggest turnaround leaders own the turnaround programme directed at their specific teams. Such responses include:

- *“I am responsible for transforming the organisation”*
- *“The programme is closely managed and tracked actively due to the nature of turnarounds”*

The increased control of the situation stems from the fact an organisation’s leaders are responsible for delivering the intended turnaround plans. Leaders tend to focus closely on the business activities and its resources. Turnarounds present an opportunity to increase business efficiency and productivity and leaders are focused on achieving this which requires an intimate understanding of their functions. Turnaround leaders become closely involved with activities as their primary interest is to deliver the turnaround implementation plan.

Control is demonstrated from the outset as the leaders impose the turnaround programme on the organisation. The decision to turnaround an organisation is a deliberate leadership decision and allows for no consultation with the employees. Leaders enforce their control from the initial stages and generate the impetus for the required changes. Leaders tend to increase their control to ensure the programme is on track and in line with the milestones.

In order to achieve rapid results, turnaround leaders take charge of decision making at several organisational levels. This is done to be prompt and make certain the course of the turnaround is maintained. Turnaround leaders also tend to keep people focused

and aligned at all times. Constant follow ups and reinforcement of plans also feature during this time. This view is supported by responses such as:

- *“I then make the call and decide on what’s best for the team and the turnaround”*
- *“I tend to deal with this swiftly in order to prevent further morale and performance issues amongst others”*

These findings are supported by the theory outlined by Murphy (2010) who states: “In organisational turnarounds, it is leadership that provides a sense of direction by setting priorities and short-term goals; establishes a sense of urgency; defines responsibilities; resolves conflict; conveys enthusiasm and dedication; and gives credit where it is due and rewards it accordingly” (p. 162). Through this definition it is apparent leaders assume control during turnarounds and spearhead the effort.

### **Inferences from Theme 7: Displays intensified assertiveness**

Excerpt responses in section 5.3.1.3 offer insights into leaders’ display of intensified assertiveness. In some instances, turnaround leaders intensify their assertiveness over the situation. This is evident by the pervasive behaviour displayed by turnaround leaders. Leaders tend to be more autocratic during this time and offer little opportunity to their direct subordinates and employees to contribute to turnaround plans or in other ways to assist with the turnaround. Leaders become more involved in lower organisational levels.

Leaders become task driven and make certain there are no deviations from initial plans. Leaders especially intensify assertiveness and even control with regard to feedback on the progress of initiatives. Leaders take an acute involvement in the daily business activities and also get personally involved in any critical or major activities. This view is substantiated by the following response: *“I have to lead by example and roll up my sleeves and get involved with my team”*.

Bhatti et al. (2012) suggests that leaders limit team contributions when being autocratic and tend to enforce their views onto employees. The leaders limit contributions and challenges from employees. Employee suggestions and challenges are dismissed in order to remain focused on the primary task. Leaders tend to entertain what employees have to say, yet already have predetermined responses in order to dismiss the employee’s comments. Leaders also tend to suppress employees during this time in fear of their concerns and challenges influencing others in the work place. Leaders

also tend to find issues, such as confusion, anxiety and low morale experienced by the organisation, as distracting and deal with this in a prompt fashion in order to keep employees focused on the cause. The following response supports this view: “...*If it does not, then my response becomes a function of my patience and I would be inclined to revert to a very A-style approach.*”

Turnaround leaders demonstrating intensified assertiveness tend to keep their functions contained, on course with the turnaround programme and highly focused. The leader feels the need to be involved, exercise this control to ensure progress is maintained and this is achieved through a domineering approach. This view is supported by the following response “*If not, then I have to closely manage the affected programmes and ensure things get back on track. We cannot afford any slip ups and unnecessary attention on us.*”

These attitudes can be corroborated by revisiting the definition for organisational turnaround as defined by Walshe et al. (2004) which is as follows: “...organisational turnaround can be simply defined as the actions taken to bring about a recovery in performance in a failing organisation. In practice, it usually consists of a collection of concerted or co-ordinated activities which may include the replacement of key individuals in the organisation’s management and leadership, immediate attention to major operational problems seeking short-term solutions, and the longer term, but often radical, redesign or re-profiling of the organisation and its business” (p. 201). This definition provides a view of the depth of leadership required for turnarounds. Together with the demands, leaders also feel insecure during this period as a result of personnel changes. This helps explain the heightened level of assertiveness turnaround leaders exhibit during this pressurised time.

According to Ames (2009), either too low levels or too high levels of assertiveness lead to low organisational effectiveness. O’Kane and Cunningham (2014) state higher levels of assertiveness lead to an autocratic leadership approach, which results in enhanced turnaround execution and efficiency, yet compromises work relationships between leaders and subordinates. This theory explores the effect of intensified assertiveness and autocratic leadership characteristics which could be applicable to these findings.

## Inferences from Theme 8: Demonstrates assertiveness

A significant number of turnaround leaders tend to take a balanced approach to control and exercise assertiveness as opposed to being too accommodating or domineering. Leaders demonstrate confidence with regard to the turnaround plans by remaining resolute. Leaders maintain the vision of the turnaround programme and continuously reinforce the measures to achieve this vision. The assertiveness generated by the leaders resulted in minimal challenges of turnaround plans. Employees understood their domain based on the leaders approach and belief in the turnaround programme. The following excerpt responses support this view:

- *“As a leader, when decisions are made expect to be challenged/confronted but the decision has been made so stick to the script and the agreed reasoning why”*
- *“...keep reinforcing the message and always be willing to listen even if it is unlikely that you will change your chosen course of action”*
- *“Listen, consider and if required, modify/amend your decision but generally an assertive approach to maintaining the chosen course of action will generally pay dividends”*

Assertiveness has more appeal to being dominant as leaders balance their views and intentions with the impact of the turnaround programme on people. Assertiveness is normally demonstrated during the initial stages of the turnaround programme. Leaders are convinced the turnaround is imperative and try to influence the organisation to buy-in to this concept. It was noted there were preliminary frameworks established by the organisation to deal with particular turnaround scenarios. These were crafted to guide the leader through these scenarios when presented with them. This view is supported by the following response: *“We were very clear that we will not be changing anything and that there will be no exceptions.”* Leaders offer persuasive rationales and go about their communication to ensure alignment, commitment and engagement. Leaders remain influential but are not abrasive.

Leaders maintain the course of the turnaround programme by engaging in dialogues with employees, expressing interest to genuinely understand their concerns or suggestions, and then make an effort to deal with these within the boundaries of the turnaround programme. The overall objective of the turnaround programme is maintained while the leader remains keen to assist people where possible. Assertiveness is also used to positively guide the organisation through the challenges

and subtleties of the turnaround. Statements such as *“I then make the call and decide on what’s best for the team and the turnaround,”* support this view.

According to Ames (2009), assertiveness at optimal levels is a proponent of organisational effectiveness and positive influences. This is, indeed, a fine balance to maintain and Ames (2009) states this is something leaders are challenged with. O’Kane and Cunningham (2014) confirm these levels of assertiveness demonstrated contribute to tensions turnaround leaders experience. Arguments supporting soft leadership styles, where leaders are less assertive, and hard leadership styles, where leaders are more assertive, are presented in their study. O’Kane and Cunningham (2014) recommend an optimal balance of assertiveness and, like the study by Ames (2009), indicate this is extremely difficult to exhibit. There are benefits for both soft and hard leadership styles, which vary the degree of assertiveness, though both advocate for some level of assertiveness especially during turnarounds (O’Kane and Cunningham, 2014). O’Kane and Cunningham confirm the level of assertiveness has to be applied in the appropriate context in order to be impactful.

### **Conclusions related to Research Proposition 3**

Based on the content analysis, Research Proposition 3 which states leaders tend to intensify their assertiveness during an organisational turnaround event is valid. It can be concluded leaders intensify their assertiveness during an organisational turnaround event. As a natural tendency, in support of the turnaround programme, leaders assume control over the situation. Not only is there evidence in support of leaders being assertive, the evidence suggests leaders tend to intensify their assertiveness and control. This appears to be a natural response to the tensions experienced by leaders to the demands of the turnaround programme. These findings are consistent with literature.

### **6.2 Addressing the overarching research question**

Through the content data analysis and corroboration of the findings with literature in section 6.1, the following research conclusion can be synthesised:

**The relationship approach of leaders during an organisational turnaround event is to be communicative, transparent and increase their assertiveness.**

These approaches feature consistently based on the responses. This approach is adopted by turnaround leaders to facilitate and manoeuvre the progress of the



turnaround programme. This research conclusion is limited to the scope of this study. Additional relationship approaches could exist.

### **6.3 Highlighting supplementary and further research results**

Supplementary and further research findings were presented in sections 5.3.2 and 5.3.3. Though these findings do not support the core focus of this study, it remains prudent to make mention of them. Supplementary research findings offer insights into additional behavioural characteristics of turnaround leaders. These are exhibited through other relationship approaches in an attempt to achieve a desired objective. These emergent themes are associated with change management campaigns, where the leader exhibits such behaviour to bring about a positive desired effect among employees.

Further research findings featured four emergent themes aimed at the future state of the turnaround. These findings were more strategic in nature and offered negligible insights into leaders' relationship approaches. These findings can serve as a basis for future research studies.

### **6.4 Summary and conclusions**

The consolidation of the research findings served to address the overarching research question. The content analysis exercise led to a detailed outline of key insights into the relationship approaches of turnaround leaders across three dimensions. Through the experience of the 15 turnaround leaders, new understandings of turnaround leadership have been determined. Avid communication is demonstrated by turnaround leaders and is seen as an enabler for the execution of turnaround plans. Feedback is a strong indicator of the health of communications between turnaround leaders and followers. Various communication mediums are adopted to ensure wide-spread communication across several touch points. Turnaround leaders acknowledge the use of general and more intimate communication being shared with the organisation. Leaders are keen to be transparent as they identify several spin-off benefits. Transparency assists with the acceptance and execution of turnaround plans as this reduces vagueness and at the same time creates urgency. In some instances transparency must be compromised to protect the integrity of others. Turnaround leaders assume a position of control and demonstrate levels of intensified assertiveness in order to guide and advance the progress of the turnaround event. In some instances, leaders do intensify their control in order to contain the situation and maintain its course.

The research objective has been achieved through the unequivocal interview responses and results determined, which led to the construct of leadership styles, attributes and approaches demonstrated during organisational turnarounds. These outcomes contribute to current literature based on fresher insights.

## CHAPTER 7: CONCLUSION

### 7.1 Introduction

The purpose of this chapter is to highlight the key research findings from the study, which is based on the results presented and discussed in Chapters 5 and 6 respectively. Recommendations for organisational leaders and opportunities for future research are also presented.

### 7.2 Principle research findings

Overall, the study revealed insights into the relationship approaches of leaders during organisational turnaround. The research augments current literature with insights determined from the interviews. All 15 respondents provided rich insights addressing the three Research Propositions in Chapter 3. The research outcomes presented in Chapter 6 are consistent with current literature, and yet serves to contribute to the wider theories around turnaround leadership. These contributions are aligned along the Research Propositions in the form of communication, transparency and intensified assertiveness.

With regard to communication, respondents offered insights grouped into three emergent themes. These three themes, high levels of communication, communication tactics and high levels of feedback, contribute significantly to driving communicative behaviour during turnarounds. The turnaround leaders interviewed maintain communication is core to all forms of change. Communication is also core to other factors, such as ensuring alignment, maintaining consistency and creating a sense of urgency. These factors offer appropriate insights for organisational leaders who are likely to be involved in turnarounds and other crisis situations. There is a significant overlap across the factors in that they all foster avid communication. Whilst these findings are consistent with literature, there exists further value in them. The context of the turnaround differs from other periods in the organisation. To this end, turnaround leaders have to achieve numerous objectives. These objectives provide the rationale for avid communications. It can be determined through the comprehensive analysis of the data that communication was core to a significant number of emergent themes most of which feature in the principle and supplementary research findings.

Future turnaround leaders can gauge how communication varies during the course of the turnaround intervention and now begin to understand the rationale for this variation. To obtain upfront and sustained commitment from the organisation, turnaround leaders

must communicate considerably at the beginning of the turnaround programme. High levels of communication lead to high levels of feedback, following the establishment of trust within the organisation (Berson & Avolio, 2004; Dewan & Myatt, 2008; Joseph & Winston, 2005). Feedback is critical during turnarounds as leaders can then rely on additional information from the organisation to inform their plans.

Through the determination of these relationship approaches, it was possible to detect a few effects of this on the study organisation. Largely, these approaches brought about positive effects, such as open dialogue, trust, a sense of urgency and commitment. These effects are desired by turnaround leaders in an attempt to retard the decline of the organisation and restore healthy performance. It must be noted these effects were not wide spread, as turnaround leaders also had to deal with the negative impact of the turnaround. Leaders recognise communication as an unconditional catalyst for change and drive the overall and individual agenda's.

The second contributing factor towards the research study relate to the level of transparency exhibited by turnaround leaders. Leaders demonstrating transparency set out to intentionally share information with the organisation. This also deals with the amount of information shared and the lack of hidden agendas. According to Berson and Avolio (2004), transformational leaders tend to communicate openly and effectively with their employees. This enables trust and fosters sound relationships between leaders and employees. Transparent leadership are can drive engagement and alignment in employees.

Turnaround leaders demonstrate high levels of transparency with the organisation. Leaders identify that being transparent saves times and gains the leader credibility. Transparency also enables consistency and alignment within the organisation. Leaders maintain the organisation is better off knowing about available information. Transparency stems from empathy and care as leaders prefer to inform employees of any impactful decisions so those affected can prepare. One of the intentions of the leaders to be transparent is that it leads to swift execution as the organisation has the unadulterated version of events and likely strategies.

However, it was discovered that very high levels of transparency can lead to excessive information sharing. Likely consequences could be compromising of the integrity of information regarding specific personnel or teams; sensitive information regarding employees can be revealed and information regarding revised strategies and market intelligence can also be revealed as a result of being too transparent. This can

compromise the organisation's competitive advantage. Sharing excessive information with teams can lead to heightened anxieties, thereby impacting morale. As a result, performance is likely to suffer and managers must be aware of this and should apply an optimal level of transparency. This however was not evident as levels of transparency varied based on the individual leader's preference and style.

Although it can be confidently established that there were high levels of transparency exhibited by the leaders during the turnaround, it must be stated that transparency is based on an individual's personality traits. This particular occurrence could have been a result of the transparency demonstrated by the senior leadership team at the outset of the turnaround event which set the tone for all concerned. In some instances, leaders mentioned they manipulate the levels of transparency to suit the audience and maximise the performance of teams. There are several factors influencing this and yet turnaround leaders opt for less transparency at some stages to limit concerns from employees. In this instance, there lies evidence of a hidden agenda and by definition transparency is compromised. It can be concluded that levels of transparency is based on context and used to manage that context.

In order to confirm that in some instances leaders deliberately limit transparency the emergent theme, lack of transparency featured in 22 responses. The findings suggest that transparency is a strategic relationship approach and manipulated to influence followers in order to achieve results, trust and morale. Based on this assessment, one can argue that transparency is an engineered relationship approach as there is a higher objective associated with it. Leaders have to apply these insights to establish some middle ground regarding transparency in order to maintain consistent application by themselves and the rest of the organisation. If not, the organisation will be fragmented by varied approaches. Leaders can be conscious of their levels of transparency and any variations. This could be used to maintain desired leadership styles and correct any ineffective behaviour.

The third contributing factor relates to assertiveness. Three emergent themes were determined following the content analysis. These themes included assuming control of the situation, demonstrating intensified control and demonstrating assertiveness. Leaders varied their control during the turnaround event as evidence supported leaders assuming control, being assertive and exercising intensified control. Leaders were focused on swift and appropriate execution of results and, as such, set out to make certain that these results are achieved in agreed timelines. Leaders assume control of the situation to align the employees with the organisation's intent and strategic goals. Leaders tend to become overtly involved with the day-to-day operation of their

functions. Leaders tend to closely manage the turnaround efforts through constant follow ups and reinforcement of the turnaround plans. According to Murphy (2010) organisational leaders are responsible for spearheading the turnaround effort through multiple activities which includes providing a sense of direction, priority setting, creating a sense of urgency and resource allocation. The above mentioned finding is consistent with this view.

During the turnaround event, leaders remain resolute with regard to the turnaround plans. Leaders demonstrated assertiveness when challenges about turnaround plans. Leaders continuously reinforced the communications associated with the turnaround in order for the organisation to appreciate how imperative this situation was. The leader's dominant views were balanced with the empathetic approach through listening to concerns, suggestions and demonstrating genuine care. The supplementary research findings support these approaches. According to Ames (2009) and O'Kane and Cunningham (2014) optimal levels of assertiveness is beneficial as this leads to organisational effectiveness and positive influences.

These emergent themes led to the build-up of the research outcome in support of Research Proposition 3 where it was established that turnaround leaders exhibit intensified assertiveness. In addition, leaders also demonstrated traits of autocratic leadership behaviour. Leaders exhibited a domineering approach to ensure turnaround plans transpired. Leaders were task driven and allowed for little interaction from the employees with regard to the turnaround. The behaviours observed by leaders were consistent with the general qualities of autocratic leadership highlighted by Rast et al. (2013). The intensified assertiveness is brought about by the leaders' desire for results. As mentioned by Bhatti et al. (2012), autocratic leadership styles are preferred to influence productivity which is the characteristic observed through the intensified assertiveness. The leaders display of amplified assertiveness could be brought about by insecurities yet this could not be confirmed through this study. It can be concluded that intensified assertiveness is demonstrated unconsciously. None of the responses from the leaders suggest it is intentional or utilised strategically. This relationship approach is a consequence of the nature of turnarounds and the dilemmas faced by the leaders. Through the quest for high performing, high impact and rapid results; the leader naturally conforms to this approach which initial stems from control and then progresses into intensified assertiveness. Perhaps this is a function of the pressure which increases as the turnaround progresses.

Overall, the research findings were consistent with literature in regard to communication, transparency and assertiveness. There are, however, in-depth

insights that supplement existing literature. These findings can inform turnaround leader's relationship approaches and be used to influence desired organisational responses.

### **7.3 Recommendations for organisational leaders**

Through illuminating the dimensions of relationship approaches of turnaround leaders, organisational leaders are able to be more cognisant of their own outward behaviours during turnarounds and other crisis situations. By understanding the impact of these behaviours on the organisation, leaders can calibrate their approach by using the insights determined in this study. Leaders are more informed about manipulating their approaches and can consciously address this to ensure consistency while achieving the desired outcomes to increase organisational performance. Through this knowledge, leaders should adopt relationship approaches that are lacking in current efforts. Leaders can also use these insights as a diagnostic tool in an attempt to gain an understanding of their impact on the organisation during a turnaround. For instance, should an organisation fail or succeed during a turnaround, leaders can uncover the contributing factors and, thereafter, account for them using these insights.

Leaders should orientate themselves on the principle and supplementary results presented in this study and use this to inform a turnaround leadership strategy for themselves in the event of any crisis leadership demands. Using these insights into relationship approaches, turnaround leaders can improve their turnaround strategy execution leading to sustainably superior performance during difficult times.

### **7.4 Limitations of the research**

An apparent drawback of this study was being limited to 15 leaders from to a single organisation. The views presented may be influenced by the organisation's culture and practices. The study concentrated on three dimensions to relationship approaches while there could be additional dimensions that may feature prominently. The study was conducted while the turnaround intervention was progressing and does not take into account if the turnaround programme was successful or not. As such, the impact of the relationship approaches could not be assessed.

### **7.5 Suggestions for future research**

As indicated in Chapters 1 and 2, research on turnaround leadership is limited and, as such, there exists ample opportunities for additional studies on this subject. From a

scholarly perspective, our understanding of turnaround leadership can be enriched by the following:

- This research focused on limited dimensions related to relationship approaches. Future research can include a study to explore additional dimensions, thereby augmenting the current study. Future research could also be undertaken to validate this study. This could be in the form of a quantitative study to test the significance of the factors.
- This research was conducted within a single organisation. There may be value in conducting additional across other organisations from varied industries. This will assist in reinforcing the understanding of turnaround leadership.
- The study was based on interviews with senior organisation leaders. Further focused research could explore the perspective of middle management. Additional research, based on how employees experience turnaround leaders, will be valuable in shaping a holistic view of turnaround leadership.
- The findings indicate the current relationship approaches of organisational leaders during turnarounds. Further studies could explore the impact of these relationship approaches on the turnaround. This could be in the form of exploratory research and quantitative methods to determine the significance of determined factors on the outcome of turnarounds.

## **7.6 Conclusion**

Organisational turnarounds are more than likely to feature strongly in the prevailing 'new world' economic climate. Leaders responsible for organisational turnarounds are faced with unprecedented challenges. This research study set out to determine the relationship approaches of leaders during an organisational turnaround event. Understanding and adopting these relationship approaches can lead to the desired organisational commitment and performance. These insights are critical to facilitate the turnaround process. Leaders are more informed and can effectively apply these insights to bring about the desired change. It remains prudent to gain an in-depth understanding of other turnaround leadership attributes.



## REFERENCE LIST

- Abebe, M. A., Angriawan, A., & Liu, Y. (2010). CEO power and organisational turnaround in declining firms: Does environment play a role? *Journal of Leadership & Organisational Studies*, 18(2), 1–14.  
<http://doi.org/10.1177/1548051810385004>
- Ames, D. (2009). Pushing up to a point: Assertiveness and effectiveness in leadership and interpersonal dynamics. *Research in Organisational Behavior*, 29, 111–133.  
<http://doi.org/10.1016/j.riob.2009.06.010>
- Antonakis, J., Ashkanasy, N. M., & Dasborough, M. T. (2009). Does leadership need emotional intelligence? *The Leadership Quarterly*, 20, 247–261.  
<http://doi.org/10.1016/j.leaqua.2009.01.006>
- Appelbaum, S. H., Mitraud, A., Gailleux, J.-F., Iacovella, M., Gerbasi, R., & Ivanova, V. (2008). The impact of organisational change, structure and leadership on employee turnover: A case study. *Journal of Business Case Studies*, 4(1), 21–38.  
Retrieved from <http://cluteonline.com/journals/index.php/JBCS/article/view/4742>
- Avolio, B. J., Walumbwa, F. O., & Weber, T. J. (2009). Leadership: current theories, research, and future directions. *The Annual Review of Psychology*, 60, 421–449.  
<http://doi.org/10.1146/annurev.psych.60.110707.163621>
- Bailey, L. F. (2014). The origin and success of qualitative research. *International Journal of Market Research*, 56(2), 167–185. <http://doi.org/10.2501/IJMR-2014-013>
- Baxter, P., & Jack, S. (2008). Qualitative case study methodology : Study design and implementation for novice researchers. *The Qualitative Report*, 13(4), 544–559.
- Berson, Y., & Avolio, B. J. (2004). Transformational leadership and the dissemination of organisational goals : A case study of a telecommunication firm. *The Leadership Quarterly*, 15, 625–646. <http://doi.org/10.1016/j.leaqua.2004.07.003>
- Bhatti, N., Maitlo, G. M., Shaikh, N., Hashmi, M. A., & Shaikh, F. M. (2012). The impact of autocratic and democratic leadership style on job satisfaction. *International Business Research*, 5(2), 192–201. <http://doi.org/10.5539/ibr.v5n2p192>
- Board, D. (2010). Leadership: The ghost at the trillion dollar crash? *European Management Journal*, 28, 269–277. <http://doi.org/10.1016/j.emj.2010.04.002>

- Boyd, D. P. (2011). Lessons from turnaround leaders. *Strategy and Leadership*, 39(3), 36–43. <http://doi.org/10.1108/10878571111128801>
- Braun, V., & Clarke, V. (2013). Some very important starting information. In M. Carmichael (Ed.), *Successful qualitative research: A practical guide for beginners* (pp. 3–18). London: Sage Publications Inc.
- By, R. T., Burnes, B., & Oswick, C. (2012). Change management: Leadership, values and ethics. *Journal of Change Management*, 12(1), 1–5. <http://doi.org/10.1080/14697017.2011.652371>
- Cameron, K. S. (2008). Positively deviant organisational performance and the role of leadership values. *Journal of Values-Based Leadership*, 1(1), 1–17. Retrieved from <http://www.valuesbasedleadershipjournal.com/issues/vol1issue1/cameron.php>
- Cangemi, J. P., Lazarus, H., McQuade, T., Fitzgerald, J., Conner, J., Miller, R., & Murphree, W. (2011). Successful leadership practices during turbulent times. *Journal of Management Development*, 30(1), 30–43. <http://doi.org/10.1108/02621711111098343>
- Carmeli, A., Tishler, A., & Edmondson, A. C. (2011). CEO relational leadership and strategic decision quality in top management teams: The role of team trust and learning from failure. *Strategic Organisation*, 10(1), 31–54. <http://doi.org/10.1177/1476127011434797>
- Cavazotte, F., Moreno, V., & Hickmann, M. (2012). Effects of leader intelligence, personality and emotional intelligence on transformational leadership and managerial performance. *The Leadership Quarterly*, 23, 443–455. <http://doi.org/10.1016/j.leaqua.2011.10.003>
- Cliffe Dekker Hofmeyr. (2012). *Key Aspects of the New Companies Act*. Retrieved from <https://www.cliffedekkerhofmeyr.com/en/news/publications/>
- Cunningham, R., Olshfski, D., & Abdelrazek, R. (2009). Paradoxes of collaoration managerial decision styles. *Review of Public Personnel Administration*, 29(1), 58–75.
- Darke, P., Shanks, G., & Broadbent, M. (1998). Successfully completing case study research : Combining rigour, relevance and pragmatism. *Information Systems Journal*, 8, 273–289.

- Dewan, T., & Myatt, D. P. (2008). The qualities of leadership: Direction, communication and obfuscation. *American Political Science Review*, 102(3), 351–368.  
<http://doi.org/10.1017/S0003055408080234>
- Dinh, J. E., Lord, R. G., Gardner, W. L., Meuser, J. D., Liden, R. C., & Hu, J. (2014). Leadership theory and research in the new millennium: Current theoretical trends and changing perspectives. *The Leadership Quarterly*, 25, 36–62.  
<http://doi.org/10.1016/j.leaqua.2013.11.005>
- Dionne, S. D., Yammarino, F. J., Atwater, L. E., & Spangler, W. D. (2004). Transformational leadership and team performance. *Journal of Organisational Change Management*, 17(2), 177–193.  
<http://doi.org/10.1108/09534810410530601>
- Downey, J. (2009, September). Corporate turnarounds. *Chartered Institute of Management Accountants: Topic Gateway Series No. 59*, 1–13.  
[http://doi.org/10.1016/0024-6301\(94\)90267-4](http://doi.org/10.1016/0024-6301(94)90267-4)
- Eisenberg, E. M., & Witten, M. G. (1987). Reconsidering openness in organisational communication. *The Academy of Management Review*, 12(3), 418–426.
- Fairhurst, G. T., & Connaughton, S. L. (2014). Leadership: A communicative perspective. *Leadership*, 10(1), 7 – 35. <http://doi.org/10.1177/1742715013509396>
- Farlex. (2015). *The Free Dictionary by Farlex*. Retrieved from  
<http://www.thefreedictionary.com/approaches>
- Farrugia, P., Petrisor, B. A., Farrokhyar, F., & Bhandari, M. (2010). Practical tips for surgical research: Research questions, hypothesis and objectives. *Association Medicale Canadienne*, 53(4), 278–281.
- Fee, C. E., Hadlock, C. J., & Pierce, J. R. (2013). Managers with and without style: Evidence using exogenous variation. *The Review of Financial Studies*, 1–35.  
<http://doi.org/10.1093/rfs/hhs131>
- IMF downgrades SA growth to below 1.5%. (2015, October). Fin24. Retrieved from  
<http://www.fin24.com/Economy/IMF-predicts-growth-below-15-for-SA-20151006>

- García-Morales, V. J., Jiménez-Barrionuevo, M. M., & Gutiérrez-Gutiérrez, L. (2012). Transformational leadership influence on organisational performance through organisational learning and innovation. *Journal of Business Research*, 65, 1040–1050. <http://doi.org/10.1016/j.jbusres.2011.03.005>
- Gibbert, M., & Ruigrok, W. (2010). The what" and how" of case study rigor: Three strategies based on published work. *Organisational Research Methods*, 1–28. <http://doi.org/10.1177/1094428109351319>
- Hallinger, P. (2011). Leadership for learning: Lessons from 40 years of empirical research. *Journal of Educational Administration*, 49(2), 125–142. <http://doi.org/10.1108/09578231111116699>
- Harvey, N. (2004). *Managing Turnaround*. Retrieved from <http://turnaround-sa.com>
- Hofer, C. W. (1980). Turnaround strategies. *Journal of Business Strategy*, 1(1), 19–31. <http://doi.org/10.1108/eb038886>
- Hoffman, R. C. (1989). Strategies for corporate turnarounds: What do we know about them? *Journal of General Management*, 14(3), 46–66.
- Hunt, J. B., & Fitzgerald, M. (2013). The relationship between emotional intelligence and transformational leadership: An investigation and review of competing claims in the literature. *American International Journal of Social Science*, 2(8), 30–38.
- Hur, Y., van den Berg, P. T., & Wilderom, C. P. M. (2011). Transformational leadership as a mediator between emotional intelligence and team outcomes. *The Leadership Quarterly*, 22, 591–603. <http://doi.org/10.1016/j.leaqua.2011.05.002>
- Turnaround*. (n.d.). Retrieved from <http://www.investopedia.com/terms/t/turnaround.asp>
- Joseph, E. E., & Winston, B. E. (2005). A correlation of servant leadership , leader trust , and organisational trust. *Leadership & Organisation Development Journal*, 26(1), 6–22. <http://doi.org/10.1108/01437730510575552>
- Kamisan, P. A., & King, B. E. M. (2013). Transactional and transformational leadership: A comparative study of the difference between Tony Fernandes (Airasia) and Idris Jala (Malaysia Airlines) leadership styles from 2005-2009. *International Journal of Business and Management*, 8(24), 107–116. <http://doi.org/10.5539/ijbm.v8n24p107>

- Kellis, D. S., & Ran, B. (2015). Effective leadership in managing NPM-based change in the public sector. *Journal of Organisational Change Management*, 28(4), 614–626. <http://doi.org/10.1108/JOCM-11-2013-0229>
- Lee, P., Gillespie, N., Mann, L., & Wearing, A. (2010). Leadership and trust : Their effect on knowledge sharing and team performance. *Management Learning*, 1–19. <http://doi.org/10.1177/1350507610362036>
- Levenstein, E., & Barnett, L. (2014, June). *Basics of business rescue*. Retrieved from <http://www.werksmans.com/wp-content/uploads/2013/04/Werksmans-Basics-of-Business-Rescue.pdf>
- Liu, J., Siu, O. L., & Shi, K. (2010). Transformational leadership and employee well-being: The mediating role of trust in the leader and self-efficacy. *Applied Psychology: An International Review*, 59(3), 454–479. <http://doi.org/10.1111/j.1464-0597.2009.00407.x>
- Lussier, R. N., & Achua, C. F. (2014). Charismatic and transformational leadership. In *Leadership: Theory, application and skill development* (6th ed., pp. 319–357). Boston: Cengage Learning.
- Mack, N., Woodsong, C., McQueen, K. M., Guest, G., & Namey, E. (2005). *Qualitative research methods: A data collector's field guide*. North Carolina: U.S. Agency for International Development. <http://doi.org/10.1108/eb020723>
- Mapenzauswa, S. (2015, October 7). S.Africa's September business confidence at lowest in 22 years. *Reuters*. Retrieved from <http://af.reuters.com>
- Marshall, M. N. (1996). Sampling for qualitative research. *Family Practice*, 13(6), 522–525.
- Michie, S., & Gooty, J. (2005). Values , emotions , and authenticity: Will the real leader please stand up ? *The Leadership Quarterly*, 16, 441–457. <http://doi.org/10.1016/j.leaqua.2005.03.006>
- Miles, M. B., Huberman, M. A., & Saldana, J. (2014). *Qualitative data analysis: A methods sourcebook* (Third). Los Angeles: Sage Publications Inc.
- Murphy, J. (2010). Turning around failing organisations: Insights for educational leaders. *Journal of Educational Change*, 11, 157–176. <http://doi.org/10.1007/s10833-008-9101-y>

- O’Kane, C., & Cunningham, J. (2012). Leadership changes and approaches during company turnaround. *International Studies of Management & Organisation*, 42(4), 52–85. <http://doi.org/10.2753/IMO0020-8825420403>
- O’Kane, C., & Cunningham, J. (2014). Turnaround leadership core tensions during the company turnaround process. *European Management Journal*, 32, 963–980. <http://doi.org/10.1016/j.emj.2014.04.004>
- Olsen, L. W. (2010). *Edge leadership: Using senior leadership perceptions to explore organisational turnarounds*. (Unpublished doctoral dissertation). Antioch University, Ohio, United States of America.
- Oreg, S., & Berson, Y. (2011). Leadership and employee’s reaction to change: The role of leader’s personal attributes and transformational leadership style. *Personnel Psychology*, 64, 627–659.
- Pretorius, M. (2009). Defining business decline, failure and turnaround: A content analysis. *The South African Journal of Entrepreneurship and Small Business Management*, 2(1), 1–16.
- Rao, M. S. (2015). Spot your leadership style – build your leadership brand. *The Journal of Values-Based Leadership*, 8(1), 1–16.
- Rast, D. E., Hogg, M. A., & Giessner, S. R. (2013). Self-uncertainty and support for autocratic leadership. *Self and Identity*, 12(6), 635–649. <http://doi.org/10.1080/15298868.2012.718864>
- Runeson, P., & Höst, M. (2009). Guidelines for conducting and reporting case study research in software engineering. *Empir Software Engineering*, 14, 131–164. <http://doi.org/10.1007/s10664-008-9102-8>
- Saldana, J. (2009). *The coding manual for qualitative researchers* (1st ed.). London: Sage Publications Inc.
- Saunders, M., & Lewis, P. (2012). *Doing research in business and management. An essential guide to planning your project*. London: Pearson Education Limited.
- Schmitt, A., & Raisch, S. (2013). Corporate turnarounds: The duality of retrenchment and recovery. *Journal of Management Studies*, 50(7), 1216–1244. <http://doi.org/10.1111/joms.12045>

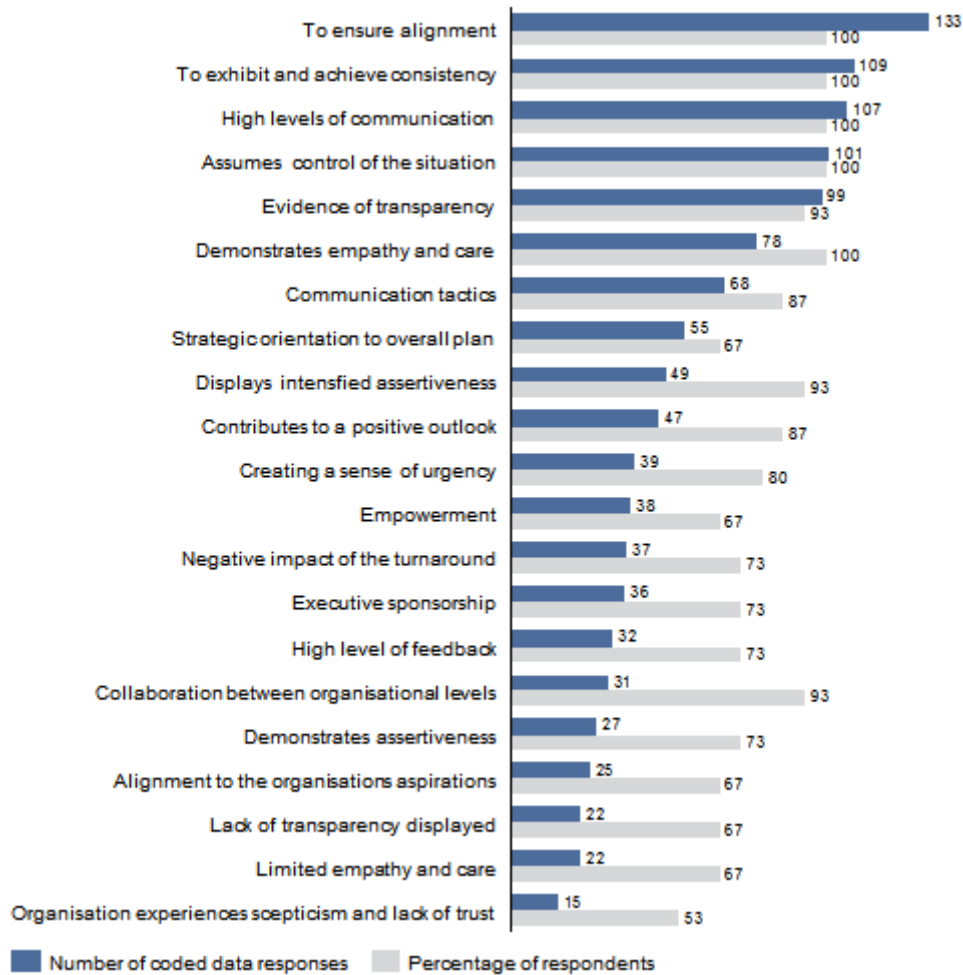
- Schoenberg, R., Collier, N., & Bowman, C. (2013). Strategies for business turnaround and recovery: A review and synthesis. *European Business Review*, 25(3), 243–262. <http://doi.org/10.1108/09555341311314799>
- Smith, C. (2015, October 14). SA's negative economic trend gains velocity. *Fin24*. Retrieved from <http://www.fin24.com>
- Solnet, D. J., Paulsen, N., & Cooper, C. (2010). Decline and turnaround: a literature review and proposed research agenda for the hotel sector. *Current Issues in Tourism*, 13(2), 139–159. <http://doi.org/10.1080/13683500802638219>
- Sosik, J. J., & Megerian, L. E. (1999). Understanding Leader Emotional Intelligence and Performance. *Group & Organisation Management*, 24(3), 367–390. <http://doi.org/10.1177/1059601199243006>
- Standard Bank Online Share Trading. (2015). Retrieved from <https://securities.standardbank.co.za/ost/>
- Statistics South Africa. (2015a, September 10). *Economic Growth*. Retrieved from [http://www.statssa.gov.za/?page\\_id=735&id=1&paged=7](http://www.statssa.gov.za/?page_id=735&id=1&paged=7)
- Statistics South Africa. (2015b). *Statistics of liquidations and insolvencies (Preliminary)*. Retrieved from <http://www.statssa.gov.za/publications/P0043/P0043May2015.pdf>
- Trahms, C. A., Ndofor, H. A., & Sirmon, D. G. (2013). Organisational decline and turnaround: A review and agenda for future research. *Journal of Management*, 39(5), 1277–1307. <http://doi.org/10.1177/0149206312471390>
- Ul Hassan, F. S., Shah, B., Zaman, T., Ikramullah, M., & Ali Shah, I. (2011). Effect of leaders' styles of decision making on perceived organisational effectiveness: An example from Pakistan. *International Journal of Business and Social Science*, 2(22), 297–307.
- Vakola, M. (2013). Multilevel readiness to organisational change: A conceptual approach. *Journal of Change Management*, 13(1), 96–109. <http://doi.org/10.1080/14697017.2013.768436>

Walshe, K., Harvey, G., Hyde, P., & Pandit, N. (2004). Organisational failure and turnaround: Lessons for public services from the for-profit sector. *Public Money and Management*, 24(4), 201–208. <http://doi.org/10.1111/j.1467-9302.2004.00421.x>

Yin, R. K. (2013). *Case study research: Design and methods*. (V. Knight, Ed.) (5th ed.). California: Sage Publications Inc.



## Appendix A: Ranked Coded Data Analysis from Atlas.ti



## Appendix B: Interview Schedule

### Informed Consent Letter

This research is conducted by Hemant Harrielall who is a part time student at the Gordon Institute of Business Science, University of Pretoria. This research will be used towards the compilation of a research report in partial fulfilment of the requirements for the degree of Masters of Business Administration. The purpose of this research study is to determine relationship approaches of leaders during the current organisational turnaround. Through this research study, I am trying to find out more about the forms of relationship approaches by leaders during turnarounds and if they differ from normal operating periods. Our interview is expected to last about an hour, and will help us better understand what leadership styles and behavioral approaches that are demonstrated during the current turnaround program. The interview questions will be centered on three themes regarding leadership behavioral approaches. As a leader within the organisation, you are invited to participate in this research project.

As per the consent agreement with the organisation regarding this research study, the name of the organisation together with your identity will remain confidential. Your responses will also be confidential and to this end no identifying information such as your name, email address or position title will be captured. Your participation in this research study is purely voluntary. You may choose not to participate. If you decide to participate in this research survey, you may withdraw at any time. If you decide not to participate in this study or if you withdraw from participating at any time, there will be no penalties of any kind.

We wish to assure you that your information will be kept confidential. The results of this study will be used for scholarly purposes only and may be shared with GIBS University representatives.

If you have any questions about the research study, please contact Hemant Harrielall. This research has been reviewed according to GIBS University IRB procedures for research involving human subjects.

**Researcher:** Hemant Harrielall      **Research Supervisor:** Anthony Wilson-Prangley

**Email:**      [Hemant.H6778@gmail.com](mailto:Hemant.H6778@gmail.com)      **Email:**      [prangleya@gibs.co.za](mailto:prangleya@gibs.co.za)

**Contact No:** 082 434 4235

**Contact No:** 011 771 4325

## **Part A: Demographic & Job Role Information**

1. How long have you worked at the company?
  - 0 – 3 years
  - 4 – 8 years
  - 9 – 14 years
  - 15 years +
  
2. Which of the following best describes the level of management you are within the company?
  - Senior Management – Functional Head
  - Senior management – Head of Department
  - Executive management
  
3. How long have you being in this role?
  - 0 – 3 years
  - 4 – 8 years
  - 9 – 14 years
  - 15 years +
  
4. How many direct reports do you have?
  - 0 – 5
  - 6 – 10
  - 11 – 14
  - 15 or more
  
5. How many people are you responsible for within your overall function?
  - 0 – 10
  - 11– 20
  - 21 – 34
  - 35 or more
  
6. In which area would you consider your core function to operate in?

- Admin & Finance
- Support Functions (namely HR, IT, Legal, Procurement, Supply Chain)
- Operations
- Engineering
- Sales & Marketing
- Engineering or Project Management
- Retail centres
- Strategy & Corporate functions

### **Part B: General Approach to Organisational Turnaround**

7. As a leader, how do you adjust your strategic approach during organisational turnaround events?
8. During organisational turnaround events, how do you experience the approach of leaders who you report to and those who work alongside of your?

### **Part C: Approach to Communication during Organisational Turnaround**

9. Communication during turnaround is normally cascaded from the top. What communication strategies have you adopted during the turnaround event?
10. When communicating with your staff, how do you ensure consistency in the message that is delivered from the board and executive management team?
11. How have you varied your communication approach subject on a particular phase of the turnaround? Do you have a particular preference at any given stage?
12. What communication instruments and media are best suited to communicate in your area during this time?
13. How has your communication approaches made a difference to the turnaround progress?

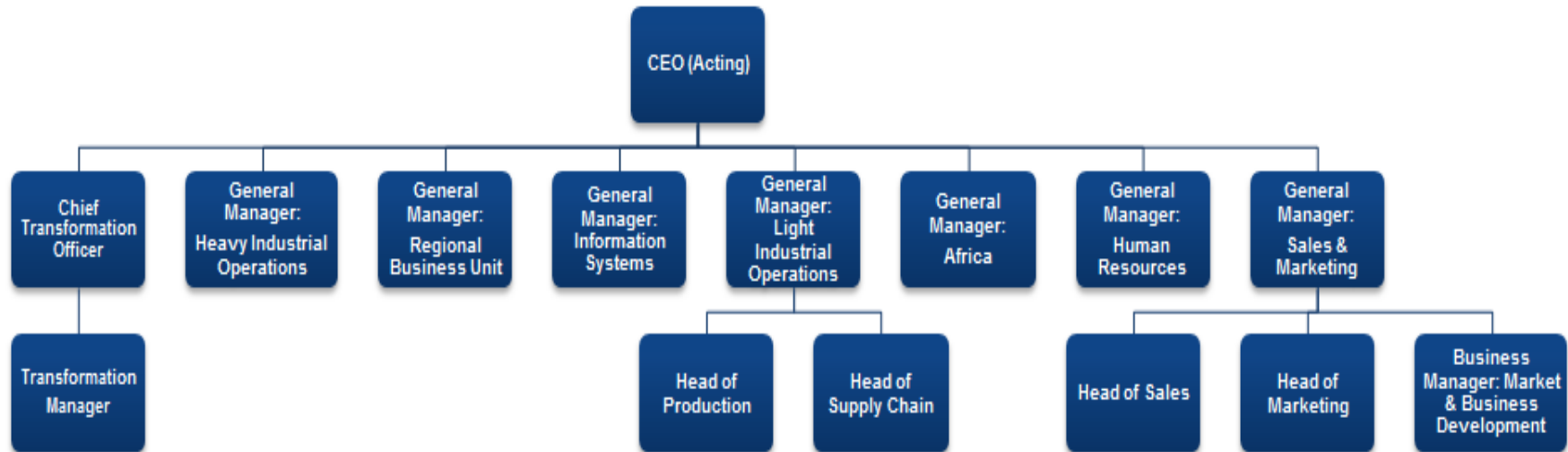
### **Part D: Approach to Openness during Organisational Turnaround**

14. How do you ensure your team trusts the information you provide them?
15. How do you go about dealing with those who challenge you or confront you?
16. How do you go about demonstrating empathy and care during this difficult time?
17. During turnaround events, one has to manage a positive mind-set, how do you decide on what to communicate?
18. What mechanism do you adopt to ensure alignment between yourself, your staff and the strategic imperatives of the turnaround event?

**Part E: Approach to Assertiveness during Organisational Turnaround**

19. How do you ensure that your team has an opportunity to contribute to decisions that affect them and ultimately you?
20. How do you go about dealing with opposing positions from your team?
21. How do you go about dealing with the confusions and uncertainty during this period of change?
22. Do you consider yourself a lot more direct and focussed on getting the job done (hands on) or strategic and high level during this time?
23. How often do you request feedback from subordinates regarding progress of initiatives?

**Appendix C: Organogram depicting organisational positions for interviewees.**



### Appendix D: Consistency Matrix

**TITLE:** Determining the relationship approaches of organisational leaders during a turnaround

Research Question/Propositions	Literature Review	Data Collection Tool	Data analysis
<p><b>Research question:</b></p> <p>What are the relationship approaches of leaders during an organisational turnaround?</p>	<p>Hoffman (1989), Antonakis et al. (2009), Cavazotte et al. (2012), García-Morales et al. (2012), Harvey (2004), Hunt &amp; Fitzgerald (2013), Hur et al. (2011), Lussier &amp; Achua (2014), Murphy (2010), O’Kane &amp; Cunningham (2012 and 2014), Trahms et al. (2013)</p>	<p>Face-to-face semi-structured interviews. Applicable questions: 7 to 23</p>	<p>Content analysis through iterative data coding on open ended questions related to propositions 1, 2 and 3 and thereafter consolidation of findings</p>
<p><b>Research proposition 1:</b></p> <p>Leader’s disposition during an organisational turnaround event is to be less communicative.</p>	<p>Appelbaum et al. (2008), Berson &amp; Avolio (2004), Cavazotte et al. (2012), Cunningham et al. (2009), Dewan &amp; Myatt (2008), Dionne et al. (2004), Fairhurst &amp; Grant (2010), Fee et al. (2013), García-Morales et al. (2012), Hunt &amp; Fitzgerald (2013), Joseph &amp; Winston (2005), Kellis &amp; Ran (2015), Lee et al. (2010), Liu et al. (2010), Lussier &amp; Achua (2014), Rao (2015)</p>	<p>Face-to-face semi-structured interviews. Applicable questions: 9, 10, 11, 12 and 13</p>	<p>Content analysis through iterative data coding on open ended questions to determine the degree of communication.</p>
<p><b>Research proposition 2:</b></p> <p>Leaders tend to be less transparent during an organisational turnaround event.</p>	<p>Avolio et al. (2009), Berson &amp; Avolio (2004), Boyd (2011), By et al. (2012), Cameron (2008), Cangemi et al. (2011), Dinh et al. (2014), Eisenberg &amp; Witten (1987), Joseph &amp; Winston (2005), Kellis &amp; Ran (2015), Lee et al. (2010), Michie &amp; Gooty (2005)</p>	<p>Face-to-face semi-structured interviews. Applicable questions: 14, 15, 16, 17 and 18</p>	<p>Content analysis through iterative data coding on open ended questions to determine the levels of transparency.</p>

<p><b>Research proposition 3:</b></p> <p>Leaders tend to intensify their assertiveness during an organisational turnaround event.</p>	<p>Ames (2009). Appelbaum et al. (2008), Bhatti et al. (2012), Hallinger (2011), O’Kane &amp; Cunningham (2014), Olsen (2010), Oreg &amp; Berson (2011), Rast et al. (2013), UI Hassan et al. (2011), Vakola (2013)</p>	<p>Face-to-face semi-structured interviews. Applicable questions: 19, 20, 21, 22 and 23</p>	<p>Content analysis through iterative data coding on open ended questions to determine the level of assertiveness.</p>
---	---	---	--



## Appendix E: Ethical Clearance Approval

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

Dear Hemant Harrielall

Protocol Number: **Temp2015-01693**

Title: **Ethical Clearance for Determining the relationship approaches of organisational leaders during a turnaround**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker

## Appendix F: Turn It Report

The Turn It Report is to follow on subsequent pages.