Leadership of change in South Africa public sector turnarounds

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Abstract

Purpose: Organisational decline has far-reaching, negative emotional and financial consequences for staff and customers, generating academic and practitioner interest in turnaround change processes. Despite numerous studies to identify the stages during turnarounds, the findings have been inconclusive. The purpose of this paper is to address the gap by defining these stages, or episodes. The characteristics of leaders affect the outcome of organisational change towards turnarounds. This paper focusses, therefore, on the leadership requirements during specific episodes, from the initial crisis to the full recovery phases.

Design/methodology/approach: A total of 11 semi-structured interviews were conducted with executives from the public sector in South Africa who went through or were going through turnaround change processes and 3 with experts consulting to these organisations.

Findings: Contrary to current literature in organisational change, this study found that, in these turnaround situations, leadership in the form of either an individual CEO or director general was preferable to shared leadership or leadership distributed throughout the organisation. This study found four critical episodes that occurred during all the public service turnarounds explored, and established that key leadership requirements differ across these episodes. The study shows how these requirements relate to the current literature on transactional, transformational and authentic leadership.

Practical implications: The findings on the leadership requirements ultimately inform the selection and development of leaders tasked with high-risk turnaround change processes.

Originality/value: Four episodes with corresponding leadership requirements were established in the particular context of public sector turnaround change processes.

Keywords: Change management, Leadership, Public service, Change phases, Transformational turnarounds

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Introduction

Governments in emerging markets like Africa are under pressure to deliver on their mandates amongst rising costs and resource constraints (More, 2015). In post-apartheid South Africa, high expectations of previously disadvantaged groups, with consequent recent labour, student and local municipalities unrest, add weight to these demands (Oosthuizen, 2016). Unfortunately, deteriorating government departments are making headlines in the local and international press (Mabe, 2015). Public service improvements, with specific attention to addressing inequalities of the past, are thus high on the political agenda (Netshitenzhe, 2013). The South African government has therefore initiated several projects to turn around, or reverse, failing departments and state-owned enterprises (The Presidency, South African Government, 2015).

This study sets out to contribute to an understanding of these high-profile public service turnarounds. Regrettably, limited academic attention had been paid to turnarounds in the public sector (Boyne, 2004). At present, scholarly research focuses mainly on the decline and subsequent change processes towards recovery of commercial organisations. These studies suggest that most, if not all, organisations face trouble and suffer from performance decline somewhere in their life cycle (Pretorius, 2008; Trahms, Ndofor and Sirmon, 2013). This is attributed to increasing global competition, escalating costs, technological changes all playing havoc on the survival of organisations (Fredenberger, Lipp and Watson, 1997; Schmitt and Raisch, 2013). Hofer (1980) and Hoffman (1989) note that turnarounds are characterised by rapid and radical changes, with organisational survival depending on the success of these changes.

Hornstein (2010) contends that impediments in the public sector are 98 percent management related. Turnarounds require thus effective leadership of these managers in the public sector to steer their organisations towards change to enable recovery (Avolio, Walumbwa and Weber, 2009; Boyd, 2011; O'Reilly, Caldwell, Chatman, Lapiz and Self, 2010). The identification of relevant and appropriate competencies, behaviours, knowledge, skills and qualities a leader requires to successfully turn an organisation around is thus often a difficult undertaking (Battilana, Gilmartin, Sengul, Pache and Alexander, 2010; Trahms et al., 2013). Moreover, the shortage of leadership theory on how leaders can successfully turn organisations around (Hoffman, 1989; Pandit, 2000) has revived interest in organisational turnarounds and the critical success factors necessary to avoid organisational failure (Harvey, 2011; Pandit, 2000; Vinten et al., 2005).

Extant process-based literature on turnaround has produced several overlapping and inconclusive stage models that admittedly provide insight into the sequence of turnaround responses (Balgobin and Pandit, 2001; O'Kane and Cunningham, 2012; 2014; Schmitt and Raisch, 2013); these models, however, lack clarity about the critical strategies that contribute towards successful turnarounds (Boyne, 2004; Pandit, 2000; Schoenberg et al., 2013). The current study thus explores turnaround strategies during particular phases or episodes, as these could guide leaders tasked with implementing turnarounds. Most empirical research on turnaround has mostly ignored the leadership attributes and processes that contribute towards successful change processes during
turnarounds (Abebe, Angriawan and Liu, 2010). As a result, the authors investigated the leadership attributes required for a successful public service turnaround.

**Literature review**

**Turnaround**

Jeyavelu (2009), Schoenberg *et al.* (2013) and Yandava (2012) define turnaround as a substantial change in the organisation’s self-definitional characteristics in relation to the environment and consider time as critical to the success of turnarounds. The literature appears to be inconclusive about the definition of a turnaround, as the following definitions illustrate: Turnaround situations are “dynamic processes comprising an activity sequence that leads firms from a decline situation to a period of sustained success or failure” (Schmitt and Raisch, 2013). These scholars note that turnaround processes might lead to failure; whereas other scholars contend that an organisation is said to have turned around if it has survived a threat to survival and regained sustained profitability (Lohrke, Bedeian and Palmer, 2004). O’Kane and Cunningham, (2014, p. 964) also advocate for sustainability in their definition. They describe turnarounds as, “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.” Other scholars define turnaround as a sustained recovery process from the brink of failure to a healthier course, through crisis management, capital restructuring and stakeholder relations in an emergency (Harvey, 2011; Kanter, 2003).

The classic work of Hoffman (1989, p.57) describes a turnaround strategy as the “key set of activities employed to halt decline and stimulate the upturn cycle”. The cycles he refers to are the decline and recovery phases. This original work did not mention sustainability, but rather the “stimulation” of the upturn cycle. Pearce and Robbins (2008) emphasise that most organisations experience a decline, with subsequent turnaround, multiple times in their lifetime. This study thus identified a gap in the actual definition and boundary conditions of the turnaround phenomenon in the current literature. The likelihood of successfully reversing the decline trajectory of an organisation is dependent on several factors, including: the severity of the crisis (Ayiecha and Katuse, 2014; Francis and Desai, 2005; Vinten *et al.*, 2005); the attitude of stakeholders (Pandit, 2000); the level of free assets (Pretorius, 2008); the organisation’s historical strategy and the characteristics or mind-set of senior managers (Ooghe and De Prijcker, 2008).

There is a lack of consensus in current theoretical models around the **phases of a turnaround process**. Table 1 below provides an overview of the different turnaround models suggested by various scholars. These models have been delineated into different episodes which do not necessarily follow the same sequence in all organisations (Trahms *et al.*, 2013).
The table illustrates that Boyne (2004), who investigated the public sector, mentioned three episodes, whereas Harvey (2011) identified six. Recognising the need for change is regarded by this scholar as a separate phase, for example. Internal causes of change are related to poor management, whether as a result of errors of omission or commission (Balgonb and Pandit, 2001; Hoffman, 1989; Trahms et al., 2013), while external causes are related to environmental changes, increased competition and lower demand for offerings (Balgonb and Pandit, 2001). Boyne (2004), on the other hand, posits that retrenchment is the first step in turning an organisation around. The next step, according to Boyne (2004), is for the organisation to reposition itself by defining a new mission and core activities through the introduction of growth and innovative strategies. Also, crucial during this episode is meeting with key stakeholders to build legitimacy (Ooghe and De Prijcker, 2008).

The reorganisation phase refers to changes in the internal management and organisational culture (Boyne, 2004; Kanter, 2003). Harvey’s (2011) six phase model stresses the importance of a stabilisation phase. Key activities here are returning to profitability, running the operations efficiently and repositioning the organisation for the next episode. Rehabilitation is the final turnaround episode and concentrates on development and growth of revenue for a sustainable future (Harvey, 2011).

In contrast, the five-episode model commences with a step to alert the organisation of the need to implement a turnaround process. The triggers for change episode, as described by Balgonb and Pandit, (2001) and Pandit (2000), is a step necessary to alert the organisation of the need to implement a turnaround process. Boyne (2004), Kanter (2003) and Schoenberg et al. (2013) are in agreement and have identified changes in culture, internal reforms (human resource, financial strategies, internal management, and planning systems) and leadership as critical factors. Organisations have to invest in a sense making capability to know earlier what the meaning of even

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<thead>
<tr>
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<tbody>
<tr>
<td>Phase 1</td>
<td>Decline &amp; crisis</td>
<td>Retrenchment</td>
<td>Recognising the need for change</td>
</tr>
<tr>
<td>Phase 2</td>
<td>Triggers for change</td>
<td>Repositioning</td>
<td>Situational analysis</td>
</tr>
<tr>
<td>Phase 3</td>
<td>Retrenchment and stabilisation</td>
<td>Reorganisation</td>
<td>Crisis management and emergency actions</td>
</tr>
<tr>
<td>Phase 4</td>
<td>Recovery strategy formulation</td>
<td>Stabilisation</td>
<td></td>
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<tr>
<td>Phase 5</td>
<td>Return to growth</td>
<td>Development of a recovery plan</td>
<td></td>
</tr>
<tr>
<td>Phase 6</td>
<td></td>
<td>Rehabilitation/return to normal</td>
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</table>
weak signals are (Haeckel, 2004). However, Weick (2001) advises that interpretations of organisational experiences are often retrospective. Organisational change, such as turnarounds, offers occasions for sensemaking to assist in finding meaning through building collective memory or stories about the events (Erbert, 2016). Steigenberger (2015) found in this regard that emotions, like fear and anger regarding the change process, have to be integrated in this sense making perspective.

The main objective of the next episode is to stop the decline through retrenchments, followed by a stabilisation process to ensure survival and generate positive cash flow (Balgobin and Pandit, 2001; Pearce and Robbins, 1993). The secondary objectives are to concretise issues managers must resolve, as well as define core activities and markets the organisation will enter to increase efficiency through cost and asset reductions (Schmitt and Raisch, 2013). Asset reductions will only be implemented when cost reductions have not produced the desired results (Schoenberg et al., 2013). This sequential perspective is, however, not supported by Balgobin and Pandit, (2001) or Lim, Celly, Morse and Rowe (2013), who believe that retrenchment and stability should not take place before there is a clear plan on how the organisation will recover from the decline and crisis episode (Balgobin and Pandit, 2001; Lim et al., 2013).

Schmitt and Raisch (2013) argue that whilst recovery and retrenchments may be contradictory, they are not mutually-exclusive activities. They state that these activities can be carried out simultaneously or sequentially, contrary to the dominant view which suggests one needs to choose between either recovery or retrenchment. The next phase entails focusing on core activities of the organisation that will lead to long-term profitability and market growth (Robbins and Pearce, 1992; Schmitt and Raisch, 2013).

**Leadership during turnarounds**

O'Kane and Cunningham (2014, p. 964) contend that, “turnaround leaders are consistently challenged to remain dynamic and must ensure their activities are sufficiently balanced and fit for purpose during implementation of a recovery phase”. These authors emphasise a particular turnaround phase, namely the recovery phase, with the corresponding leadership characteristics required during that phase. The question remains whether there would be different requirements during the other phases. This paper thus explored leadership requirements during the various turnaround phases.

To manage stakeholders during turnarounds, the leader requires a soft leadership approach (Oshagbemi and Gill, 2004) and needs to be open, communicative and trustworthy (Pretorius and Holtzhauseren, 2008). This involves understanding the different needs and ambitions of individuals, an element of transformational leadership style, which includes idealised influence, individualised consideration, inspirational motivation and intellectual stimulation (Bass, 1986; Avolio, Bass and Jung, 1999). Keeffe and Darling (2008), as well as McCray, Gonzalez and Darling (2012) also emphasise transformational leadership in crisis management, where leadership focuses on problems that can be converted into opportunities for their organisations. The soft leadership approach includes the strategic role in managing resistance to
change by motivating employee participation in taking the organisation through the change process (Al-Ali, Singh, Al-Nahyan & Sohal, 2017).

Turnarounds create unique circumstances of resource scarcity, which limit the strategic options a leader can try to lift the organisation out of a performance decline (Pretorius and Holtzhauzen, 2008; Vinten et al., 2005). When a leader is faced with this liability, a hard leadership style, or leadership assertiveness, is required. The leader must be decisive, take risks and utilise strict authority in resource utilisation (O’Kane and Cunningham, 2014), similar to the transactional leadership style, as described by Bass et al. (2003).

Several scholars contend that leadership change is necessary for a successful turnaround (Balgobin and Pandit, 2001; Landrum, Howell, and Paris, 2000; Pretorius and Holtzhauzen, 2008), whereas others view leadership replacement as common but not essential for a successful turnaround (Clapham, Schwenk and Caldwell, 2005). They argue that outside leadership appointments lack knowledge about the organisation, its employees and culture. A leadership replacement is necessary only when “the costs of the CEO’s fixed vision and misperception of the needs of the company outweigh the benefits of his/her familiarity with the company” (Clapham et al., 2005, p.424).

Shareholders generally view organisational failure as a leadership inability and leadership change is therefore a symbolic signal of intent and seriousness to revive the organisation (O’Kane and Cunningham, 2014; Schoenberg et al., 2013). Harvey (2011, p.9) states that it is often difficult for the current leadership to accept the “enormity of the approaching calamities, especially by those who were incumbent while the bad situation was developing”. The authors of this paper set out to provide an understanding of which leadership approaches are required under which circumstances during the unique contexts presented by turnaround phases. Osborn, Hunt and Jauch (2002) argue that analysis of leadership should be dynamic as leadership changes according to leadership context. This view, echoed by other contextual leadership researchers (Carter and Greer, 2013; Jooste, 2004; Porter and McLaughlin, 2006), emphasises that different times and conditions require different leadership approaches. Many theories on leadership regularly neglect the impact of the environment and organisation on leadership style. However, leadership in organisations does not exist in a vacuum (Porter and McLaughlin, 2006). This view of leadership states that leadership is embedded in the context, implying that the demands, constraints and choices for leaders stem from the context.

The turnaround literature emphasises the “soft” and “hard” leadership approaches during turnaround (O’Kane and Cunningham, 2012; Pretorius and Holtzhauzen, 2008). However, the question as to which style is most relevant during which phases remains. Based on the literature review, the following two research questions were formulated:

Research Question 1
What are the phases during turnarounds of public organisations?

Research Question 2
What are the requirements of leadership during specific episodes of a turnaround, in a public service context?

**Research Method**

The researchers sought to gain better understanding of perspectives, attitudes, experiences and interpretations in context (Zikmund, Babin, Carr and Griffin, 2012) and therefore chose an in-depth qualitative and exploratory approach. Face-to-face interviews gave the researchers deeper insight into the challenges, processes, leadership and impact of the turnarounds taking place in organisations. The open-ended nature of the inductive approach was used to gain knowledge, insights, similarities, categories and emerging connections discovered during the interviews and data analysis process (Lewis and Saunders, 2012), and assist in the development of a turnaround model aligning leadership attributes to the turnaround episodes.

Two groups of participants were chosen for this study, namely eleven South African executives from the public sector, including state-owned entities that had gone, and/or were going, through turnarounds within their organisations. The second group consisted of three experts working in the turnaround domain, who had assisted and observed executives of organisations that had and/or were going through turnarounds. A non-probability convenience sampling method was used to identify the three professionals. Maxwell (2012) suggests that triangulation of sources assists with data validation as it allows for searching for discrepant evidence. Consequently, the face-to-face, in-depth interviews were held with these three professionals after the interviews with the eleven executives were completed.

The methodology included thus two phases: phase one consisted of the eleven interviews with executives involved in turnarounds; and phase two followed with the interview with the three experts who consulted to and observed executives during turnarounds. The eleven executives were selected from five public service organisations. The criteria for selecting the five organisations was based on the following:

- The organisations had to acknowledge that they had and/or were going through a turnaround.
- There must have been a change in leadership to turn the organisation around.
- There must have been a decline in performance resulting in losses (financial or reputational) and the information available described the end of the decline phase and the beginning of a turnaround phase.

Two executives from each organisation who had experienced the turnaround process were chosen to be interviewed in order to explore the turnaround process and leadership attributes observed during the process. The five organisations’ in this sample is summarised in the table below.
Table 2

Description of sample organisations and their turnaround changes

<table>
<thead>
<tr>
<th>No</th>
<th>Type of organisation</th>
<th>Type of turnaround change</th>
<th>Positions of interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Government Department (National level)</td>
<td>Service delivery crisis, with public complaints. Had to change to customer focus and operational process changes</td>
<td>Minister and Turnaround Executive</td>
</tr>
<tr>
<td>2</td>
<td>State Owned Enterprise (SOE)</td>
<td>Financial crisis with resultant major restructure and retrenchments of employees</td>
<td>Group Executives</td>
</tr>
<tr>
<td>3</td>
<td>Government Department (National level)</td>
<td>SOE’s, which the Department was overseeing, had financial crises and required clarification of roles, accountabilities and transformation of process and systems</td>
<td>Chief Director and Senior Manager</td>
</tr>
<tr>
<td>4</td>
<td>Government Investment entity</td>
<td>Internal turnaround to improve investments and efficiencies</td>
<td>Executive</td>
</tr>
<tr>
<td>5</td>
<td>State Owned Enterprise (SOE)</td>
<td>Financial crisis with resultant retrenchments of employees and selling of assets</td>
<td>Group Executives</td>
</tr>
</tbody>
</table>

The five public service organisations, consisted of two national government departments involved in the research, as well as two state-owned enterprises (SOEs) and finally a government investment entity. The types of turnarounds varied, where the two government department experienced service delivery crises and complaints, the two SOEs had experienced serious financial decline that resulted in large-scale retrenchments or layoffs of employees. The turnaround change of the government investment entity was internally initiated to improve efficiencies and investments. The interviewees included: a Minister in the one government department and in the other government department, the researchers interviewed the Chief Director. The interviewees in the SOEs were on group executive level and the investment entity’s interview was on executive level.

From the extant literature described above, a general high level sequence of happenings of turnarounds were created to give structure to the interviews. For example, a phase prior to the decline in performance, during the turnaround and after the turnaround. These phases offered input to an interview protocol. An interview protocol guides the interviewer on what to say before and after the interview,
mentioning of issues of confidentiality and prompts the interviewer to collect information in a structured manner (Jacob and Furgerson, 2012).

Prior to embarking on the scheduled interviews with executives and professionals, a pilot testing phase was undertaken by the researcher. The pilot phase was held with a business rescue practitioner who has extensive knowledge and experience in problem diagnosis and turnarounds. The pilot test assisted in eliminating repetitive questions, redesigning the sequence of questions in each episode, re-phrasing of questions from close-ended to more open ended ones by using words such as “can you describe/explain?”, “how did that happen?”. The duration of each interview was approximately 60 minutes divided in the following manner: 5 minutes for introduction and building rapport; 10 minutes per episode and the last 5 minutes reserved for maintaining rapport and a conclusion.

The transcribed interviews were analysed to identify emerging themes, codes and ideas common amongst the participants (Creswell and Miller, 2000; Turner III, 2010), using ATLAS ti, software. In analysing the interview transcripts, the researchers made use of coding. Code names were created based firstly on the research questions, then main themes to each research question. The researchers read each transcript without coding and then re-read each transcript and identified/marked the codes on each transcript. The initial codes, which were based on the research questions, then different episodes, were two hundred and four (204) codes. After all the transcripts were read and coded, there were codes that were grouped together into themes based on the research questions and episodes relevant to the question. The code names were then narrowed down to nineteen (19) themes. During the coding processes other emergent codes such as leadership fatigue came up from the data and were included in the analysis process and were also found to add different aspects to the research. The codes revolved around happenings and activities of the pre, during and post turnaround phases. There were also themes grouped around the leader attributes that were required to take the organisation to the phases of turnarounds. (The lists of codes are available on request from the corresponding author). Saturation was reached at around the eighth interview with executives, where the themes were common and no new theme emerged.

Limitations include that exploratory studies are subjective by nature, with the potential for researcher and response bias. Due to the personal nature of the research topic, respondents may not have provided truthful information, resulting in respondent bias. The use of purposive sampling also implies that the outcome cannot be generalised to the entire population. The organisations interviewed were limited to the public sector. The study was cross-sectional and required interviewees to reflect on specific episodes that they had experienced in the past during turnarounds; a longitudinal study would have been valuable to track these turnarounds over time.

Findings and discussion

This section pays attention to the findings for research questions on the phases (research question 1) and requirements of leaders during these episodes of public sector turnarounds (research question 2). The discussion below shows the results of
each research question in sequence for each general phase, namely phase prior to turnaround, during and after the turnaround.

**Phase prior to turnaround**

**Results of research question 1 on phases of turnaround:**

The researchers asked the following question about this phase: “In your experience, how had the turnaround process unfolded?”

All interviewees had witnessed the severe impact of the internal and external environment on the organisation’s performance prior to the turnaround. Interviewees from the two national government departments expressed it as follows:

> „….I think it was a combination of the National Development Plan, which that indicated that we need to do things differently. It was also the state of the South African economy….” Another interviewee said, “…so I think what would have happened if there hadn’t been a government shareholding, is the company would have easily been bought out and assets stripped…”

Table 3 illustrates the top three pre-turnaround factors impacting on organisational performance.

### Table 3

**Pre-turnaround factors**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Identified factors</th>
<th>Frequency</th>
<th>% of interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>External factors</td>
<td>9</td>
<td>55%</td>
</tr>
<tr>
<td>2</td>
<td>Internal factors</td>
<td>5</td>
<td>36%</td>
</tr>
<tr>
<td>3</td>
<td>Lack of sense-making capabilities</td>
<td>3</td>
<td>36%</td>
</tr>
</tbody>
</table>

The findings indicate that factors outside the control of organisations are ranked higher as they are difficult to foresee and control. This is confirmed by the literature that the external environment has heightened variabilities that are difficult to predict and which can have a detrimental impact on the organisation (Lohrke et al., 2004; Trahms et al., 2013). In contrast, the research by Olson, Van Bever and Verry (2008) found that 87% of organisational decline could be attributable to internal factors.

**Results of research question 2 on requirements of leadership:**

The researchers asked the following question about this phase to answer research question 2: “What had the leadership been like before the organisation went through a turnaround?”

The interviewees responded to this question as follows: An interviewee who was from an SOE which went into financial decline noted,
“the vision was not very strong in terms of where we were going”. While another from the same organisation, stated, “we were just killing fires and just complied and just did the operational things”.

Internal factors identified by the interviewees included inappropriate leadership, lack of a clear vision, lack of resources and non-alignment with the external environment. All interviewees support the view that it is mainly the leader’s responsibility to provide direction and appropriate strategies in response to internal factors.

Interviewees discussed the leadership prior to the turnaround as follows:

“The leadership was driven by their own agenda; were in denial; or kept finding excuses why it was not their fault”, according to the reflections of a particular turnaround that an expert observed.

These leaders were described as having had ever-increasing risk-seeking behaviours in the hope that the situation would turn around. This corresponds with what Pandit (2000) terms inhibitor characteristics of crisis denial, which lead to a hidden crisis, organisational disintegration and ultimately organisational collapse.

Interestingly, the interviewees also conceded that they were aware of declining organisational performance, but were unable to react with the speed and impact required to halt the progression into a crisis. Charan et al., (2002) are in agreement, believing that leaders with lax oversight expose organisational weaknesses to the environment and place the organisation under siege. One interviewee stated,

“I don’t think in the past we really managed to bring all these things and integrated them together in a way that we were able to see the holistic picture.”

During the interviews, the following question was asked on leadership change, “Was leadership change necessary for the turnaround to be successful?” Both participant and expert samples agreed that leadership change was indeed necessary before a turnaround could take place. In all the cases, the South African government conducted bailouts and prescribed who to appoint as the turnaround leader. It indicated that leadership change in the public sector is highly politicised and dependent on the incumbent Minister’s discretion. More often than not, when a Minister is re-shuffled they prefer to appoint their own candidate as a leader. It created requirements of establishing legitimacy in the first phase of the turnaround. In comparison to private organisations, the politicised environment in the public sector seemed to have a negative impact on the speed at which decisions and actions were taken.

First episode

Results of research question 1 on phases of turnaround:

The researchers asked the following question, “Which were the most prominent/important activities that had taken place?”. The researchers then formulated the term restructuring and repositioning phase to summarize the descriptions of the interviewees. The researchers called it the first turnaround episode, as a result of the trigger to change, mentioned by all executives. Table 4 below
indicates the top eight activities identified by the executives. These activities, when compared to the literature, were aligned to the restructuring and repositioning phase that previous scholars identified and it confirmed the researchers’ formulation.

**Table 4**

**Key activities in Phase 1**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Identified activities</th>
<th>Frequency</th>
<th>% of interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Retrenchments and process improvement</td>
<td>18</td>
<td>82</td>
</tr>
<tr>
<td>2</td>
<td>Impact of change on employees</td>
<td>16</td>
<td>73</td>
</tr>
<tr>
<td>4</td>
<td>Gaining control</td>
<td>7</td>
<td>55</td>
</tr>
<tr>
<td>5</td>
<td>Stakeholder management</td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td>6</td>
<td>Building legitimacy</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>7</td>
<td>Improving morale</td>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>7</td>
<td>Situational analysis</td>
<td>2</td>
<td>9</td>
</tr>
</tbody>
</table>

Retrenchments and process improvement were defined to include both human and non-human asset reduction and cost reduction. Paradoxically, the political nature of the public sector encourages job creation as opposed to retrenchment, which was a major frustration for the executives having to balance social responsibility (the impact of change on employees) with financial sustainability. An executive from a government department expressed frustration as follows,

> “And as government we need to be seen as protecting jobs rather than destroying them. Then you find a situation whereby the critical areas are becoming worrisome, because we continue to retain something that is not giving you the return on investment that you require. But because of the context you operate in you need to keep those people because it is politically correct”.

The findings from the two subsamples were different. Experts considered a turnaround to be messy because, as one expert stated,

> “it is not clearly structured, there is information asymmetry and management tends to reveal the information they want you to have, so a leader must sift through all this”.

They therefore suggested that the first episode should be dedicated to **diagnosing the situation**. Diagnosis, as mentioned, involves making sense of the internal and external factors impacting on organisational performance to determine the root cause of the performance decline. Diagnosis was eloquently described by one of the experts as,

> “determining the root cause by peeling back the layers so that you are not only looking at the symptoms but diagnosing where the core of the problem is”.

**Results of research question 2 on requirements of leadership:**
The researchers asked the following question, “What type of leadership characteristics and skills were required to turn around the organisation?” Based on the interview results, this study identified specific leadership requirements for this phase.

Table 5

<table>
<thead>
<tr>
<th>Rank</th>
<th>Key requirements</th>
<th>Frequency</th>
<th>% interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Courageous and resilient</td>
<td>18</td>
<td>82</td>
</tr>
<tr>
<td>2</td>
<td>Clearly defined roles with action plan</td>
<td>16</td>
<td>45</td>
</tr>
<tr>
<td>3</td>
<td>Timely, honest communication with respect</td>
<td>14</td>
<td>73</td>
</tr>
<tr>
<td>5</td>
<td>Decisive with appropriate decisions</td>
<td>11</td>
<td>55</td>
</tr>
<tr>
<td>6</td>
<td>Emotional intelligence</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>7</td>
<td>Collaborative leadership</td>
<td>1</td>
<td>9</td>
</tr>
</tbody>
</table>

Being courageous and resilient was ranked top by the executives, as characteristics required when faced with retrenchment options and their impact on employees. One of the executives in a SOC who had to retrench employees, provided an example, 

“we unfortunately had to ask in that process, what are the human resources that are fully employed, and which were not? And we took decisions accordingly.”

Being decisive and taking appropriate decisions, as mentioned by 55% of the respondents, is aligned to the need to create efficiencies and the impact of those decisions on employees.

Timely and honest communication with key stakeholders about the status of the organisation was a leadership requirement mentioned by 73% of the interviewees. It lessens insecurities, tensions and anxiety experienced by most employees during turnarounds. The literature on sense-making, mentioned above is relevant here, especially emotional aspects and making sense of emotional responses during change (Steigenberger, 2015).

This is in agreement with Kanter’s (2014) findings. She urges leaders to effectively manage the psychological impact of turnarounds on employees. During a turnaround, employees are seen to be disengaged and suspicious of leaders’ motives, credibility and capabilities. The leader is therefore faced with the liability of legitimacy (Pretorius and Holtzhauzen, 2008). Liability of legitimacy requires a leader to be open, honest and communicative in order to address these “soft issues”. An executive from the SOE, which retrenched employees, commented on the impact of turnarounds on employees, stating,

“the challenge with change mostly is uncertainty and that is what brings people down. They don't know what to expect next.”
This view is supported by the literature on turnarounds, which states that an instrumental form of leadership that emphasises organisational design, control and rewards to motivate behaviour is required during the start of the turnaround process (Carter and Greer, 2013; O’Kane and Cunningham, 2012). The focus on reward and decisiveness during this turnaround episode relates to literature on the behaviour of leaders with a transactional leadership style.

Second episode

Results of research question 1 on phases of turnaround:

The second episode of the turnaround, based on responses from the executive subsample on key activities of the next phase, is change strategy formulation. Table 6 indicates the key activities identified in this phase.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Identified activities</th>
<th>Frequency</th>
<th>% of interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Change strategy formulation process</td>
<td>12</td>
<td>64</td>
</tr>
<tr>
<td>2</td>
<td>Changes in the new strategy</td>
<td>8</td>
<td>45</td>
</tr>
<tr>
<td>3</td>
<td>Focus on core mandate</td>
<td>6</td>
<td>36</td>
</tr>
<tr>
<td>4</td>
<td>Gaining support in strategy formulation process</td>
<td>4</td>
<td>36</td>
</tr>
</tbody>
</table>

The change strategy formulation process was considered critical by the majority of the executive subsample. An inclusive bottom-up process of consulting all key stakeholders before change strategy formulation was considered to be a good strategy. The large number of key stakeholders to consult in the public sector made this process long and cumbersome, during a process in which time is critical.

This study identified various approaches to change management during this phase. For example, as an executive from a SOE explained,

“when we had the first draft out, the attitude was: ‘it is your strategy so you will implement it.’ But as we engaged with them and explained what it was going to do for us, then people came around.”

Other executives who were not part of the change strategy formulation expressed frustration at not being involved in the decision making about the change. For example an executive from the government investment group stated,

“Ja, we were not involved, which I think is a gap. I think at least senior managers must be involved in it, because you know, then you get buy-in from the start.”
Results of research question 2 on requirements of leadership:

The table below illustrates the top eight requirements of leadership mentioned during the interviews of this phase.

Table 7

Key leadership requirements during Phase 2

<table>
<thead>
<tr>
<th>Rank</th>
<th>Key requirements</th>
<th>Frequency</th>
<th>% of interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Communicate, empower and inspire</td>
<td>29</td>
<td>91</td>
</tr>
<tr>
<td>2</td>
<td>Reduce resistance and anxiety</td>
<td>12</td>
<td>73</td>
</tr>
<tr>
<td>3</td>
<td>Awareness of leadership fatigue</td>
<td>10</td>
<td>73</td>
</tr>
<tr>
<td>3</td>
<td>Bring about trust, loyalty and admiration and respect</td>
<td>10</td>
<td>55</td>
</tr>
<tr>
<td>5</td>
<td>Sustain energetic momentum</td>
<td>7</td>
<td>55</td>
</tr>
<tr>
<td>5</td>
<td>Re-enforces organisational vision</td>
<td>7</td>
<td>45</td>
</tr>
<tr>
<td>7</td>
<td>Introduce radical changes</td>
<td>5</td>
<td>36</td>
</tr>
<tr>
<td>7</td>
<td>Individualised attention and intellectual stimulation</td>
<td>5</td>
<td>36</td>
</tr>
<tr>
<td>9</td>
<td>Self-aware and honest</td>
<td>4</td>
<td>27</td>
</tr>
</tbody>
</table>

The interviewees deemed the following requirements of leadership as most important during this episode: to communicate, empower and inspire; reduce resistance and anxiety; and awareness of leadership fatigue. Interviewees regarded the ability to articulate a vision, and how to attain it, in an appealing manner as crucial during this phase. One of the executives stated, for instance, that,

“within weeks he called a leadership two-day work session, he shared his vision with us.”; “…we had internal meetings, we had meetings off site. It is not just one meeting and there we go and we decide on a new strategy. It is a lot of deliberations, meeting with the Board, testing what they think is necessary. Meeting with other stakeholders, understanding the client requirement…”

Another important requirement was leadership’s ability to reduce resistance and anxiety about the new changes and increase support of the new direction. An executive from a SOE which had to move their offices to more cost effective buildings, held,

“people sacrificed, I think a lot of their individualism, in the interests of the broader collaborative effort. They understood that if they didn’t push together in the scrum it was going to fall apart.

An executive from a SOE which had strong union representation reflected,

“..so communication, transparent engagement with unions, not hiding anything and being able to talk to them about problems, about proposed solutions, is what made the level of relationship to be high ....”
This finding relates to the literature on transformational leadership as being charismatic, inspirational and stimulating (Carter and Greer, 2013; Goldman and Casey, 2010).

The researchers found the notion of leadership fatigue interesting; this is rarely mentioned, if at all, in the literature. Experts alluded to the importance of a leader being able to find an appropriate channel to vent and re-energise during this process. One executive from a SOE which retrenched employees stated,

“as a leader I should have taken better care of myself in terms of work-life balance. I think we were very, very close to burnout, because of the demands on our time. You know, to engage with people is not a five-minute effort. If you are there to listen to them, you better listen to them and you better do something about it.”

Another executive explained how they tried to reduce leader fatigue among other senior managers in their government department and said,

“then different people will have different levels of prominence. We actually called it scaffolding, you know, to hold the building up. Why? Because change often brings instability and the scaffolding was there to prevent instability.”

An expert, when asked what needed to be done during this phase, remarked,

“there is almost always financial bad news that the new CEO has the opportunity, again within the first 100 days, to get rid of the bad news, write off things that needed to be written off, and if you are going to do retrenchments, do the retrenchments.”

These findings indicate that leadership requirements included several aspects that relate to a transactional leadership style, when faced with the liability of resource scarcity. For example, the literature states that transactional leadership styles are characterised by centralised command, control (Balogbin and Pandit, 2001; Battilana et al., 2010; Boyd, 2011), as well as autocratic and decisive actions (O’Kane and Cunningham, 2012; Schoenberg et al., 2013).

Both subsamples alluded to the need to apply different leadership styles, depending on the context of the issues being handled at the time, relating to the construct of contextualised leadership (Hannah, Uhl-Bien, Avolio and Cavarretta, 2009). For example, a leader is required to put in place asset and cost reduction mechanisms, relating to transactional leadership, and improve morale, associated with transformational leadership. Leadership requirements included being able to adopt different leadership styles according to the situation. An interviewee from a SOE who had to take tough decisions that involved employee retrenchments described this requirement as follows,

“there is a time where a leader needs to wear a transactional hat, in order to get the job done, and a time for a transformational hat to be able to say, ‘What are we going to do, once we have done all that?’ But overall you need a transformational leader willing to put on a transactional hat to do some of the
tough tasks. I cannot think of many organisations that have been turned around by a purely transactional leader”.

This approach supports the views of Carter and Greer (2013); Osborn, Hunt, and Jauch (2002); as well as that of Porter and McLaughlin (2006) regarding a contextual approach to leadership, in which the complexity of the environment is considered.

**Third episode**

**Results of research question 1 on phases of turnaround:**

The third episode, as defined by the experts, is the implementation of the change action plan. This episode, according to these experts, involves asset and cost reduction processes, putting systems in place to monitor the implementation of the change strategy and continuous scanning of the environment. This view is contrary to that of Balgobin and Pandit (2001), who posit that these activities should be performed in episode 4 (retrenchment and stabilisation), while Boyne (2004) has identified the process of retrenchment as an activity performed in episode 1, similar to the executive subsample’s view. The table below indicates key activities identified by executives during phase three of the turnaround process.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Identified activities</th>
<th>Frequency</th>
<th>% of interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Alignment of the change strategy with the environment</td>
<td>5</td>
<td>45</td>
</tr>
<tr>
<td>1</td>
<td>Increase speed of implementation</td>
<td>5</td>
<td>36</td>
</tr>
<tr>
<td>3</td>
<td>Continuous efficiency assessment</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>Change strategy formulation and engagement</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>New leadership</td>
<td>1</td>
<td>9</td>
</tr>
</tbody>
</table>

The activities identified are similar to those mentioned in the literature under the change strategy implementation, monitoring and evaluation episode. Change strategy implementation, as reflected in the table above, entails monitoring and evaluating progress and the balance between social responsibility and financial sustainability.

**Results of research question 2 on requirements of leadership:**

The researchers asked a question on leadership requirements in the following way, “What could turnaround leaders do to lessen the psychological impact of a turnaround on employees?” The answers to this question revealed that this episode requires a mature leader with emotional intelligence, who portrays humility.

“Humility should not be confused with weakness”, said one expert.
It simply means that the leader remains humble when making hard decisions. Emotional intelligence assists a leader to be able to balance the conflicting needs of various stakeholders in a manner that benefits the organisation. Boziolelos and Singh (2017) explain that Emotional intelligence is a multi-faceted construct that reflects the capacity of an individual to understand one’s own emotions and understand the emotions of others, as well as to regulate one’s own emotions to achieve valued outcomes. Formal programmes were in some cases initiated to address the emotional responses of employees, as an interview from a SOE that introduced extensive restructuring related:

“...we had an on-going change management programme sensitising in-house change, bringing about in-house change and adjusting the organisational mood completely…”

The key activities identified by the executives during this phase entailed alignment of the change strategy with the environment, called a sense-making capability in the literature (Maitlis and Sonenshein, 2010). These leadership requirements relate to the behaviours associated with transformational leadership, for example an inspiring vision and individualised consideration (Carter and Greer, 2013; Goldman and Casey, 2010; Landrum et al., 2000).

Interestingly, the interviewees mentioned that in all cases there had been a succession of leaders during the different episodes of, for example, two or even three leaders. Furthermore, the availability of government funding often resulted in no real consequences for leadership failure; a new leader was brought in and provided with funding to continue the turnaround process. There had regularly been leaders with certain styles, for example, the transactional leadership style of focusing on the task and managing through reward structures, in one phase of the turnaround process; and then, in the next phase, a different leader would be appointed – seemingly with a different dominant style, like the transformational style, with its focus on people aspects and individualised consideration, as well as an inspiring vision.

Fourth episode

Results of research question 1 on phases of turnaround:

The researchers asked the following question to deepen the conversation, “Why would organisations find it hard to reach the return to growth stage of a turnaround?” This episode, as gathered from all subsamples, seems to be harder to attain because, as one expert mentioned,

“return to growth is re-inventing the organisation, an exercise that is much harder than starting a new business. The leader has the added task of repaying all the liabilities that were incurred as a result of the crisis”.

The last phase of a turnaround, as defined by both subsamples, is one that should ensure the sustainability of an organisation by moving beyond the original status of the organisation, prior to the decline. The activities ranged from doubling revenue, improving the organisation’s image in the eyes of the public and being regarded as
the employer of choice, with an expert describing this phase as “moving from good to great”.

Boyne (2004) names this stage “the repositioning episode”, while Balgobin and Pandit (2001) refer to it as the return to excellence phase.

**Results of research question 2 on requirements of leadership:**

Table 9 below provides a list of identified key requirements.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Key requirements</th>
<th>Frequency</th>
<th>% of interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduce radical changes</td>
<td>6</td>
<td>45</td>
</tr>
<tr>
<td>1</td>
<td>Communicate, empower and inspire others</td>
<td>6</td>
<td>27</td>
</tr>
<tr>
<td>3</td>
<td>Self-awareness and honesty</td>
<td>4</td>
<td>18</td>
</tr>
<tr>
<td>4</td>
<td>Intellectual stimulation</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>Optimism</td>
<td>1</td>
<td>9</td>
</tr>
</tbody>
</table>

Returning to excellence was admittedly more challenging than any other phase, as most organisations were still paying and recovering from debts that the performance decline had caused their organisations. The interviewees stated that they were still repaying loans they had to take, as well as paying for retrenchment packages, penalties from cancelled contracts, and other infrastructure and software procured during the turnaround. Interviewees expressed additional difficulties in reaching this fourth stage, including the price of distress and the time it took for these organisations to recover from reputational damage and loss of talent. In the case of some state-owned companies, it took time to regain market share.

It is no surprise then that the introduction of radical changes within the organisation ranked top of the list. Radical changes require the organisation to come up with innovative ways of doing business. The development of future leaders was understood to enhance the future sustainability of the business. The requirement to communicate, empower and inspire others seemed to be relevant here, which relates to the inspiring vision of the transformational leadership style (Oshagbemi and Gill, 2004; Pless and Maak, 2012). Interestingly, self-awareness and honesty ranked third. One of the executives in a SOE, described self-awareness as follows,

“then I also believe you cannot be a leader if you don’t know yourself very well. If you have not personally come to a point in your life where you have met yourself and say, I know I can do this and I cannot do that.”

Interestingly, these aspects of self-awareness and relational transparency relate to the literature on authentic leadership that is considered an emerging leadership style that addresses the needs of multiple stakeholders (Avolio and Gardner, 2005; Carter and Greer, 2013). Authentic leaders are not only highly tolerant of ambiguity but also open
to change. This makes them instrumental in stimulating innovation (Busaibe, Singh, Ahmed and Gaur, 2017).

Conclusion and future research

In closing, this section focuses first on implications for organisations and offer a conceptual framework as summary of the findings and finally, recommendations for future research.

Implications for organisations

In this sample of public service organisations, external factors were identified as the major cause of organisational decline, necessitating a turnaround. This contrasts with the findings of Olson et al. (2008), where most of the decline in the private sector was attributed to internal factors. While the general trend in leadership research points to shared leadership (Carter and Greer, 2013; Lohrke et al., 2004; O’Kane and Cunningham, 2014) and emphasises the top management team (TMT), in this study there was agreement amongst the interviewees that only one person – “the leader” – is responsible and accountable to turn around an organisation. An interviewee from a SOE mentioned,

“in time of crisis there needs to be a figurehead. A person others look up to, much more than when an organisation is doing well”.

The implication of these high expectations of one person is that it might lead to blaming and abdication of others’ responsibility and accountability towards the turnaround. Other scholars, like Burns (1996), in contrast, find it unfair to place the responsibility for identifying, planning and responding to environmental factors only on leaders. He states that rapid and complex environmental changes make it impossible for leadership to effectively react and that it should be a task performed bottom up, by the whole organisation. Public organisations should take note of this finding and make an effort to expose employees to external changes and purposefully involve them in creating strategies for the future to meet challenges.

The findings also revealed the fundamentally different leadership styles required during the distinct turnaround phases, which might offer a rationale for appointing new leaders. The interviewees agreed that leadership change was necessary for a turnaround as the previous leader couldn’t prevent the organisation from performance decline. Leadership change signifies that actions have been taken to stem further decline (Pretorius and Holtzhauzen, 2008).

The current study has far-reaching implications for organisations facing a turnaround and needing to select leaders to manage it. The leadership style required in the first two phases of a turnaround, namely transactional, is fundamentally different to the transformational and, ultimately, authentic leadership styles required later in the process. Interviewees emphasised that in public service organisations, government selects these candidates. Government organisations must thus guard against making political appointments, where the political positioning of leaders plays more of a role than their competencies or leadership styles. The literature emphasises that early recognition of incompetent leaders improves the chances of a successful turnaround.
(Gopinath, 1991; O’Kane and Cunningham, 2012). The authors of this paper would thus recommend that leadership style also be considered in evaluating leaders.

**Conceptual framework as summary**

Where other scholars identified six (Harvey, 2011), five (Balgobin and Pandit, 2001) or Boyne’s (2004) three phases, the current study contributes four distinct phases of public service organisation turnarounds to the literature. The authors adhered to the expert viewpoint that a situational diagnosis should take place prior to retrenchments and stabilisation, as this was a new contribution to the turnaround literature in the context of public service organisations. In line with Maxwell’s (2013) revelation that it aids interviewees’ reflection capability to anchor the conversation in questions about an episode, the authors used the term “episodes” for the phases of a turnaround in this study. These four episodes are illustrated in the figure below, with their corresponding key activities as identified by the interviewees, as well as the leadership requirements.

**Episode 1** involves a situational diagnosis, as illustrated in Figure 1 below. Key activities include information gathering as well as engaging with the various stakeholders. Correspondingly, the requirements of leadership revolve around building legitimacy, decisive action and clarifying roles. These requirements relate to a transactional leadership style, referred to by the literature as a “hard” or task-orientated approach.

**Episode 2** is the situational stabilisation episode, in which financial control is crucial, as is asset and cost reduction. Leadership requirements include resilience and a focus on reward systems, linking to the transactional leadership style of being task-directed.

**Episode 3**, in contrast, is called change strategy implementation and involves a shift towards social responsibility, while balancing financial stabilisation, as a key activity. This requires a different leadership approach, one involving being open and offering staff individualised attention, which relates to a more people-orientated transformational leadership style. Early identification of leadership fatigue is also required.

**Episode 4**, the return to excellence episode, includes key activities like create innovative solutions, conduct environmental scanning for opportunities and threats, as well as measure performance. With regards to leadership requirements, this episode requires an inspiring vision, as did the previous episode, where transformational leadership was required. In addition, self-awareness, transparency and high emotional intelligence are required, relating to authentic leadership.

Compared to the private sector, success in public service organisations is dependent on the mandate of the organisation; whereas in commercial organisations, return to growth is a measure of success. This episode was therefore named “return to excellence in delivering on mandate”.

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The figure above illustrates the findings of this study in a conceptual framework as follows: A transactional leadership style is mainly required during the “situational diagnosis” and “stabilisation” episodes, as these require hard leadership style. A transformational leadership style is required for the “action plan implementation” episode, as the leader is required to create an atmosphere conducive to collaboration and individualised attention, indicating a softer leadership style. Lastly, authentic leadership style was found to be required during the “return to excellence in delivering on mandate” episode, as it has the characteristic of accommodating a variety of stakeholders, with leadership characteristics of being open to new and innovative solutions required during this phase. These findings are aligned with the declaration by Osborn et al. (2009) that leadership is embedded in its context. They should prompt organisations to take cognisance of the environment and resultant leadership requirements to ensure a good fit between the dominant style of a particular leader and what is required of this leader, given the current episode of the turnaround.

**Recommendations for future research**

Given that this sample consisted of public service organisations, it would be interesting to investigate whether in private sector turnaround situations the leadership requirement is similar or different. Further, comparing the findings from this study to public sector studies in the developed world would be interesting. For example, would the preference for an individual leader to lead the turnaround change process, be due to the volatility and consequent high levels of uncertainty common in the emerging
markets? Alternatively, does this preference relate to the paternalistic societal values that are more prevalent in these markets? (Chengadu and Scheepers, 2017). The findings of this study could also be compared to those in the private sector in future studies. Future research could involve interviewing staff who report to leaders during turnaround situations to gather different perspectives and compare their experiences. Future studies might also explore the influence of variables such as the severity of the crisis and resource munificence on the turnaround episodes and respective leadership requirements. An in-depth investigation into the benefits and concerns of appointing an internal or external person to lead the turnaround would also be useful. While the current study illustrated that the SOEs which had to retrench employees, had experienced particularly high levels of leadership fatigue, due to the uncertainty and emotionally charged situations, further studies could include larger samples of both national government departments and SOEs to investigate whether there are significant differences between these public service organisations.

In summary, the study revealed that for the research sample, the sequence of the four episodes was important and that successful turnarounds in this sector required aligned leadership behaviour styles. The danger of leadership fatigue was highlighted as well as the necessity for a change in leadership during the turnaround.

As Chiaburu (2016, p. 743) contends, “transition economies offer a rich field for deriving insights that can enhance .... organizational change and institutional transformation”. Judging from a number of organisations that fail to turn around, it can be concluded that successfully turning around an organisation still remains complex. The literature on turnarounds addresses the complexities and suggests various turnaround phases that could be undertaken. The results from this research suggested a different set of episodes that turnaround leaders undertake in reality within the public sector in South Africa. This study has therefore added to the existing body of knowledge by providing insight into how the critical episodes during the turnaround change process in this emerging market; differed from the existing, mostly Western literature. Furthermore, the importance of leadership change to implement the turnaround has been documented in literature with few mentioning the critical leadership attributes of a turnaround leader. In closing, the research findings contribute detailed descriptions of the requirements of a turnaround leader in this context; requirements that would help him or her to positively guide the organisation towards the fourth phase, namely “returning to excellence in delivering on the mandate”.

References


