

**THE IMPACT OF RESTRUCTURING AT ESKOM FREE STATE
OPERATING UNIT DISTRIBUTION DIVISION**

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DECLARATION

“I declare that the Field Study hereby submitted for the Magister in Business Administration at the UFS Business School, University of Free State, is my own independent work and that I have not previously submitted this work, either as a whole or in part, for a qualification at another university or at another faculty at this university.

I also hereby cede copyright of this work to the University of the Free State.”

Signed: Xolisa Songcaka

Date: 16 November 2015

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ABSTRACT

The objective of the study was to explore the influence of restructuring at the Eskom Free State Operating Unit Distribution Division. This study explored the impact of restructuring within the Free State Operating Unit and on its Asset Creation Departmental Section in particular, and presents various recommendations to executive management on how to approach restructuring in a way that will ensure the continued delivery of core distribution services. Eskom has been subjected to various changes in the internal and external environment, and its core vision and mission has constantly focused on supplying electricity in an efficient and sustainable manner. The instability in electricity supply has led to various challenges for Eskom, including financial sustainability, poor operational performance, customer satisfaction, and safety records. Its deteriorating reputation has led to management embarking on a restructuring process which aligned it's regional areas to the nine provinces of South Africa.

The study concluded that organisational restructuring has placed pressure on the existing employees who had to operate with limited resources, and had influenced their morale, workload, and productivity as well. If these aspects are not addressed they will directly impact on the Eskom FSOU operational goals, which include electricity distribution and maintenance of electrical infrastructure.

The research methodology preferred for this study was the quantitative method. A questionnaire was developed for the Asset Creation department of the Free State Operating Unit (FSOU). The questionnaire covered the impact of restructuring on the employees, as well as the process. A range of questions dealt with the uncertainties of the employees, and whether they had been offered early retirement packages, were retrenched, or if existing and new vacancies had not been filled. The study investigated the impact of the restructuring implementation time line, the skills and responsibilities of employees, the principles of communication, employee engagement, and transparency. At an organisational level, the respondents were asked whether the restructuring has led to loss of valuable employees, loss of productivity, reduced confidence in management, and increased workload for the remaining employees. The study also investigated the impact of restructuring on the individual in terms of low morale,

uncertainty of the future, increased anxiety, impaired performance, increased stress, and health and wellness.

In terms of the findings, the study highlighted a loss of commitment of employees, which led to a loss of confidence in management. They also agreed that there was a shortage of skilled employees. On the positive side, the respondents all agreed that there was clear communication, that the company applied relevant policies and procedures, engaged with employees on the outcomes of the restructuring process, and were transparent about the nature of the restructuring. The responses highlighted that there was a loss of valuable employees, of productivity in general, and a resultant increase in workload on the remaining employees. The respondents were split on its impact on the morale of the employees with some disagreeing, and others agreeing that the morale was low.

The outcomes of the study indicated that the impact of the restructuring on the employees as individuals disagree that there had been a loss of productivity and agreed on an increase in workload. The employees also experienced a loss of commitment and confidence in management. The final analysis was that the restructuring process was not properly managed, implemented or controlled, as the time line had not been indicated and could therefore not be effected. This also the reason why it took in excess of 3 yrs before it was finalised. Although there was communication from management, the respondents indicated that it was insufficient as the employees expected to know the impact on their roles, responsibilities, and training requirements if there were to be job changes by the end of the restructuring process.

Key words: Restructuring, Employee morale, Productivity, Workload, Communication, Time line of restructuring.

LIST OF FIGURES

Figure 4.2: Race45

Figure 4.3: Employee work position46

Figure 4.4: Age46

Figure 4.5: Years of experience47

Figure 4.7: Extent of restructuring49

Figure 4.8: Offerings by company51

Figure 4.10: Suggestions for improvement.....55

Figure 4.11: Role of trade union.....56

Figure 4.12: Impact of restructuring (1)57

Figure 4.13: Impact of restructuring (2)58

Figure 4.14: Impact on individual (1)60

Figure 4.15: Impact off restructuring on individual (2).....62

Figure 4.16: Impact of the restructuring on individual (3).....63

Figure 4.17: Long-term future.....64

Figure 4.19: Training.....67

TABLE OF CONTENTS

DECLARATION	i
ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
LIST OF FIGURES	v
TABLE OF CONTENTS	vi
CHAPTER 1 INTRODUCTION AND BACKGROUND	1
1.1 INTRODUCTION	1
1.2 BACKGROUND	2
1.3 PROBLEM STATEMENT	4
1.4 RESEARCH QUESTIONS.....	4
1.5 OBJECTIVES	5
1.6 PRELIMINARY LITERATURE REVIEW	5
1.7 RESEARCH METHODOLOGY	9
1.7.1 Research design	9
1.7.2 Sampling strategy.....	10
1.7.3 Data collection method.....	10
1.7.4 Ethical considerations	11
1.8 DEMARCATION OF THE FIELD OF STUDY.....	12
1.9 CONCLUSION.....	12
CHAPTER 2 LITERATURE REVIEW.....	13
2.1 INTRODUCTION	13
2.2 ORGANISATIONAL CHANGE AND RESTRUCTURING	16
2.2.1 Definitions of restructuring.....	16
2.2.2 Definitions of downsizing.....	19
2.2.3 Definitions of organisational change.....	21
2.3 BENEFITS OF RESTRUCTURING	24

2.4	IMPACT OF RESTRUCTURING ON EMPLOYEE MORALE, WORKLOAD AND PRODUCTIVITY	26
2.4.1	Employee morale	26
2.4.2	Employee workload	27
2.4.3	Employee productivity	30
2.5	MANAGING RESTRUCTURING	30
2.6	CONCLUSION.....	33
CHAPTER 3 RESEARCH METHODOLOGY		34
3.1	INTRODUCTION	34
3.1.1	Research methodology	34
3.1.2	Research design	34
3.1.3	Quantitative research methods	35
3.2	SAMPLING STRATEGY	36
3.2.1	Sample size.....	38
3.2.2	Statistical analysis	38
3.3	DATA COLLECTION	41
3.4	ETHICAL CONSIDERATION.....	41
3.5	CONCLUSION.....	42
CHAPTER 4 RESULTS AND DISCUSSION OF THE RESULTS		44
4.1	INTRODUCTION	44
4.2	FINDINGS	44
4.2.1	Section A: Biographical information	44
4.2.1.1	Gender	44
4.2.1.2	Race.....	45
4.2.1.3	Employee work positions	46
4.2.1.4	Age.....	46
4.2.1.5	Experience of respondents	47
4.2.1.6	Qualifications	48
4.2.2	Section B: The extent of restructuring	48
4.2.3	Section C: Restructuring process.....	50

4.2.4	Section D: Question/uncertainties regarding restructuring	52
4.2.5	Section E: Management of restructuring by Eskom management.....	54
4.2.6	Section F: Impact of restructuring	57
4.2.7	Section G: Impact of restructuring on me	60
4.2.8	Section H: In the past six months.....	65
4.2.9	Section I: In terms training.....	66
4.3	GENERAL CONCLUSIONS	68
4.3.1	Literature review.....	68
4.3.2	Research methodology	69
4.3.3	Results of the study.....	69
4.4	CONCLUSION.....	70
CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS.....		72
5.1	INTRODUCTION	72
5.2	FINDINGS	74
5.2.1	To what extent is the restructuring evident to you?	74
5.2.2	During restructuring process have you been subjected to any of the following?	74
5.2.3	I have the following question/ uncertainties regarding Eskom restructuring.....	74
5.2.4	Eskom management can manage the restructuring process better by	75
5.2.5	During the restructuring process my trade union played an important role in the process.....	75
5.2.6	Impact of restructuring on the organisation has led to.....	75
5.2.7	Impact of restructuring on me as an individual	75
5.2.8	I can see a long-term future for me at Eskom.	76
5.2.9	In the past six months:	76
5.2.10	In terms of training:.....	76
5.3	RECOMMENDATIONS	76
5.4	LIMITATIONS OF THE STUDY.....	78
5.5	SIGNIFICANCE OF THE RESEARCH	78
5.6	CONCLUSIONS	79
REFERENCES		80

APPENDIX A: ESKOM QUESTIONNAIRE 94

CHAPTER 1 INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

Eskom was founded in 1923 as the Electricity Supply Commission in South Africa (Eskom Factor, 2011). Although Eskom has been subjected to various changes in the internal and external environment, its core vision and mission has constantly focused on supplying electricity in an efficient and sustainable manner. This is evident in all phases of service delivery, from electricity generation at power stations, power transmission through a vast number of power lines, and the final distribution for domestic usage to homes and industries by means of wholesale and retail sales (Eskom Corporate Business Plan, 2014/15–2017/18).

Since 2005 Eskom has been under increased pressure (internally and externally) to ensure reliable and efficient electricity supply to South African consumers. This period has been characterised by a period of load shedding (2008 and 2015) and high price increases, all having a negative effect on the South African economy (Eskom Factor, 2011). In an attempt to address these challenges, Eskom has responded by internal alignment and restructuring of the organisation (Eskom Corporate Business Plan, 2014/15–2017/18).

As a core part of electricity distribution services, the Asset Creation department is responsible for the erection, building, operating, and maintenance of distribution assets to ensure reliable power supply to customers, whilst enhancing stakeholder relations (Eskom Corporate Business Plan, 2014/15–2017/18). This unit thus focuses on long-term planning for the distribution network, and execution of asset projects – all within the parameters of time, quality, and budget (Eskom Corporate Business Plan, 2014/15–2017/18). Restructuring within this operating unit will directly impact the long-term electricity distribution and sustainability of the organisation.

This study explored the impact of restructuring within Eskom on the Asset Creation department, and made various recommendations to executive management on how to approach restructuring to ensure the delivery of core distribution services.

1.2 BACKGROUND

The South African economy was characterised by extensive periods of load shedding in 2008. In November 2014, the recurrence of extensive periods of load shedding refocused the South African community's attention on the sustainability and quality of electricity supply. This instability in electricity supply has led to various challenges for Eskom, including financial sustainability, poor operational performance, a decline in customer satisfaction and safety records, as well as a deteriorating reputation. The main reason for load shedding was as a result of poor maintenance of the power stations combined with a delay in the completion of the Modupi and Kusile power stations. Load shedding negatively affected business, communities, and Eskom employees.

In an attempt to address some of these challenges, the executive leadership engaged with everyone at Eskom in an extensive strategic review process. The outcome defined the strategic direction for the financial year 2016/17 and beyond (Eskom Corporate Business Plan, 2014/15–2017/18). This practice is in line with the findings from Cool, Henderson and Abate (2005) who state that organisations seek new competitive positions after an external event or trigger, which can be achieved through organisational restructuring.

The PSYRES Consortium (2011) defines restructuring as an organisational change that affects an organisation as a whole, rather than focusing on peripheral changes in work practices. Fellman (2010) states that these restructuring efforts must focus on both strategic and operational restructuring, which involves reinvestigating and optimising people, processes and procedures by which an organisation produces or delivers its goods and/or services. By allowing restructuring of these three core elements, organisations can cut costs, increase revenues, boost productivity, and improve customer service delivery.

The advantages outlined above provided the key drivers for organisational restructuring within Eskom. As part of this strategic transformation, nine operating units were created that aligned with the provincial boundaries directly supporting the economic needs of provinces.

In contradiction to expanding operating units to the various provinces, existing human resources were evaluated to allow for a flatter organisational structure, with close links between business operations and executive management.

According to the Business Productivity Programme (2011), Eskom management took the following actions to allow alignment between structure and strategy:

- Non-filling of new and existing vacancies.
- Introduction of new manpower structures regarding its positions.
- Redeployment of employees to different departments and areas of operations.
- Offers of early retirement packages to employees 55 years of age and above.

Although there are various advantages associated with organisational restructuring, various studies have outlined the negative affect of organisational restructuring on employees. Kieselbach, Nielson and Triomphe (2010) state that there is evidence that restructuring leads to increased job demands, which in turn predict higher levels of burnout and poor self-rated mental health. Increased time pressure, as a result of restructuring, leads to increased sick leave and workplace accidents. Lack of job control during restructuring is related to increased morbidity, sickness absence, and poor mental health (Kieselbach et al., 2010).

Longe (2013) outlined the negative affect of restructuring on staff morale of both managerial and non-managerial employees within organisations over four continents. Indicators found in this study include a lack of employee commitment, poor job satisfaction, and excessive labour turn-over after restructuring.

These findings are supported by Köper and Richter (2014) who indicate that organisational restructuring can affect employees through increased stress levels and work pressure, changing of tasks, increasing professional requirements, and the need for changes in services and products.

In mediating the possible negative affect of restructuring on employees, Jones (2010) encouraged the idea of employee participation in decision making related to

restructuring – a sensitive matter traditionally dominated by management and labour contracts.

Arguments for broader participation of employees were taken on the premise of fairness, contribution to employee morale, and following set company management values. A bigger motivation for participation is that employees have information that needs to be assessed by programme managers in deciding whether and how to restructure.

In the light of the possible negative implications of organisational restructuring, this study aimed to explore the impact of organisational restructuring on employees within the Eskom Free State Operating Unit Distribution Division.

1.3 PROBLEM STATEMENT

The problem at the Eskom Free State Operating Unit was that since restructuring started in 2010, no evaluation had been done on the affect of restructuring on employees within the Eskom Free State Operating Unit. Based on the actions taken by Eskom management in the process (see previous sections), it can be concluded that organisational restructuring has put pressure on the existing employees who were operating with limited resources. If these organisational issues of morale, workload and productivity are not addressed, it will directly affect the Eskom FSOU's operational targets, which include electricity distribution, and maintenance of electrical infrastructure.

1.4 RESEARCH QUESTIONS

- What is the impact of the restructuring on employee morale at the Eskom Free State Operating Unit?
- What is the impact of restructuring on productivity at the Eskom Free State Operating Unit?
- What is the impact of restructuring on employee workload at the Eskom Free State Operating Unit?

1.5 OBJECTIVES

The Primary objective was;

- To explore the impact of organisational restructuring on employees at the Eskom Free State Operating Unit.

The Secondary objectives were;

- To provide an overview of the literature on organisational restructuring.
- To explore the impact of organisational restructuring on employee morale at the Eskom Free State Operating Unit.
- To evaluate the effect of restructuring on productivity at the Eskom Free State Operating Unit.
- To analyse the impact of restructuring on employee workload at the Eskom Free State Operating Unit.

1.6 PRELIMINARY LITERATURE REVIEW

Marais and Hofmeyr (2013) argued that whether at national, industrial, or organisational level, restructuring to realign internal structures with fast-changing macro-environmental factors has become a strategic requirement.

It is therefore important that organisations understand the restructuring process, as well as the impact thereof on employees, to ensure optimal functioning and productivity. In this section, a short definition of restructuring is provided from the literature review, followed by an outline of the impact of restructuring on employee wellbeing.

Generally, restructuring has been defined as reorganisation of a system or a company in a new and different way. According to Srivastava (2011), restructuring can include the addition, deletion, or recombination of formal subunits. This requires organisations to critically evaluate ownership, structure, legal standing and operational requirements in an attempt to ensure the delivery of mandates, and establish a solid position to meet future challenges (Riany, Musa, Odera & Okaka, 2012).

According to Köper and Richter (2014), the term restructuring is used altogether undifferentiated, and is a generic term for various changes in an organisation. Processes such as restructuring, reorganisation and change management are characterised by the fact that they question existing structures and routines and seek to change them through targeted and explicit intervention, usually during a period of high organisational dynamics (Köper & Richter, 2014).

Benefits of restructuring, according to Paddey (2011), include that during an economic downturn, many automotive industries have restructured to become more efficient. Restructuring provides companies with an opportunity to move from rigid bureaucracies to leaner, more flexible designs. This includes a re-examination of human resources management (HRM) practices to ensure organisational success. This includes aspects pertaining to human resource increases or decreases and/or new skills, capabilities, and competencies required to meet current and future operational requirements (Hanes, 2009).

The impact of restructuring on employees is well documented. According to Karim (2006) restructuring within organisations brings a heightened sense of insecurity and uncertainty for all employees, as a set of changes can trigger a cascade of other realignments that are difficult to predict.

The focus during periods of uncertainty is mainly on the potential consequences of the changing organisational environment and on an individual's personal situation. According to Kalleberg (2009), the initial changes of restructuring are poorly anticipated, and include uncertainties such as the following:

- Will I lose my job?
- Will my responsibilities change?
- Will the division of duties change?
- Will I have to deal with a new boss or new colleagues?
- Will I lose the responsibility for certain customers?
- What career expectations are cut off by the change?
- What are the new options?

All the above points affect staff morale. Weakliem and Frenkel (2006), as well as Behm (2009), encapsulate employee morale as the degree to which an employee feels good about his/her work and work environment. According to Behm (2009) employee morale includes various constructs such as intrinsic motivation, job satisfaction, work significance, organisational devotion, and work pride.

Restructuring has an effect on a personal, as well as a structural level within organisations (Vermeulen & Wiesner, 2000). Restructuring is often associated with 'crisis'-like events such as closure, downsizing and layoffs (Karim, 2006). According to Malik Ahmad and Hussain (2010), restructuring impacts various role-players within the process, including employees leaving the organisation, remaining employees, and management – leading to what Vermeulen and Wiesner (2000) call organisational trauma. This trauma directly impacts organisational productivity.

The downsizing process may result in the loss of key individuals and expert knowledge, all impacting the quality, productivity, and effectiveness of the organisation (Fisher and White, 2000). These findings support the finding of Sequeira (2005) who stated that a poorly managed retrenchment process can lead to loss of productivity, low employee morale, and a decrease in economic performance.

Rogosky (2005) added the structural implications of restructuring, by indicating that senior managers involved in organisational restructuring have indicated that restructuring, if not properly managed, may erode morale and trust, but also reduce productivity. The effects of downsizing is not only limited to the organisation as a whole, but directly impact individual employees. The psychological effects of job loss on individuals are well documented.

These employees feel discouraged, fearful and have a low morale (Ugboro, 2003). Ugboro (2003) further stated that employees within organisations that are in the process of restructuring, experience an increased level of stress, a factor contributing towards life dissatisfaction.

The effect of restructuring on staff morale manifests itself in various forms within organisations. Opposition and resistance to change can be seen in strikes, reduced

productivity, inferior work, and even sabotage, while covert resistance is often expressed by increased tardiness and absenteeism, requests for transfers, resignation, loss of motivation, lower morale, and higher incidents of accidents and work errors (Mostert, Rothmann, Mostert & Nell, 2008).

Duffield, Kearin, Johnston and Leonard (2007) found that unintended voluntary resignations caused by high dissatisfaction with the restructuring process, may lead to feelings of insecurity, distrust and anger. These emotions negatively impact the morale and motivation of remaining employees, resulting in a decline in service delivery.

Cascio (2010) supported the findings of Ugboro (2003), and reflected on several studies that have found that employee morale and trust of remaining employees decline after a downsizing process. This included aspects pertaining to employees' organisational commitment, job satisfaction, and job involvement. Okibo (2012) further supported the effects of restructuring on remaining employees and stated that retrenchment adversely affects employee morale and associated employee attitudes. According to Gambles, Lewis and Rapoport (2006), downsizing results in an increase in individual workload, intensification of work, and an increase in the pace of work to be performed. Wiezer et al. (2011) have found several reasons why organisational change can affect employees. These mainly include aspects pertaining to an increase in workload, which can be contributed to fewer employees remaining in the organisation, or new operational processes and procedures not being finalised and fully operational. Remaining employees may frequently receive few or no resources, training, or support from management (Gandolfi, 2008).

A second reason could be contributed to restructuring often involving change for employees with periods of uncertainty about what their job will be like after the restructuring. This change brings unintended costs, which can include increased workload or work intensity, combined with a lack in autonomy. These factors can be seen as stressors, leading to burnout and other mental threats (Kieselbach et al., 2010; Malik, Ahmad & Hussain, 2010).

According to Ugboro (2006) employees who remain in an organisation still experience job insecurity, which is associated with lower levels of organisational commitment and productivity, and low managerial trust.

Malik, Ahmad and Hussain (2010) state that organisational changes such as downsizing, restructuring and amalgamation could increase workloads, work stress, and job insecurity. It could result in family conflict that may lead to dissatisfaction with work and life. Managing restructuring within organisations in mediating the possible negative impact of restructuring on employees, Jones (2010) encourages the idea of employee participation in decision making related to restructuring – a sensitive matter traditionally dominated by management and labour contracts. Arguments for broader participation of employees are taken on the premise of fairness, contribution to employee morale, and following company management values. A bigger motivation for participation is that employees have information that needs to be assessed by programme managers in deciding whether and how to restructure.

According to Riany et al. (2012), organisational restructuring results should further be clearly communicated and be measurable. This will lead to transparency surrounding the process and can help in managing the expectations of employees.

1.7 RESEARCH METHODOLOGY

1.7.1 Research design

Tewksbury (2009) viewed quantitative research as a more ‘scientific’ approach to doing research in the social sciences. According to Maree and Pietersen (2007), quantitative research could be classified in two main categories, namely experimental and non-experimental research designs. According to these researchers, non-experimental research is used mainly in descriptive studies in which the units that have been selected to take part in the research are measured against all the relevant variables at a specific time (Maree & Pietersen, 2007).

No manipulation of the variables takes place and no experimental or control group is included in the study (De Vos, Strydom, Fouché & Delpont, 2011). In line with the

purpose of this study, a quantitative, non-experimental research design was deployed (Neuman, 2012).

1.7.2 Sampling strategy

De Vos et al. (2011) defined a sample as a subset of measurements drawn from a population in which the researcher is specifically interested in. In studying the sample, conclusions and inferences about a population can be drawn.

Patton (2002) defined non-probability sampling as the deliberate and purposeful selection of a particular section of the wider population for a sample. These members were considered information rich cases, that provided significant insights for the purpose of an in-depth study of the research question set out in paragraph 1.3 (Patton, 2002). During this study, non-probability sampling, specifically purposive sampling, was used. With this sampling approach the researcher focused on a specific subset of the organisation in terms of the Asset Creation department in the Free State Operating Unit Distribution Division. This department was one of the first departments affected by restructuring within the Free State Operating Unit. The researcher believes that in understanding the impact of restructuring on employees within this unit, a deeper understanding can be gained within the research field, with a greater generalisability to the rest of the organisation.

A census approach to sampling was followed, with all 150 employees of the Asset Creation department of the Free State Operating Unit Distribution Division to be included in the sample for data collection purposes.

1.7.3 Data collection method

According to Bird (2009), a questionnaire is a well-established tool within social sciences research for acquiring information on a participant's social character, present and past behaviour, standards of behaviour or attitudes, and their beliefs and reasons for action with respect to the topic under investigation.

Therefore, a questionnaire was used to measure the impact of the restructuring on the employees of the said company, evaluating the restructuring, morale, productivity, and workload. The questionnaire was distributed via email and could be returned as such or as a hardcopy. A four point Likert scale was used for the questionnaire.

1.7.4 Ethical considerations

According to Fouka and Mantzourou (2011), ethics deal with the dynamics of decision making regarding what is right and wrong. Research ethics involve requirements of daily work, protection of the dignity of subjects, and the publication of the information on the research (Fouka & Mantzourou, 2011).

- Confidentiality: The researcher made sure that the participants and their responses were treated confidentially and respected in terms of their autonomy. The researcher provided that confidentiality by interacting and assuring the respondents of confidentiality.
- Objectivity was applied by the researcher at all times to avoid bias when applying the data. The approach of the research was open-minded because any concern was considered.
- Privacy: Researchers must be careful to protect the privacy of those who participate in the study (McShane & Von Glinow, 2010). It was one of the ideal positions in order to assure and provide assurance that their responses will not be shared with their immediate or senior managers.
- Consent to send a questionnaire was obtained from the senior management of the Eskom Free State Operating Unit. The fact/possibility that this research could add value to the company in terms of addressing any shortfalls of future restructuring exercises was used as motivation to the senior management of the company and the consent had been granted.
- Ethical data management: data management would be handled and used in an ethical manner which would protect the participants during and after the data collection stage of the research. The data was used without adding information for the purpose of trying to direct the study to a certain outcome.

These ethical guidelines informed all stages of the research process and were strictly adhered to throughout the study.

1.8 DEMARCATION OF THE FIELD OF STUDY

The Field Study was conducted at Eskom Free State Operating Unit Distribution Division and involved 150 employees.

1.9 CONCLUSION

In this background and preliminary literature review, the impact of restructuring on employees had been clearly outlined. This study explored the effects of restructuring on employee morale within the Eskom Asset Creation department. Findings of the study will be presented to the senior management of Eskom Free State Operating Unit with the aim of informing strategic decisions in managing the process more effectively. It provides some guidelines for future restructuring enabling management to manage restructuring in a manner that will benefit both the company and employees.

CHAPTER 2 LITERATURE REVIEW

2.1 INTRODUCTION

Chapter 1 provided an overview of the study, the background to the research problem, as well as defining the research questions.

Eskom went through a painful experience of load shedding and unfortunately it recurred from November 2014 due to a shortage of supply and poor maintenance of some power stations. The main reason for load shedding was the non-maintenance of power stations combined with the delayed completion of the Modupi and Kusile power stations. Load shedding had a negative effect on businesses, communities, and Eskom employees. The instability of the electricity supply was the start of various challenges for Eskom, beginning with financial unsustainability, poor operational performance, customer dissatisfaction, poor safety records, and lastly a deteriorating reputation.

According to the Eskom Factor (2011), the electricity power supply utility is the backbone of the South African economy. The electricity supply utility's economic value added at group level reached R42.1bn in the 2011 financial year, based on the sale of electricity. As observed by the critical study undertaken by Quantec Research (Pty) Ltd., which found that Eskom's direct effect on the South African GDP, as a result of its operational and capital expenditure, is in the region of 3%, taking into account only the initial impact and first-round effect on the economy. New industries rely on Eskom as the key driver of their developments, both through its localisation programme and by providing electricity for the establishment of new businesses.

However, the unreliable electricity supply impacts negatively on the economy of South Africa and also does not motivate foreign direct investors to invest in South Africa. This directed Eskom to implement restructuring in order to manage its financial challenges, which also contributed to the forces that led to load shedding.

As it is acknowledged that Eskom is the key driver of the South African economy, its poor performance impacted on the stability of the current government because it could not provide surety of reliable energy supply to investors, local businesses, and communities. In order to achieve the organisational goals, the role of human resources management during restructuring needed to be understood and managed properly as it either strengthens or weakens the process.

Eskom management undertook restructuring to align its structure and strategy by non-filling of new and existing vacancies, and developing a new structure with regard to positions. It also implemented redeployment to different departments and operational areas. The company also encouraged employees to accept early retirement packages.

Gratton and Truss (2003) viewed vertical integration as a special dimension of a people strategy, but also acknowledged that it does not meet all the needs without engaging the second dimension, which is horizontal alignment. The purpose of vertical alignment is to provide a link between the corporate strategy and the people management strategy. On the other hand, horizontal alignment deals with the development and implementation of strategy at the entry level of the business' human resources policy areas. The purpose is the development of a structured, transparent and reliable method in managing people that cut across all the activities of the human resources (HR) function and other organisational function areas, and that is dealt with at the policy development level, not the practice implementation level. This point is important because converting people strategies into action is usually a separate dimension. Obtaining the best results of horizontal alignment confirms that an organisation has accepted, developed, and articulated clear user-friendly HR policies that consistently follow one another. With the new strategic position, the company is able to communicate consistent, clear, and purposeful information to its workforce.

According to Esmaili, Kahnali, Rostamzadeh, Zavadskas, and Sepahvand (2014), organisational restructuring and implementation of change management through methods of re-engineering are important for any company.

In order to properly implement this strategy and follow its processes, top management needs to implement it in a manner that accommodates workers and the human resources department. The human resources department could establish a more humane relationship through re-engineering teams or process teams, specifically if the strategy implementation is guided by establishing whether the change is to be a significant one. Although there are various benefits to restructuring, it affects structural and productive levels.

Marais and Hofmeyr (2013) argued that at any national, industrial or organisational level of company operation, it will, at some point during the life of the company, undergo restructuring to realign its internal structures, because of the competitive macro-environmental factors; therefore, restructuring has become a strategic requirement.

Importantly, organisations are required to learn and develop an understandable restructuring process, as well as the impact thereof on employees, which could benefit the company because it ensures optimal functioning and productivity.

Restructuring is defined as reorganisation of a company or, in some cases, process and technological systems, into a new and different operational direction. As defined by Srivastava (2011) restructuring can include the addition, phasing out, or reconfiguration of formal subunits. It therefore suggests that the organisation critically reviews its ownership, existing structure, legal compliance, and operational challenges and successes in an attempt to address and deliver as per agreed mandates, and to establish a solid position to handle future challenges (Riany et al., 2012).

The implications of organisational change, according to Olsen and Stensaker (2013), are often changes in operational task outputs and organisational roles for managers and employees. Studies confirm that during the intended organisational change recipients experience uncertainty about the perceived skills requirements to meet the newly developed jobs. Employees' uncertainty about the change persists, irrespective whether they have gone through extensive training and

received post-training support. The skills associated challenges that are particularly prevalent during organisational change are role ambiguity and operational uncertainty.

Role ambiguity is directly linked with challenges in knowing what is expected in relation to the work environment ahead and the essential skills required. On the other hand, operational uncertainty is linked to challenges in the application of recently acquired skills into practice in the daily work environment. Studies confirmed that the skills-related uncertainties emerged and were noticed after the formal training had been completed. Therefore, they are not always evident during the early stages of the change process.

It has been proven by various studies that companies operate in a changing environment that, on many occasions, face challenges that require and lead to an organisational change. Practical organisations are challenged in terms of developing an organisational culture or climate in line with leadership strategies that provide the organisation with the mechanisms to implement and manage organisational results, such as downsizing, re-engineering, flattening structures, global competition, and the introduction of new technologies (Waddell, Cummings & Worley, 2011).

2.2 ORGANISATIONAL CHANGE AND RESTRUCTURING

2.2.1 Definitions of restructuring

According to Kwoka (2006), restructuring of the electricity utility is often described as the largest single industrial reorganisation in the world due to the electricity utility's impact on the economy as well as their normal size. Over 10 to 15 years ago, state and federal governments developed policies to dissolve and reorganise electricity utilities. The state replaced administrative oversight, taking into account the markets, as the utilities play a crucial role in creating institutions to coordinate the separated generation, transmission, and distribution stages of electricity utilities. The result of the restructuring process is also to encourage new

unregulated suppliers and marketers to enter the field, generally sought to promote competitive forces.

Several studies pointed out that restructuring involves a number of policy activities that occur over time and at different rates in various regions, and that it attempts to capture and address all these complexities.

It is not surprising that others believe and understand restructuring to be a discrete event that occurred at a particular single period in time. But in the case of this study, restructuring deals with the structure and employees of Eskom.

Engaging with the workforce can assist in reducing opposition to the proposed restructuring, because workers are more likely to feel that their views and interests have been heard and taken into account.

A consultative approach may also encourage a consensual decision process which could assist in the smooth managing of the process. This 'buy-in', or at least acceptance, of the restructuring process can help to reduce any disruption to the employer from those workers adversely affected by restructuring and also reassure those workers not directly affected about their employer's commitment to treating the workforce fairly. However, this process can only be effective if workers believe that their trade unions are actively promoting their interests and are not simply acting as a tool of management.

For the purpose of protecting the needs of their members, trade unions, in order to be effective representatives of workers during restructuring, need to be seen and trusted by maintaining independence from the employers, whilst working constructively with the employers in addressing operational issues (Tarren, Potter & Moore, 2008).

Rogovsky, Ozoux, Esser, Tory, and Broughton (2005) mentioned that restructuring constitutes a significant change in the manner in which a company operates. It involves changes in its strategy, as well as its structure. The restructuring process is also applied when a downsizing decision has been approved, although restructuring

has many more equally important implications other than just reduction of the workforce. The purpose of restructuring is often not based solely on improving financial and economic conditions and turnaround of the company's performance, but is also critical to its very survival.

Tuan (2012) confirmed that the main objectives of restructuring is to improve the economic and financial performance of the electricity utility distributors; to position the electricity distributors into a viable, manageable and capable size to be able and in a better position to mobilize heavy investment in the near future for the electricity distribution network; and to have better direct control and management.

During the implementation stage certain voluntary approved programmes indirectly shift the control of the restructuring outcomes from the employer to the employees. It is difficult for the employer to accurately predict the number and the category of employees that will choose to participate in a programme that involves retraining and early retirement. The process of restructuring always leads to the most valuable employees being amongst those who are most likely to secure new employment if affected by downsizing of the company workforce.

It is proven that an employer will keep some of the more experienced or productive employees, as well as critical employees who have been cross-trained over the years to perform a range of different roles. They are the type of employees that the employer would mostly rely on to continue operations when the workforce is reduced. When embarking on the process of restructuring, the organisation should take into consideration that there is the possibility of over-acceptance of the voluntary programme. The employer should put some protective measures in place by establishing and communicating the implementation process, highlighting the number of employees, with specific, carefully developed limitations, and identifying particular departments and job functions that will be permitted to volunteer for the programme in order to avoid losing key employees (Hayashi, Wilson & Gorecki, 2010).

Erkam and Vaara (2010) affirmed that organisational restructuring is changing contemporary organisations and industries by downsizing, offshoring, and shutdown. On the other hand, organisational restructuring is seen as a positive process that increases efficiency, ensures competitive advantage, and shareholder value through creative destruction. However, the social and human implications resulting from reduction, cost cut, and layoff are drastic.

2.2.2 Definitions of downsizing

Accordingly, Day, Armenakis, Field, and Norris (2012) stated that the term downsizing first appeared in an organisational change context in the 1980s and was regarded as one of the key strategies to streamline, tighten, and reduce the organisational structure looking at the whole complement of the workforce in the company (Gandolfi, 2009). Furthermore, organisational decision makers employed downsizing as a change management formula to improve efficiency and performance (Cascio, 2010).

The studies have mainly confirmed that downsizing creates vacancies due to reduced resources, which specifically impact vacant positions, resulting in responsibilities being abandoned, duties being unfilled, and tasks left undone. Consequently, organisations are forced to restructure its processes to address the undesired results.

According to Armstrong-Stassen and Schlosser (2008), organisational downsizing is associated with uncertainty and ambiguity. Uncertainty studies have confirmed that it relates to the employee being able to retain a current job. Ambiguity deals with the organisational structure and new reporting relationships following the downsizing process. Furthermore, it adds another uncertainty that relates to the question of the new job's outputs.

The outcomes of this particular study by the author indicate that the managers who participated have not yet encountered workforce reduction in their organisations. The general expectancy in terms of this study is generalised optimism, aimed at

positively influencing potentially specific expectancies, which are future expectancies of success during organisational downsizing.

Van Dierendonck and Jacobs (2012) added that the implicit and explicit expectations of the employers and employees are breached during the downsizing operation. Employees' contributions to the organisation will be rewarded with a stable and positive work environment, and the consistent good performance will be projected in secure and safe employment. The lack of fulfilling the employees' expectations is construed as most painful under those circumstances where the process and the outcomes are perceived and experienced as being unfair. Special consideration needs to be given as the undesirable psychological consequences in a downsizing context are especially relevant to consider, since employees also use procedural fairness information to evaluate their personal responsibility based on their perceived outcomes. The downsizing experience leads to new perspectives on the manner in which employees think about organisations and about themselves as employees.

Lahner, Hayslip, McKelvy, and Caballero (2014) indicated by way of justification that the employees left behind after downsizings are forced to understand that what has happened is in the context of the stability of the work environment as perceived by the employers. This produces sense making (De Vries, 2006; Weick, 1995) and ideally leads to the development of coping skills that will assist in dealing with an uncertain and unpredictable work situation in future (Pulakos, Arad, Donavon & Plamondon, 2000). It has been established that such acquired skills may involve proactive job crafting (Wrzesniewski & Dutton, 2001), emphasizing the rewards in one's job, finding alternatives to one's work, or fostering a realistic expectation of future change.

Workforce downsizing is hereby referred to as a structured reduction of the number of employees and is continually aimed to be used to improve organisational productivity, efficiency, profitability, and competitiveness. Although it is the main strategy for a number of companies internationally, workforce downsizing produces

undesirable financial, organisational, and social consequences, according to Gandolfi (2013).

Cascio (2010) maintained that early retirement incentive offers, as part of the restructuring process that usually results in generous retirement benefits in return for an employee's promise to leave at a certain time in the future, is one of the downsizing strategies and one that is often offered as a retirement package.

Early retirement offers are scheduled to prevent a mass exodus and loss of production. To keep the organisation in production a retention bonus scheme with different quitting dates may be used to ensure an orderly exit. The viewpoint of the organisation is that personnel at management level assume that early retirement offers open up promotional opportunities for them.

Various studies show that there are positive effects of workforce reduction in terms of organisational performance; there are also other studies revealing an organisational disruptive nature. Remodelling attempts to improve productivity through downsizing, which is defined as an intentional reduction in workforce in order to improve the efficiency or effectiveness of the firm, have been regarded as the preferred route since the mid-1980s by a number of researchers. Inevitably the results lead to the survivors having to perform some of their departed colleagues' tasks, which contribute to a low morale (Mishra & Spreitzer, 2009), increased anxiety, absenteeism, and impaired performance. The association of downsizing of the workforce with cutting of costs has led many executives to adopt a short-term benefit approach that merely results in star performers being given incentives to leave, thereby depleting crucial skills in human resources and creating the need for investigating other solutions (Palasinski, 2013).

2.2.3 Definitions of organisational change

The objectives of organisational change, such as restructuring, are to provide the organisation with the abilities to adjust and adapt according to the prevailing work environment, and to improve performance by modifying or improving its structural

design, processes, technology, culture, reward systems, attitudes, and behaviours. The intended changes might be developmental if the focus is on improving existing processes and structures; transitional if the aim is towards a known state of affairs; or transformational if the focus is on creating a new, unknown state of affairs (Shani, Chandler, Cogetlle & Lau, 2009).

Angel-Sveda (2012) agreed that the main objective of organisational change is governed by the intention to improve organisational efficiency and to adapt the organisation to meet the external macro environment requirements. Accordingly, he contended that organisational change involves mostly an organisational structure redesign, changes in culture, and roles and responsibilities clarifications. Further, it was suggested that organisational change is defined as a realignment of leadership, absorption into a new specific situation, as well as a continued collective learning process.

It is also agreed that organisational change is not always accepted and in some instances resistance or hostility from employees is experienced because of uncertainty and fear of the change or the belief that the change will be to their detriment.

If, for example, the employees have sufficient bargaining power in the form of their union, the union's involvement and consultation may contribute significantly in modifying the leadership strategy for change in order to mitigate some of their concerns. Due to their bargaining power unions may block the leadership's attempts to introduce changes by revoking legal and previous agreed upon positions with the company. Unions' strength, their influence, organisational position, and competence determine the unions' influence over organisational changes (Bryson, Barth & Dale-Olsen, 2013).

As a result of globalization, the business environment is more competitive and dynamic, which leads to companies initiating organisational change in order to adapt, which unintentionally encourages employee attributions (Nishii, Lepak & Schneider, 2008). During an organisational change process, many employees may passively

cope with organisational initiatives, depending on their employment grades. Some of their reactions may, however, not be welcomed by the employer in the light of the anticipation of employee buy-in (Chen & Wang, 2014).

Saruhan (2014) concurred with the understanding that businesses are evolving and operating in a global world; therefore, the following will have to be monitored: international competition, technological innovations, international economic crises, new political strategies, and rapidly evolving consumption. These are mostly the drivers that stimulate organisational change. Various studies have asserted that employees act differently during the change process.

Authors have established that employees will support the change and its implementation if their attitudes are positive, they are motivated and their assessment is based on the assumption that it will result in, for example, an optimal amount of task variety, a new position, better working conditions, or a new promotional structure, etc.

Depending on the level of employee education, some employees view the organisational change negatively due to unfavourable consequences of the change efforts, perceived job qualification requirements, and also the extent of uncertainty and stress related to major change processes.

Management's honesty and transparency are factors that are known to have played major roles in the change process and to affirm the leaders' ethical nature to the affected employees. An informed and engaged workforce continuously trusts the leadership because they are actively involved in the organisational change, engaged in discussions with management regarding the change, and/or attend meetings where changes are discussed. Their input is therefore trusted (Morgan & Zeffane, 2003). Direct involvement in change efforts provides employees with the platform and opportunity to voice their opinions and also allows them to achieve a greater sense of control over the changes because they are acknowledged as being part of it (Morgan & Zeffane, 2003).

Part of the research involves exploring the role of employee involvement in organisational change processes and employee attitudes and behaviours when ethical leaders are involved, resulting in a positive experience of organisational change (Sharif & Scandura, 2013).

Rothberg (2011) confirmed studies that have found that organisational change strategies, such as rightsizing and restructuring, are designed to transform companies to be more efficient, effectively meeting customer expectations. As expected, like any other business management endeavour, these processes may result in positive as well as negative short- and long-term consequences. Pre-embarking on change or a restructuring programme, business leadership should undertake a process of engaging employees and communicating the vision, processes, expectations, intended goals and the reasons for embarking on it in the first place to the employees.

Organisational change is essential for the purpose of maintaining a competitive advantage in the current market as competition and innovation are the order of the day. To implement change initiatives successfully, it is important that it should be understood by change agents, that space is provided, that it is accepted that the employees play an equally important role, and that employees are needed in order to move forward. The change agents must understand the resistance of employees and realise that emotion, cognition, communication, and participation in decision making are significant factors contributing to change resistance (Wittig, 2012).

2.3 BENEFITS OF RESTRUCTURING

Restructuring is a complex issue which has direct implications on the future of the organisation. Some of the restructuring benefits include reduction of costs, while on the other hand, establishing significantly efficient structures, engagement of personnel, and effective tangible processes. As stated, restructuring presents a big task; therefore it is not uncommon to experience poor execution, and studies indicate that a number of organisations and teams of senior leadership are struggling to finally manage restructuring in order to yield good results.

Proper implementation and execution leads to successfully achieving short- and long-term goals, which has been found to be a business challenge in the current environment for senior leadership in order to prepare the business for the next business cycle. Irrespective of the approved process, leadership should be decisive and transparent, and communicate to all the stakeholders whether it involves downsizing, rightsizing, or restructuring.

It is not disputed, according to various studies, that the full impact on productivity, customer loyalty, and profits will not be known for years after the restructuring. The engagement and motivation of the survivors will ultimately determine the success of the restructuring (Corcoran, 2008).

Köper and Richter (2014) confirmed that resistance to change leads to an increase in stress levels and work intensification, reduced motivation or limitation in performance due to deteriorating health. It further decreases the output numerator size of the target indicator productivity so that such medium-term effects might limit the achieved cost savings.

Based on a systematic literature review, Dattalo (2010) found that employee reduction is a major cost-cutting measure in phases of reorganisation implementation, but has the most severe and unfavourable effect on employees. Employee reduction can result in reduced commitment and job involvement by employees, which leads to reduced confidence in management, which in turn leads to perceived reduced fairness, motivation, and ultimately, reduced performance.

Failure of many well-intend and well-conceived efforts to initiate change within the organisation is contributed to employees who are claimed to be the main critical contributors to ensuring the success of the restructuring process.

In an effort to achieve the desired outcomes, organisations invested in resources such as employees to transform the current methods of achieving the desired goals. It has been found that resistance might be experienced if the employees

feel that change disrupts their convenience, comfort, and norms (Singh, Saeed & Bertsch, 2012).

Several studies concluded that restructuring creates both winners and losers. The winners include those employees who have more opportunities, a better work environment, and greater autonomy after the restructuring process has been completed.

On the other hand, it has been found that for many employees the aftermath of restructuring meant an intensification of work, a breakdown of relationships with colleagues and managers, reduced self-esteem, and reduced motivation. It is crucial to communicate formally during all stages of the restructuring process. Unions and line managers are essential in ensuring that restructuring is implemented in a healthy way. Whilst employers are obliged to consult with employees, the nature and extent of social dialogue varies between countries, sectors, organisations, and even within organisations, over time. Meaningful social dialogue has benefits for workers' health and can ease the process of restructuring, for example, by using expertise in employee transfers, interpreting the organisational culture, and disseminating information.

2.4 IMPACT OF RESTRUCTURING ON EMPLOYEE MORALE, WORKLOAD AND PRODUCTIVITY

2.4.1 Employee morale

Malik, Ahmad and Hussain (2010) maintained that the process of downsizing may consciously or unconsciously adversely affect the work output in an organisation as the workforce might be unhappy or happy about the restructuring outcomes. The reduction of the workforce could have several consequences, especially the work output. The impact could result into too much work, inefficiency, conflict, and low morale. Taken positively, however, changes may lead to improved productivity or effectiveness.

Hughes (2011) stated that a stress-free work environment and improved employee morale is encouraging and promotes civility in the workplace. Efforts and promotion, accompanied by a commitment to achievement and sustaining civility, are key to a successful and thriving organisation, leading to high employee morale.

Anderton and Bevan (2014) suggested that the outcomes of downsizing may lead to many individuals having to face the prospect of being unable to make the best use of their knowledge, skills and competencies in the workplace. The consequences of downsizing could have negative implications for job quality, satisfaction with work, and workforce morale.

A downsizing process based on the organisation taking care of both the employees who have lost their jobs and those who did not, could then be confirmed as successful (Cameron, 1994). A layoff survivor is a term for the employees who did not lose their jobs and are still working with the same organisations.

2.4.2 Employee workload

As a consequence, the layoff survivors are faced with increased workloads (Kozlowski, Chao, Smith, & Hedlund, 1993) and therefore employee productivity is directly affected. One of the restructuring goals is to improve productivity; therefore any effort by employees is important for the successful operation of organisations after downsizing. It is a known fact that downsizing has negative effects on the morale of the remaining employees, which indirectly influences their productivity. Layoff survivors experience increasingly worse working conditions and job insecurity. Organisations are striving endlessly to meet the best criteria of performance and profitability (Malik & Ahmad, 2011).

Wandera (2012) stated that since the employees remaining after retrenchment usually experience an increased workload, it is expected that improved rewarding systems or packages should be put in place and additional motivational aspects need to be produced with a view to raising employees' morale and overall organisational productivity. Skills development should be implemented for the

retained employees to have sufficient skills to enable them to handle the tasks they are expected to accomplish.

Companies have realised that employees with knowledge of operational tasks and adequate skills, sometimes deliberately ignore their tasks, triggered by frustration, stress and lowered productivity which could harm the business in the end. Restructuring resulted in increased workload and assignment of new tasks. This 'densification' of work is a direct consequence of restructuring and mobilises a large part of an individual's resources.

The individual's ability to find time to ensure the transfer of knowhow becomes very limited and forces versatility; the restructuring process may involve a wide range of reorganisation and changes, such as changes to position or status, and to job specification or task content.

Changes may indirectly result in competencies that individuals have acquired, and for which they are recognised, being undermined because of the new skills that have to be acquired. Employees are forced to be versatile, and to integrate skills that are unfamiliar to their area of specialisation and/or expertise. They end up with the impression that they are being spread too thinly across a host of tasks and are producing poor quality work. Caught up in an endless spiral of unlearning or even poor performance, employees can become reluctant to take part in the process of transferring knowledge which they no longer need to have (Niemic, 2013).

It has been observed that a major concern and potential risk for operational leaders as a product of change is the effect that large-scale changes have on morale and engagement of employees. Low morale and lack of engagement may impact customer service, which is also a significant business risk.

Additionally, an unengaged workforce resist change and the desired results and expected benefits may take longer to achieve (Mihaliak & Tempesta, 2014).

The ability to urgently respond to a temporary downturn in demand for goods and services through a proactive approach can diminish, according to the employer's

point of view, as a result of having a reduced workforce. The unavailability of skilled employees to respond to sudden increases in demand, may lead to businesses losing otherwise promising opportunities to weather the economic decline. Workers who remain with the company may have a lower morale as a result of feelings of guilt having retained their job while fellow workers have been retrenched, or because of increased concerns that if the situation worsens they may be amongst the next to be laid off (Hansen, 2009).

Wahab (2012) concurred with Stuart (1996) that organisational change has negative consequences for employees such as low morale, stress, loss of direction and control, anxiety, uncertainty, eroded loyalty, and lack of commitment.

On the other hand, most employees believe that any change in the nature of their work due to restructuring results in loss of experience, competence, and proprietary knowledge. Moreover, employees who have survived an organisational downsizing and restructuring process need to adjust to meet the dynamics of the organisation, develop new skills and competencies, and the extent to which they take on new roles in the organisation (Carbery & Garavan, 2004)

Wiezer, Nielsen, Pahkin, Widerszal-Bazyl, De Jong, Matilla-Holappa, and Mockatto (2011) affirmed that the change leads to an increase in workload, because there are fewer people to do the work, or because new work processes are not yet working as they should. Restructuring often involves changes for employees, followed by periods of uncertainty about what their job will be like after the restructuring. This too can increase work-related stress or reduce well-being.

Okibo (2012) further agreed that the survivors realise that they have to cope with increased workloads and targets due to restructuring in their organisation. The prospects of another or continued downsizing contribute to uncertainty and job insecurity as employees feel that they are in line to be laid off. Understandably these relate to insecurity and limited career opportunities, which results from the downsizing of the organisation. As a result of these changes, morale and commitment are adversely affected.

Normally employees going through a change process experience a significant change in terms of overload. This could be attributed to the increase in workload that often accompanies a restructuring process, including new task demands, job enrichment, and covering for colleagues who left the organisation, or as a result of being downsized (Blackmore & Kuntz, 2011).

2.4.3 Employee productivity

Cowart (2014) contested the notion that disengagement of employees is the single most important factor in declining productivity, which leads to higher absenteeism, higher costs of doing business, and all around poor performance. In order to increase the operational effectiveness on any level, leadership should focus on aspects that ensure a workforce that is engaged and productive.

The European Commission (2012), which consists of 27 European countries, stated that productivity grew by 1.4% annually between 2000 and 2007. The growth in productivity due to restructuring was 0.4% per year, thus employment shifts contributed to around 30% of the total growth in labour productivity. The remainder came from productivity increases within sectors, which is a result of innovation in a broad sense.

2.5 MANAGING RESTRUCTURING

Jones (2010) determined that once the organisation has reviewed and assessed its strategic and market plans, established its core competence areas, performed value chain analyses, and decided on what work processes will be retained, contracted out or eliminated, it must begin to address a number of issues related to managing reduction. Typically, the first issue is how to deal with workforce reduction; employees may be reduced by attrition or by layoff or termination. To manage employee reduction, the criteria for cuts and rules on how cuts will be made must be developed and communicated clearly to employees. State utilities have developed procedures to mix length of service and merit criteria in determining layoff or employment termination schedules.

In order to succeed and thrive in the current rapidly-paced and tumultuous market, organisations need an agile workforce that can effectively respond, adapt, and perform under difficult conditions. They should develop a plan with measurable goals, and identify and develop effective change management behaviours within the workforce. They should also intelligently implement a process that includes leadership support, development, effective communication, and success measures Schroeder-Saulnier (2009).

Longe (2013) stated that the restructuring intervention must be carefully implemented by management to help the workforce to be more focused and involved in order to display a tangible difference in work attitude in the post-restructuring era. A caring and employee centred workplace climate must be cultivated by management through guiding norms, values, expectations, and policies, to ensure flexibility in the productive capacity of employees in a post-restructuring context.

It is understandable that restructuring outcomes do not always have negative effects on employees. Some employees take advantage of the restructuring to improve their positions and opportunities for promotion. Few employees are offered better positions or improved work situations after the restructuring. Some are asked to participate in developing and improving their own organisations (Wiezer et al., 2011).

Amorós and Tippelt (2012) claimed that before implementation of the change management model, it is highly recommended that management takes every precautionary measure to ensure that the first results encountered are positive. When considering these kinds of initiatives, false hopes are raised, but if the desired results are not achieved, immediate disappointment will follow. Subsequently, before initiating the change process, it is essential that all goals set to be obtained are analysed carefully. Consider all the spheres of the organisation and identify the expected results as well as the time, resources, and section within the organisation that will be affected. The expected benefits should be clearly known and displayed. It is not about starting

change management, but about finding out how to do it best, using adequate methods and parameters and using the available resources efficiently and productively.

Organisational change is the implementation of new procedures or technologies intended to realign an organisation with the changing demands of its business environment, or to capitalize on business opportunities. In addition, organisational change management is the process of recognising, guiding, and managing these human emotions and reactions in a way that minimises the inevitable drop in productivity that accompanies change. Organisations have to deal with new technology, and with upgrades of existing technology. They have to cope with reorganisation, process improvement initiatives, and mergers and acquisitions (Radović-Marković, 2008).

Graetz and Smith (2010) theorized that there are no formulas or guiding principles to organisational change. The focus of management in organisational change is on alignment and good fits to ensure stability and control. The flexible nature of the contingency perspective means that change can be fast or slow, small or large, loosely or tightly controlled, be driven by internal or external stimuli, and dealt with varying levels of certainty, depending on the situation.

Parker, Abdul-Ghaffar, Campbell and Vickers-Johnson (2012) highlighted the fact that employee consideration proves important across various studies of the change process. In line with the fit and importance of the change, the motivation of the individual employee was found to be significantly correlated to continuing commitment to the proposed change (Daif & Yusof, 2011). The unfamiliarity that accompanies change is understood to be one of the main contributors to employee resistance to the process (Caldwell, Herold & Fedor, 2004). Some scholars (Herscovitch & Meyer, 2002) argued that, in order for employees to be committed to organisational change, they must be bound to the course of action that will lead to the successful implementation of such change.

2.6 CONCLUSION

In line with the purpose of this research, most of the studies agree that restructuring is the result of the organisation endeavouring to address poor performance, competition, economic challenges, and financial improvement goals. Studies concur that employees are the most important stakeholders when embarking on restructuring. Based on the studies, the outcomes of restructuring are dependent on employee support and implementation, as well as execution by management.

Communication is identifying as one of the critical drivers of organisational change as engaged employees might react positively to the change. The loyalty and companionship among the workers play significant roles as the layoff survivors might react negatively because they feel guilty for taking over their friends' jobs. Employees react differently, which could result in morale, productivity, and workload challenges, depending on the specific reaction. Even when the employees have been provided the necessary skills development, they sometimes react differently, resulting in poor performance. The outcomes of restructuring usually consist of the following: downsizing, early retirement package offerings, changing of tasks, and site relocation.

The vision and the implementation strategy should be clear and communicated to the employees. Their union should also be engaged in order to achieve acceptable results. Restructuring also provides some incentives to the workforce such as voluntary programmes and providing opportunities of promotion to the layoff survivors. It has also been established that employees' bargaining power could either promote or block the restructuring, therefore honest and transparent leadership plays an important role during the change process.

CHAPTER 3 RESEARCH METHODOLOGY

3.1 INTRODUCTION

The essence of research methodology is the structuring of one's actions according to the nature of the research question at hand and the desired answers one wishes to generate (Jonker & Pennink 2010). The focus of this section is on research design, sample strategy, data collection and ethical consideration.

3.1.1 Research methodology

Williams (2007) agreed that the research methodology, as elaborated on by Leedy and Ormrod (2001), is the common methodology the researcher follows when carrying out the research project. Quantitative research entails collection of data so that information can be enumerated and subjected to statistical analysis in order to support or refute alternate knowledge (Creswell, 2003). Creswell (2002) indicated that physical sciences, particularly chemistry and physics, are the sources of quantitative research.

3.1.2 Research design

A research design is described as an applicable set of assumptions and considerations that leads to particular contextualised guidelines that link theoretical understanding and its elements to a dedicated sample strategy of inquiry, supported by methods and techniques designed for collecting empirical material (Jonker & Pennink, 2010).

According to Nenty (2009), research design includes standards on which the researcher can investigate and analyse the commonality amid the variables involved in a problem question with the slightest error, while governing for sources of inessential variability. Aspects of the research design purpose are, for example, the willingness to academically provide the objective why the particular procedure applied was preferred over the others. Selection and application of any indicted procedure or method above others must be justified and preferably by referring to other academic studies which had been used or recommended.

Sarma (2012) defined research design as turning the research question into a project. Normally the framework of the research design is aligned or linked with the research question, purpose and theory. In a quantitative research approach the researcher engages in predetermined strategies such as experiments and surveys that assist in collecting statistical data. It has been observed that there are a number of types of research design that are relevant and applied in the different types of research projects. Ordinarily any selection or choice of research design relies on the nature of the problems posed by the research aims.

As agreed by the mentioned authors, each type of research design has a number of research methods that are usually applied to collect and analyse the type of data generated by the researchers (Walliman, 2011).

3.1.3 Quantitative research methods

Williams (2007) stated that quantitative research originated in 1250 AD, invented by researchers to quantify available data. Since its inception quantitative research has taken over the Western culture as the research method to create meaningful and new knowledge. Quantitative research techniques entail a numeric or statistical approach to study. Leedy and Ormrod (2001) agreed that quantitative research is definite in its surveying and testing irrespective of its constructs upon existing theories. The empiricist paradigm assumption is the methodology that is maintained in quantitative research (Creswell, 2003).

The Abraham S Fischler School of Education (2012) confirmed that a kind of scholastic research in which the researcher selects what to study, asks specific, narrow questions, collects data from participants, analyses the numbers using statistics, and conducts the probe in an unbiased, objective manner, is called quantitative research.

Studies prove that quantitative research uses methods to collect numerical data in order to explain, predict, or test statistical hypotheses (Turner, Balmer & Coverdale, 2011). Moody (2002) argued that some of the common quantitative methods listed below are normally followed:

- Experimentation, which implies obtaining and measuring of outcomes before and/or after; it is an individual method that can exhibit pivotal relationships between variables.
- Experimental research is aligned with the original systematic process which is called the Newtonian Model of Science.
- Surveying sample, which involves face-to-face interviews, or via telephone, email and the Internet
- Using the old determined data to determine the forms in historical data such as IT investment patterns.

Even though the quantitative method is inclined to result in considerable scientific confirmation, it is not applicable in the field setting context.

3.2 SAMPLING STRATEGY

Palinkas, Horwitz, Green, Wisdom, Duan and Hoagwood (2013) concurred with Kemper Stringfield, and Teddlie (2003), and identified the following seven principles:

- The purpose of the survey sampling strategy should sensibly originate from the theoretical framework and the research questions that are being lectured by the study.
- The sample should be able to produce a thorough body of knowledge database on the kind of phenomenon under study.
- Clear inferences would be able to be drawn from the sample strategy.
- The sampling strategy must be applied in an ethical manner.
- Feasibility of the sampling plan is important.
- The sampling plan should make it easier for the researcher to scrutinize or abridge the conclusions of the study to other different sceneries or populations as the need arises.
- The efficiency and practicality of the sampling scheme should be adhered to at all times.

Uprichard (2011) defined non-probability sampling as cases whereby samples are not intended to know more about the population, but to simply add and expand existing

knowledge about the sample itself. It should be noted that the researcher is not necessarily dealing with different epistemologies. Instead, what are available are similar epistemological assumptions to begin with. Sampling cases require basic knowledge of the cases and the population from which the cases are selected, but the final aim is to know more or less about the sample or the population.

Nonprobability sampling is categorised into three primary methods, namely quota sampling, purposive sampling and convenience sampling. Drawing and weighting inferences from nonprobability samples require different methods than for probability sampling and advances in technology have brought newer approaches to nonprobability sampling (Battaglia, 2011).

Elmusharaf (2012) defined the type of sampling called convenience sampling as a form of a cluster of personalities that are understood to be characteristic of the population from which it is designated, nonetheless more importantly chosen because it is close at hand rather than being randomly selected. The selection of the sample is at the convenience of the researcher and biased.

A kind of nonprobability sampling called the purposive sampling practice is the most current when one needs to study a certain cultural field with well-informed professionals within. Together qualitative and quantitative research techniques are applying the convention of purposive sampling. The inherent non-biasness of the method adds to its efficiency, and the technique stays robust even when tested against random probability sampling. Choosing the purposive sample is central to the quality of data collected, such as the reliability and competence of the informant must be paramount (Tongco, 2007).

Sibona and Walczak (2012) highlighted that the specimen techniques chosen have impacted a number of different elements beyond the goal of representativeness of the sample, which includes cost, time, and approachability considerations. Types of purposive sampling, such as judgment and quota, are an methodologies where members obey a certain criteria for selection. In judgment sampling a researcher may only need to survey persons who he/she perceives to meet a certain criteria.

A sampling strategy should be simple and intuitive so that the researcher can operate it without comprehensive instructions (Homeyer, Schenk, Dahmen, Dirsch, Huang & Hahn, 2011).

The Assessment Team (2012) described purposive sampling as a method wherein researchers apply their ruling to select a sample that they trust. It is based on the fact that the preceding information will provide the data they need. This is called non-random sampling but its key shortcoming is that the researcher's judgment may be in error.

3.2.1 Sample size

The size of the sample determines the effect on the excellence and accuracy of empirical research. Commonly a large sample size is allied with decreased sampling error. The studies agree that the larger the sample, the more prospective the results are to represent the population. The association between sampling error and sample size is not modest or proportionate, but based on data analysis studies conducted. Decreasing returns are associated with adding elements to a sample (Dattalo, 2010).

Delice (2010) established that the researcher's decision on an acceptable sample extent for the tester depends on the research topic, population, aim of the research, scrutiny techniques to be used, sample size in previous related research, and the quantity of the subdivisions in the sample.

3.2.2 Statistical analysis

Remenyi and Onofrei (2014) stated that scientific measurement requires consideration to be given to variability and uncertainty and thus to issues such as risk; therefore, statistical analysis is employed. Statistics has been found to be one of the drivers which delivered the modern understanding of quantitative data and how it should be used in a study.

Pragmatic research methods are defined as a type of research method in which empirical interpretations or data are collected in order to answer particular study

questions. Even though it is principally used in academic research, these methods can also be useful in replying to practical questions (Moody, 2002).

Schneider (2005) developed the following steps that may be followed in statistical analysis:

Cleanness of the data

- Assurance that data is correct by checking data transcription.
- Be certain that missing values such as unanswered questions evidently identified missing data.

General understanding must be gained about the data.

- Availability of data list must be assured.
- Produce descriptive statistics for the following guides: means, standard-deviations, minima, maxima for each variable.
- Graphics histograms or box plot that signals the circulation must be produced.

Composed scales must be developed.

- Creation of a solitary variable from each set of questions.

Relationship link between graphics or tables must be shown.

- Scatter plots for interval data as well as cross tabulations.
- Calculation of coefficients that measure the strength and the structure of a connection must be done.
- Cramer's V for cross tabulations or Pearson's R is the strong examples used for interval data.
- Regression coefficient and tables are structure examples applicable in analysis of variance.

Explanation of the process followed on how to compute coefficients that pronounce the percentage of variance.

- R^2 in a regression analysis.

How to compute the importance level to discover if you have the right to interpret the relation.

- Chi-2 for crosstabs and Fisher's F in regression analysis.

Soni and Joshi (2014) agreed with other studies that formulas for application for the correlation coefficient range from -1 to 1 . A value of 1 suggests that a linear equation pronounces the relationship between X and Y perfectly, with all data topics lying on a line for which Y increases as X increases. A value of less than one denotes that all data points lie on a line for which Y decreases as X increases. A value of zero implies that there is no linear correlation between the variables.

Note that $(X_i - \bar{X})(Y_i - \bar{Y})$ is positive if and only if X_i and Y_i lie on the same side of their respective means. Thus the correlation coefficient is positive if X_i and Y_i tend to be instantaneously greater than, or simultaneously less than, their corresponding means. The correlation coefficient is negative if X_i and Y_i tend to lie on opposite sides of their respective means. Pearson's correlation coefficient between two variables is defined as the covariance of the two variables divided by the product of their standard deviations.

Encouragingly reputable transformers and numerical data analysts regularly use very basic techniques for the assessment of derivatives and this process has not been studied and deliberated in depth in the physics community. Irrespective of the fairly simple strategies to enrich results for numerical differentiation, improved techniques are hardly used. With this influence, the researcher formulates a general structure to extricate the existing methods and discuss in detail their differences. The prominence is on accuracy and smoothness, so wherever one is not troubled with very accurate estimation or with very noisy data, our text is understood to be enlightening (Ahnert & Abel, 2007).

Lord (2010) highlighted the regression analysis as:

- Predict outcome dependent variable from one or more independent variables.
- Implies causality.
- Used to explore relationships and assess contributions.
- Models developed for explicit prediction.

3.3 DATA COLLECTION

As highlighted by Bird (2009), a questionnaire is a developed survey used within social sciences to perform research by means of attaining material on a participant's social character, present and past behaviour, principles of behaviour or attitudes, and their opinions and reasons for action with respect to the topic under investigation.

Importantly, a survey questionnaire was used as a foundation for this study to acquire the data for the impact of restructuring on the employees of the Eskom FSOU Asset Creation department, emphasising the restructuring, morale, productivity, and workload. The said questionnaire was circulated by means of an email and could be returned as such, or as hardcopy. A four point Likert scale was used to collect the responses to the questionnaire.

Colosi (2006) emphasised that the questionnaire is the most commonly used method for assembling information for the purpose of research. During the study process it is important to keep some key points in mind in order to meet the appraisal needs of a specific programme or intervention when designing a questionnaire, such as the following: determine what valuable material is needed both to capture the important objectives of the research question and to fulfil the purpose of the intended evaluation; what format and type of questions and responses will best capture the information that is required; and lastly, in what arrangement should the survey questionnaire be considered to make it intelligible and to also capture the extensiveness of information desirable to measure a programme's impact.

Rattray and Jones (2007) concurred that questionnaire design and development must be supported by a reasonable, methodical, and controlled approach. To assist in the process, the researcher presents a context that supports this and suggests strategies to exhibit the trustworthiness and legitimacy of the new and developing measures.

3.4 ETHICAL CONSIDERATION

Ethics is applied with the challenges of decision making in trying to understand and determine anything that is right and wrong. Research ethics encompasses on a regular

basis the work, security and dignity of focus, and the publication of the information in the research (Fouka & Mantzorou, 2011).

- Coleman, Reis and Croisier (2007) described confidentiality as the obligation by the researcher is to secure secrecy, except if its revelation has been properly authorised by the person concerned or, in extraordinary circumstances, by the applicable authorities.
- Confidentiality: The researcher undertakes to provide the assurance that the respondents and their replies are kept confidential and valued in terms of their autonomy. The confidentiality was assured by the researcher by cooperating with the respondents.
- Data application shall be objectively ensued by the researcher to limit bias. The strategy of the study was based on an open mind wherein all responses were considered.
- Privacy of the respondents participating on the study should always be carefully protected, as argued by McShane and Von Glinow (2010). Respondents were therefore assured that their responses would not be revealed or passed on to their immediate or senior managers.
- Distribution of the questionnaire to the targeted study group was subject to obtaining consent from the leadership of the Eskom Free State Operating Unit. The purpose of this study was shared as well as its intention is to add value to the electricity utility company for the development of mitigating measures for any undesirable restructuring process outcomes. The leadership was therefore expected to grant the consent as requested.
- The requisition and handling of study data were ethically applied for the intended purpose during the period of data collection and influencing the findings of the study was avoided.

3.5 CONCLUSION

The survey method that was applied in this study was a quantitative research survey in the form of a questionnaire that was developed by the researcher. As per sampling

strategy the researcher identified 99 employees of the Eskom Free State Operating Unit, Asset Creation department that participated in the study. A nonprobability purposive sampling strategy was followed as the employees were already available and the only risk was if they decided to ignore the request to participate. As per empirical statistics, the correlation test methodology was used with a descriptive method of presentation whereby bar charts and tables were involved. In terms of data collection a questionnaire was developed and a set of questions relevant to the study were forwarded. The questionnaire was designed in such a manner as to cover all the objectives of the study. Due to the fact that the research survey was based on a quantitative method, the qualitative method was not used as only a questionnaire was undertaken and not interviews or any other method.

CHAPTER 4 RESULTS AND DISCUSSION OF THE RESULTS

4.1 INTRODUCTION

The focus of this chapter is to implement the research methodology outlined in Chapter 3 of the research study. The data is based on the questionnaire that was distributed and collected from the employees of the Eskom Free State Operating Unit, Asset Creation department in Bloemfontein. The total number of employees at the Asset Creation department is 156, and 99 completed questionnaires were received.

This chapter presents an analysis of the results as directed by the questionnaire, starting with Section A, which deals with the biographical information, followed by the other nine sections that concentrated on the primary and secondary objectives of the research study. The questions covered the objectives, which were to explore restructuring and the impact on employee morale, to evaluate the impact on productivity, and to analyse the impact on the workload.

The results and the conclusions, as well as the references to the literature on restructuring studies, and the research methodology of the study are the main focus.

4.2 FINDINGS

The findings are presented following the structure of the questionnaire.

4.2.1 Section A: Biographical information

The biographical information of respondents is provided in this section, namely gender, race, position, department, area, age, experience, and qualifications.

4.2.1.1 Gender

Figure 4.1 provides a graphical representation of the gender distribution of the respondents in this study.

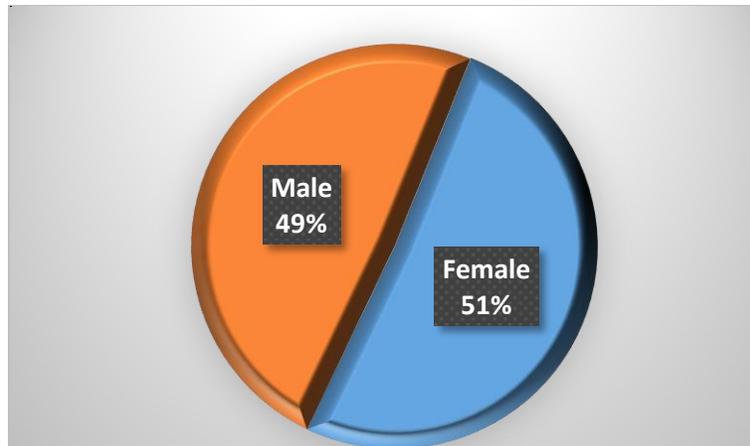


Figure 4.1: Gender

From Figure 4.1 it can be concluded that 49% of the respondents are females, while 51% are male. The population of the respondents is particularly dominated by males.

4.2.1.2 Race

Figure 4.2 provides a graphical representation of the race of the respondents.

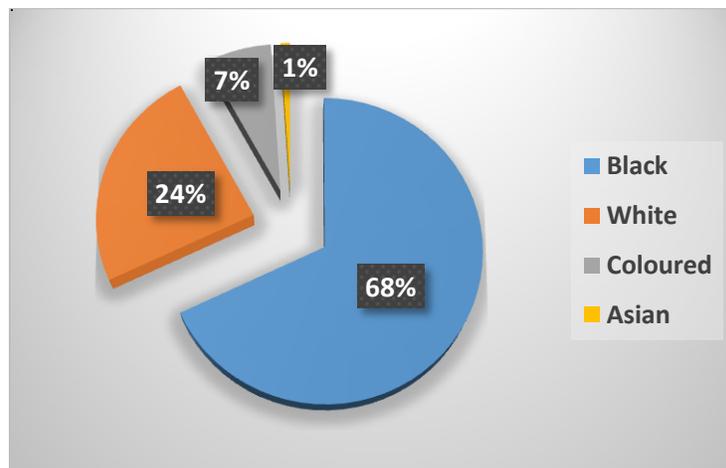


Figure 4.2: Race

From Figure 4.2 it is fact that the majority of the respondents from the Asset Creation department are black (68%), followed by the second largest group which is white (24%). The other two race groups, according to the study, are Coloured (7%) and Asian (1%). The focus of the study is based on the employees in totality and not any specific race,

even though the study has shown that blacks constitute the majority of the personnel at the Asset Creation department.

4.2.1.3 Employee work positions

Figure 4.3 provides a graphical representation of the employees' work positions.

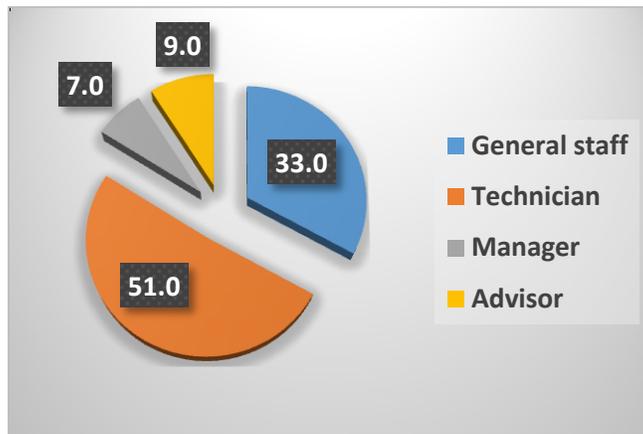


Figure 4.3: Employee work position

From Figure 4.3 it is clear that the majority of the respondents in the Asset Creation department are technicians (51%). The second largest employee position group is general staff (33%), followed by advisors (9%), and lastly managers (7%).

4.2.1.4 Age

Figure 4.4 provides a graphical representation of the age of the respondents.

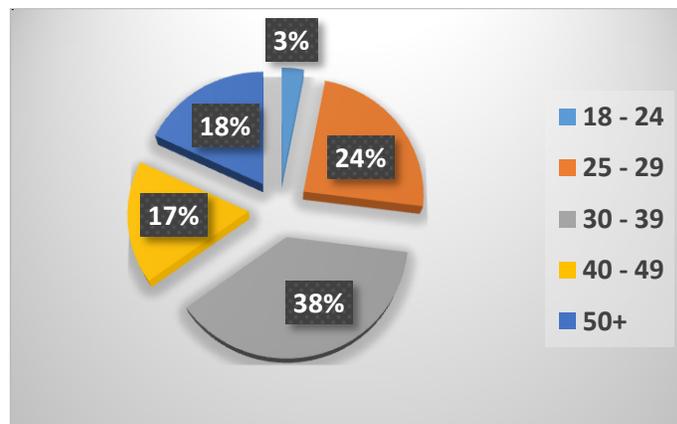


Figure 4.4: Age

From Figure 4.4 it can be concluded that the age of the employees presents the Asset Creation department with the opportunity to plan ahead in terms of pipelining. The age of the majority of the respondents (38%) is between 30-39 years of age, followed by 24% of the respondents who are between 25-29 years of age. The age group between 18-24 and 40-49 years of age ranges between 17-18% and those older than 50 years of age constitute 3%. The spread also provides the department with an opportunity to train its employees properly with the assistance of mentoring programmes driven by the 3% employees who are in their prime age and experienced. Transferring knowledge is always one of the concerns for any company that undergoes restructuring. The age of the employees also determines whether the business could offer early retirements and provide skills training for them to, for example, start a small business.

4.2.1.5 Experience of respondents

Figure 4.5 provides a graphical representation of the experience of the respondents.

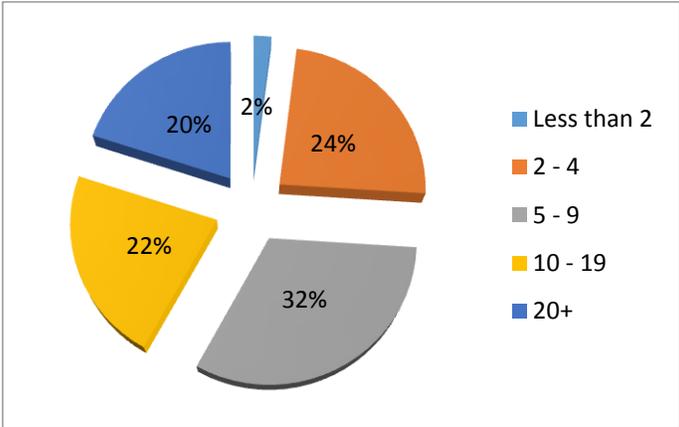


Figure 4.5: Years of experience

Figure 4.5 indicates that years of experience are very evenly spread ranging between 20% and 32%. The largest group of employees (32%) have 5–9 years of experience, followed by the groups 2–4 years of experience (24%) and 10–19 years of experience (22%). Twenty per cent of the respondents have more than 20 years of experience with the smallest group (2%) having less than two years of experience. The fact that only 2% of the respondents have less than two years of experience may be due to restructuring or because the department is no longer recruiting new employees.

4.2.1.6 Qualifications

Figure 4.6 provides a graphical representation of the qualifications of the respondents.

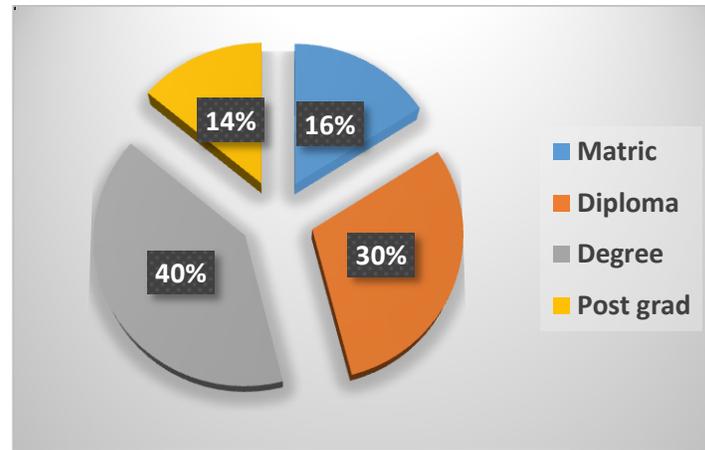


Figure 4.6: Qualifications

As depicted in Figure 4.6, it is clear that the majority of the employees of the Asset Creation department have post-matric qualifications (70%) while a few have matric (16%). That places the department in a better position in terms of skills development. The 14% with postgraduate qualifications is comparable to the 40% who have degrees. In line with the skills of the employees in general, it means that the Asset Creation department has enough skilled employees to improve its performance and delivering its targets. The postgraduate employees could therefore form the base for mentorship and succession planning.

4.2.2 Section B: The extent of restructuring

Figure 4.7 provides a graphical representation of the responses from the respondents on **Section B: To what extent is the restructuring evident to you?**

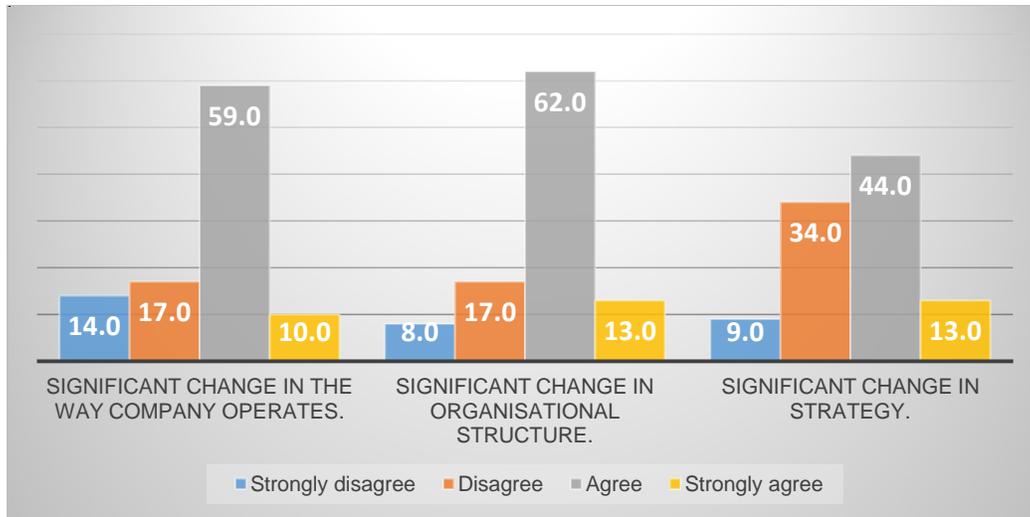


Figure 4.7: Extent of restructuring

This section had three questions related to the main question, namely **To what extent is the restructuring evident to the respondent.**

Question 1: Significant change in the way the company operates

The first discussion on Figure 4.7, dealing with the current questions, indicates clearly that the majority (59%) of the Asset Creation department respondents agree that there is a significant change in the way the company operates. A few respondents are either disagreeing or strongly agreeing or disagreeing. The response therefore proves that the respondents agree with the change of operations by the company. It is important that the changes that are being implemented by the company as a result of its restructuring are visible and experienced by the employees.

Question 2: Significant change in organisational structure

Secondly, Figure 4.7 also indicates that the majority of the respondents (62%) attest that a significant change in the **organisational** structure is evident. This is very important since any structural change entails creation of new positions, job profiles, redesigning of current positions, and renaming. This has a very big influence on the employees as they are either directly or indirectly affected by the changes. This could mean moving employees from their current areas to other areas where additional employees are needed. It could also mean a change in the reporting structure by the

employees and additional output by the sub-section. According to the responses, there are very few respondents who either strongly disagree or agree that there is a significant change in the organisational structure.

Question 3: Significant change in strategy

Lastly, Figure 4.7 indicates that 44% of the respondents agree and 34% disagree that there are significant changes in strategy. The rest of the respondents either totally disagree (9%) or totally agree (13%). In general, 57% of the respondents agree that there is a significant change in strategy, which is always the aim of the company that is undergoing restructuring. The purpose of restructuring is mainly to change the direction of the company. It is therefore encouraging that more than 50% of the respondents agree. But at the same time, to have 43% of the respondents not agreeing with the significant change in strategy is also problematic as the implementation and monitoring of the strategy results is the responsibility of the employees. It therefore cannot be expected that those who disagree will fully participate and contribute fairly to the goals of the strategy.

4.2.3 Section C: Restructuring process

Figure 4.8 provides a graphical representation of the responses from the respondents on **Section C: During restructuring process have you been subjected to any of the following?**

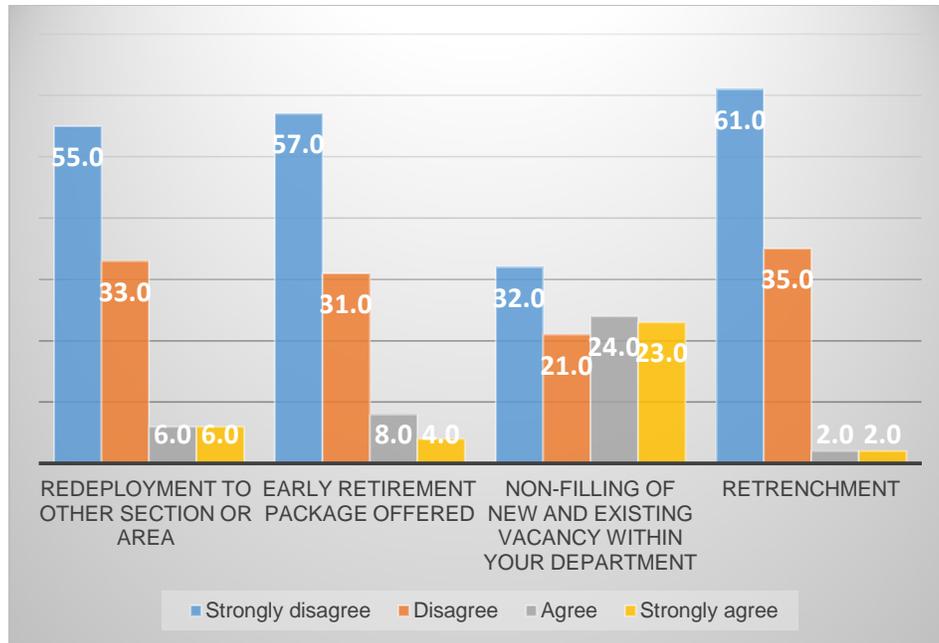


Figure 4.8: Offerings by company

This section had three questions related to the main question, namely **During the restructuring process have you been subjected to any of the following?**

Question 1: Redeployment to other section or area

Figure 4.8 indicates that some of the respondents strongly disagree (55%) and disagree (33%), meaning that the majority of the respondents from the Asset Creation departments were not subjected to any redeployment as a result of restructuring.

Question 2: Early retirement package offered

Again Figure 4.8 indicates that the respondents totally disagree (57%) and disagree (31%) that any offers were made to them to take early retirement due to restructuring. Very few respondents agree and totally agree that such an offer has been made. Taking the 3% of the respondents who are older than 50 years of age into consideration, it might be possible that the offer was made to employees who fall in this category.

Question 3: Non-filling of new and existing vacancy within your department

From Figure 4.8 it is evident that the respondents are almost evenly spread with only 32% who totally disagree and 21% who disagree, placing those who disagree at 53%

against those who either totally disagree or agree at 47%. This might be due to the fact that the respondents work in different sub-sections of the Asset Creation department and the impact has been different, guided by the needs of those sections. It is significant enough that 53% disagree that there is non-filling of the new or existing vacancies, which means that the department has required a complement of resources to perform the duties in the Asset Creation department. Even those who agree to the non-filling of vacancies could be ideal, because it is spread among different sub-sections in order to limit the impact of the non-filling of vacancies.

Question 4: Retrenchment

According to Figure 4.8 it is evident that no retrenchments were undertaken as 61% strongly disagree and 35% disagree. This constitutes almost 96% of the respondents who disagree and only 4% who either totally agree or agree. Again it could be linked to the same 3% of the respondents who are older than 50 years of age and have more than 20 years of experience. Retrenchment is one of the restructuring outcomes and these results indicate that this particular tool has not been implemented by the management of the Asset Creation department. The non-implementation of retrenchment brings stability to the company and provides an opportunity to implement succession planning and mentoring processes.

4.2.4 Section D: Question/uncertainties regarding restructuring

Figure 4.9 provides a graphical representation of the responses from the respondents on **Section D: I have the following question/uncertainties regarding Eskom restructuring.**

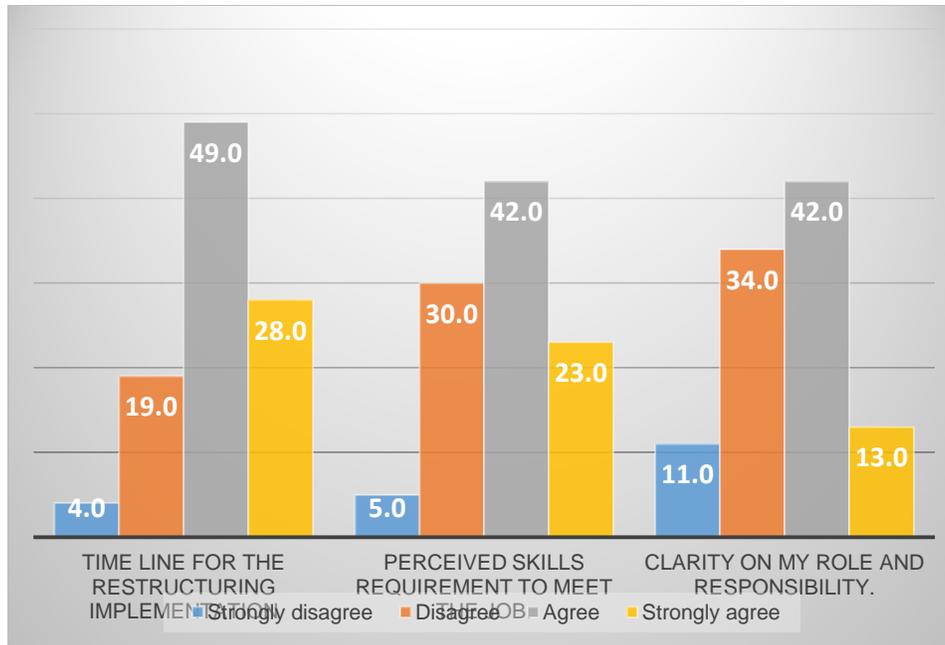


Figure 4.9: Questions/uncertainties

This section had three questions related to the main question, namely **I have the following question/uncertainties regarding Eskom restructuring.**

Question 1: Time line for the restructuring implementation

From Figure 4.9 it is clear that 49% of the respondents agree that they have a question or uncertainty about the time the restructuring was implemented. This could be an indication that the process is taking too long and there is uncertainty about its expected completion date and its implementation as well. The respondents that agree with the timeline for the restructuring implementation constitute 28% and these could be the respondents who have been in the employment of the Asset Creation department for 2-4 or less than two years, and who are not concerned about the process. The implementation might impact the category of employees who are between 40-49 years of age and those employees who are older than 50 years of age. Stability is important to these respondents and the implementation might influence their decision to either accept early retirement or change their current jobs.

Question 2: Perceived skills requirement to meet the job.

From Figure 4.9 it is evident that 42% agree and 32% strongly agree that they have the perceived skills to meet the job requirements, which is a clear majority of 74% in total, which is the main workforce of the Asset Creation department. This is very important as it also proves to management that employees are trained to perform their jobs. The number of general workers coupled with the employees who have between 2-4 years of experience might be the respondents who are either totally disagreeing or disagreeing that they have the perceived skills required for their jobs. This provides the Asset Creation department's management the opportunity to embark on a training process in order to reduce the number of employees who are not skilled to perform their jobs.

Question 3: Clarity on my role and responsibility

From Figure 4.9 it is clear that only 42% of the respondents agree that there is clarity of their roles and responsibility and only 13% strongly agree that there is clarity of their roles and responsibility. In general 57% agree. The 43% who generally disagree or strongly disagree is not much more than the general workers (33%), which is made up of employees with a matric qualification (16%). These may be the category of respondents who need direct supervision. Training and clarity from the respective supervisors and managers about each and every respondent's role and responsibilities is one of their critical functions.

4.2.5 Section E: Management of restructuring by Eskom management

Figure 4.10 provides a graphical representation of the responses from the respondents on **Section E: Eskom management can manage the restructuring process better by:**

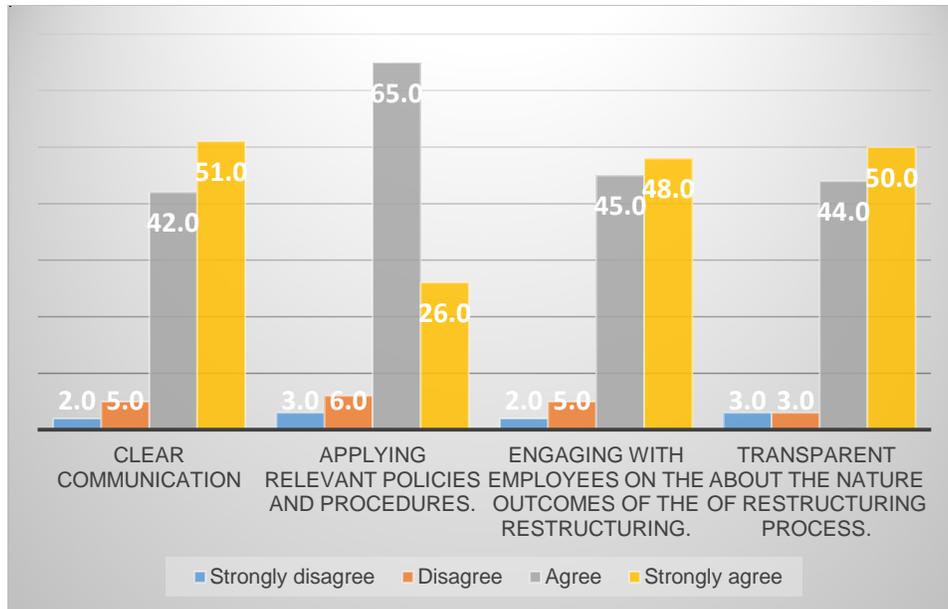


Figure 4.10: Suggestions for improvement

This section had four questions related to the main question, namely **Eskom management can manage the restructuring process better by:**

Question 1: Clear communication

From Figure 4.10 it is evident that during restricting clear communication is very important with 51% strongly agreeing and 42% agreeing. This is testimony to the Eskom management that its employees were kept informed about the process as 92% agree that there was clear communication. Again it proves that employees are aware of the stages and milestones of the restructuring process.

Question 2: Applying relevant policies and procedures

From Figure 4.10 it is clear that 65% of the respondents agree that relevant policies and procedures were applied during the restructuring by the Eskom management. The respondents who strongly agree (26%) are proof that the management followed due process during restructuring.

Question 3: Engaging with employees on the outcomes of the restructuring

Figure 4.10 proves that 48% of the respondents strongly agree while 45% agree that employees were engaged in the outcomes of the restructuring. Taking the strong agreement regarding clear communication into consideration, it is therefore accepted that the management not only communicated the restructuring process but followed that with employee engagement to clarify the outcomes.

Question 4: Transparent about the nature of restructuring process

From Figure 4.10 it is clear that the Eskom management were transparent about the nature of the restructuring with 50% of the respondents strongly agreeing and 44% agreeing. Communication, engagement, and transparency are interlinked, therefore it would not have been possible for the respondents to respond differently as they have proven that there was clear communication in the first place, followed by proper engagement.

Figure 4.11 provides a graphical representation of the responses from the respondents regarding the question: **During restructuring process my trade union played an important role in the process: Yes/No**

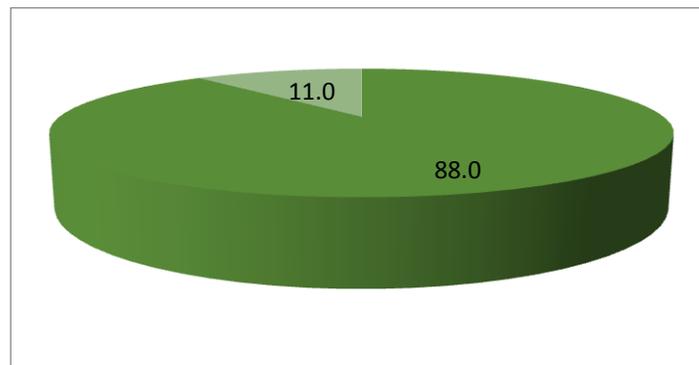


Figure 4.11: Role of trade union

From Figure 4.11 it is clear that 88% of the respondents replied that their trade union did not play an important part in the restructuring process. The fact that 67% of the workforce is made up of technicians, advisors and managers, in addition to the 74% that have a diploma, a degree or a postgraduate qualification, might play a part in terms of

union membership. Further studies might be needed to determine whether the respondents are members of a union. It could therefore not be conclusively determined whether unions were involved in the restructuring process.

4.2.6 Section F: Impact of restructuring

Figure 4.12 provides a graphical representation of the responses from the respondents on **Section F: Impact of restructuring on the organisation has led to:**

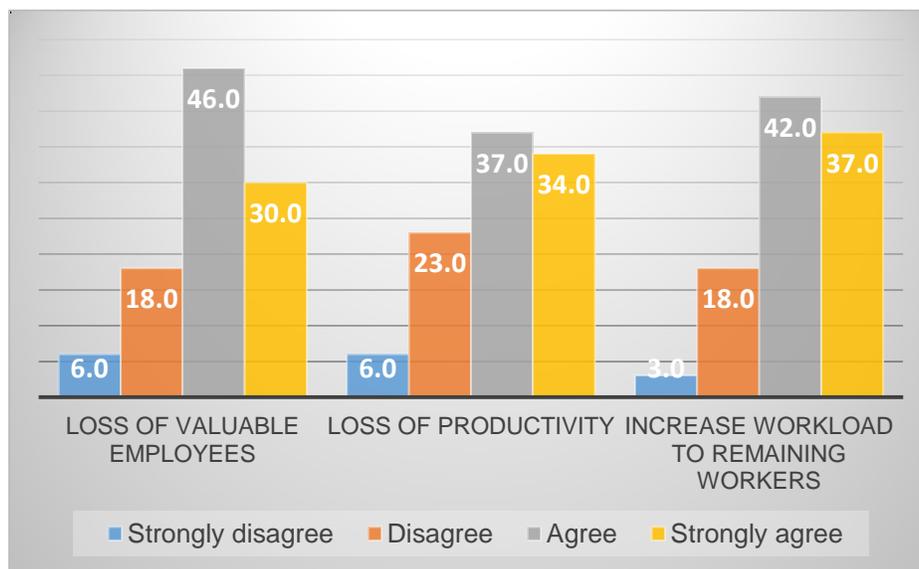


Figure 4.12: Impact of restructuring (1)

This section had seven questions related to the main question, namely **Impact of restructuring on the organisation has led to:**

Part 1:

Question 1: Loss of valuable employees

From Figure 4.12 it is clear that 46% of the respondents agree that there was a loss of valuable employees and 30% strongly agreed.

Question 2: Loss of productivity

Figure 4.12 indicates that 37% of the respondents agree that there was loss of productivity and 34% strongly agree. This is in line with the loss of valuable employees which could result in a loss in productivity.

Question 3: Increased workload to remaining workers

From Figure 4.12 it is evident that 42% of the respondents agree that there was an increase in the workload, contrary to 37% of the respondents that strongly agree that the workload had increased for the remaining employees. But taking the loss of valuable employees into consideration, it could lead to an increased workload for the remaining employees.

Figure 4.13 provides a graphical representation of the responses from the respondents on **Section F: Impact of restructuring on the organisation has led to:**

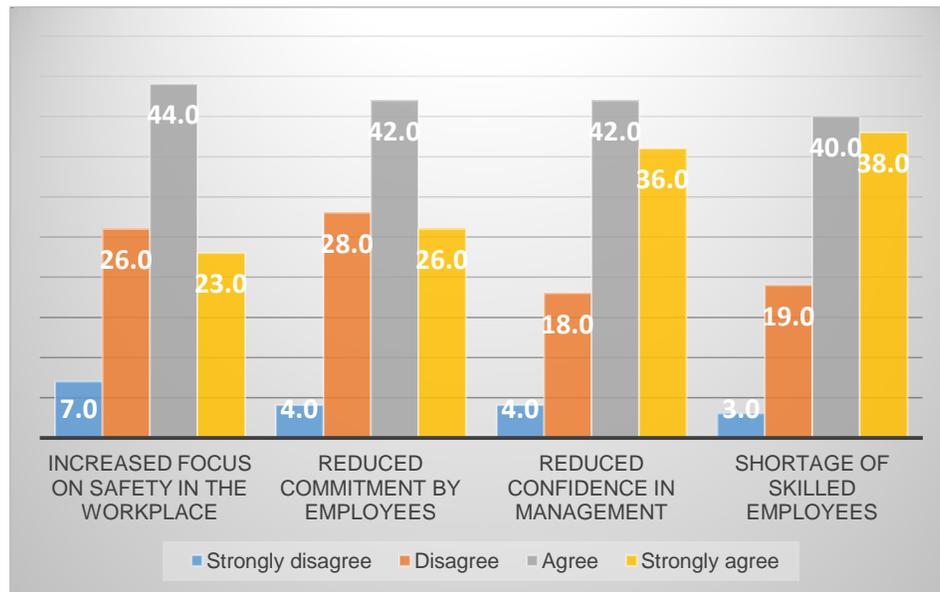


Figure 4.13: Impact of restructuring (2)

This section had seven questions related to the main question, namely **Impact of restructuring on the organisation has led to:**

Part 2

Question 1: Increased focus on safety in the workplace

Figure 4.13 indicates that 44% of the respondents think that the focus on safety has indeed increased while 23% strongly agree. This is in line with high risks that are associated with the Eskom product, which is electricity, thus it was expected that safety would be one of the most important goals of the restructuring process.

Question 2: Reduced commitment by employees

Figure 4.13 shows that 42% of the respondents agree that the restructuring had led to a decrease in commitment by employees and 26% strongly agree. On the other hand, 28% of the respondents disagree that there was a decrease in commitment. The 68% that agreed with the decrease in commitment is the bigger part of the Asset Creation department.

Question 3: Reduced confidence in management

From Figure 4.13 it is clear that 42% of the respondents agree that there is reduced confidence in management and 36% strongly agree, which represents 78% of the total number of respondents in the Asset Creation department. The decrease in confidence might be based on the fact that restructuring is a process in which employees might be retrenched, but there might also be downsizing in future. Until the company is satisfied with the restructuring results, confidence might be impacted negatively.

Question 4: Shortage of skilled employees

According to Figure 4.13, 40% of the respondents agree that there is a shortage of skilled employees, while 38% of the respondents totally agree that there is indeed a shortage. In total 78% of the respondents agree that there is a shortage of skilled employees. In total, 42% of the respondents agreed that they have the perceived skills and also have clarity of their roles and responsibility. This should prompt the management to take action and provide skills development programmes to the

employees in order to increase the percentage of employees that claim to have the perceived skills to above 50% – a position that the employees will appreciate.

4.2.7 Section G: Impact of restructuring on me

Figure 4.14 provides a graphical representation of the responses from the respondents on **Section G: Impact of restructuring on me as an individual:**

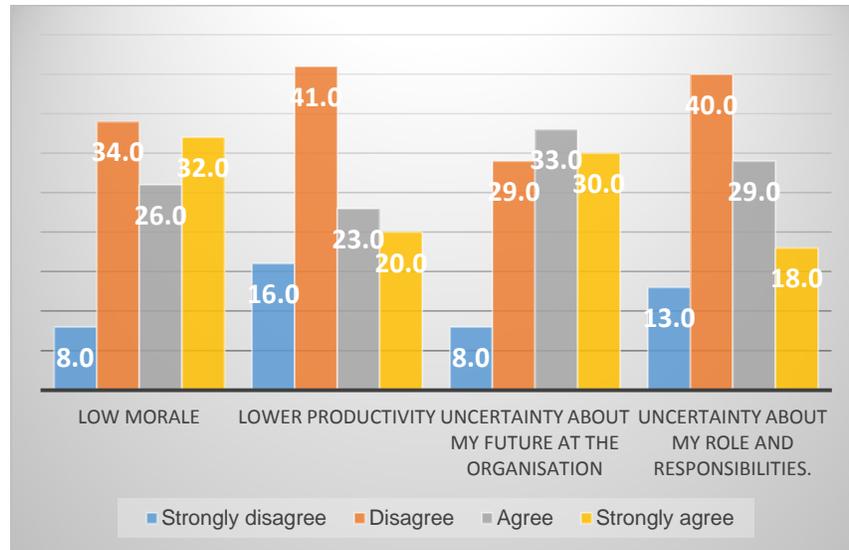


Figure 4.14: Impact on individual (1)

This section had eleven questions related to the main question, namely **Impact of restructuring on the organisation has led to:**

Question 1: Low morale

According to Figure 4.14, 34% of the respondents disagree with the fact that there is a low morale among the respondents from the Asset Creation department. On the other hand, 32% of the respondents strongly agree that the morale is low and 26% agree as well that the morale is low. In total 56% of the respondents therefore agree that the morale is low against 42% of the respondents who disagree that the morale is low. The decrease in confidence towards the management, as well as the shortage of skilled employees, might contribute to the low morale of the employees.

Question 2: Lower productivity

Figure 4.14 indicates that 41% of the respondents disagree with the belief that productivity is low, while 57% of the respondents disagree. A limited number of respondents believe that there is an element of lower productivity by the employees of the Asset Creation department.

Question 3: Uncertainty about my future at the organisation

From Figure 4.14 it is clear that 33% of the respondents agree that they are uncertain about their future and 30% of the respondents strongly agree that they are uncertain about their future. The 4% who responded that they have been retrenched together with the employees who are older than 50 years of age with more than 20 years of experience have a reason to be uncertain about their future at the organisation.

Question 4: Uncertainty about my role and responsibilities

About 40% of the respondents disagree that there is uncertainty about their role and responsibilities and only 29% agree that they are uncertain about their role and responsibilities in the organisation. The fact that the organisation has not indicated that there could be retrenchment contributes to 53% of the respondents who are either disagreeing or strongly disagreeing about their uncertainty. The proof that the organisation supports clear communication and engages the workforce in a transparent manner might contribute to employees' certainty about their role and responsibilities.

Figure 4.15 provides a graphical representation of the responses from the respondents on **Section G: Impact of restructuring on me as an individual:**

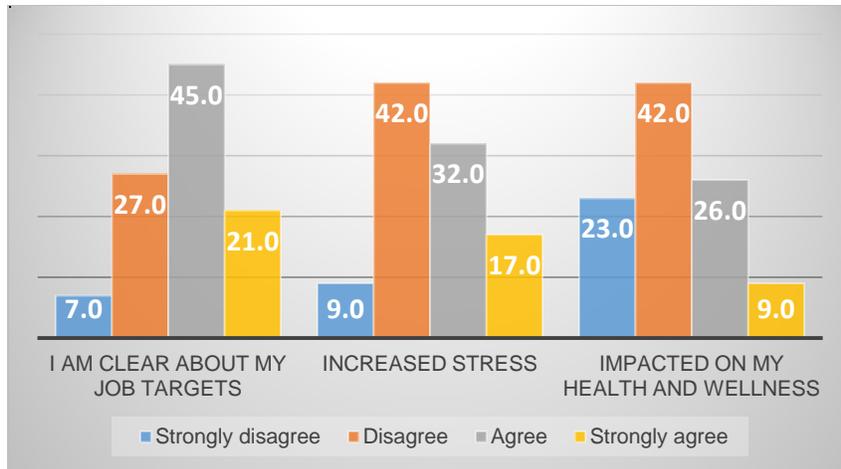


Figure 4.15: Impact off restructuring on individual (2)

This section had eleven questions related to the main question, namely **Impact of restructuring on the organisation has led to:**

Question 1: I am clear about my job targets

From Figure 4.15 it is clear that 45% of the respondents agree that they are clear about their job targets and 21% strongly agree. This response is in line with the previous acknowledgement that the Asset Creation department employees have the perceived skills to perform their jobs and are also clear about their role and responsibilities.

Question 2: Increased stress

Figure 4.15 indicates that 42% of the respondents disagree that their stress levels have increased due to the process of restructuring. On the other hand, 32% agree that their stress levels have increased and the researcher could associate this outcome with the employees who are older than 50 years of age and have more than 20 years of experience. This may be attributed to the impact of changes on the job profiles and new methods of undertaking their jobs, plus the fact that they have to undergo training. The change might include new technology therefore the older workforce might find it difficult to adjust, which might lead to stress.

Question 3: Impacted on my health and wellness

As indicates in Figure 4.15, 42% of the respondents disagree that the restructuring had an impact on their health and wellness, while 23% strongly disagree that they have been negatively impacted, which means that almost 65% of the Asset Creation workforce disagree that there was a negative impact.

Figure 4.16 provides a graphical representation of the responses from the respondents on **Section G: Impact of restructuring on me as an individual:**



Figure 4.16: Impact of the restructuring on individual (3)

This section had eleven questions related to the main question, namely **Impact of restructuring on the organisation has led to:**

Part 3

Question 1: It has forced me to learn new skills in being effective in my job

As indicated in Figure 4.16, 41% of the respondents disagree that restructuring has forced employees to learn new skills and 14% strongly disagree. Even though there is a huge shortage of skilled employees, the restructuring has not forced employees to acquire new skills.

Question 2: Increased anxiety

Figure 4.16 indicates that 38% of the respondents agree that they have experienced increased anxiety while 30% disagree that they have experienced increased anxiety. This is proportional to the fact that the respondents disagree that their stress levels have increased as a result of the restructuring. This perception could be construed as a result of clear communication, engagement, and transparency about the restructuring, as indicated by the respondents.

Question 3: I am more absent from work

About 47% of the respondents strongly disagree that they have been more absent from work and 36% disagree that restructuring has led to them being absent. The fact that the employees are clear about their work targets, are not stressed, and are happy with health and wellness levels, limits any absenteeism. Being knowledgeable about the process makes respondents more comfortable with the process.

Question 4: Impaired performance

Figure 4.16 indicate that 37% of the respondents clearly disagree that the restructuring has impaired their performance and 32% of the respondents strongly disagree that their performance is impaired. This is proof that being healthy, having lower stress levels, and being present at work contribute to good performance.

Figure 4.17 provides a graphical representation of the responses from the respondents on the question **I can see long-term future for me at Eskom (yes/no)**

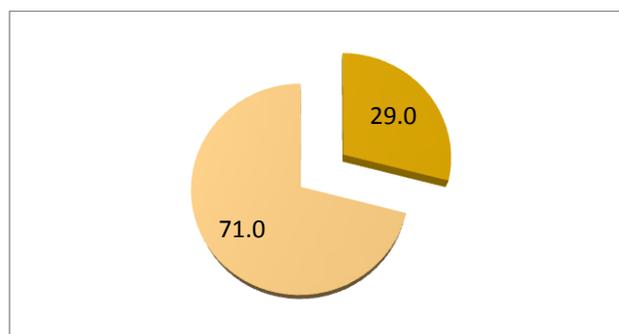


Figure 4.17: Long-term future

From Figure 4.17 it is clear that 71% of the respondents see a long-term future at Eskom. It can thus be accepted that the workforce have confidence in the organisation even though there was an element of lack of confidence in management. It also brings to attention that management must do more to regain the employees' confidence as employees are loyal to the organisation.

4.2.8 Section H: In the past six months

Figure 4.18 provides a graphical representation of the responses from the respondents on **Section H: In the past six months**:

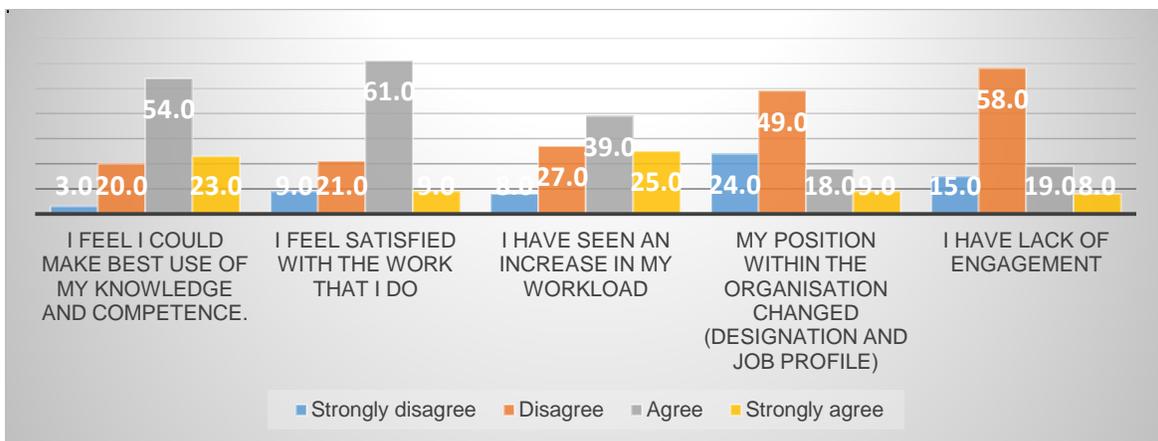


Figure 4.18: In the past six months

This section had five questions related to the main question, namely **In the past six months**

Question 1: I feel I could make best use of my knowledge and competence

From Figure 4.18 it is clear that the respondents (54%) agree that they feel they could make best use of their knowledge and competence and 23% agree. This is testimony to the fact that the employees are aware of the job profiles and are clear about their roles and responsibilities. Employees who are clear about their job targets are not impaired in terms of performance because their competence levels are high.

Question 2: I feel satisfied with the work that I do

From Figure 4.18 it is clear that 61% of the respondents feel satisfied with the work they do, and with clear targets, the required skills, and an environment that is conducive, the Asset Creation department's employees are supposed to be satisfied with their work.

Question 3: I have seen an increase in my workload

From Figure 4.18 it is clear that 39% of the respondents feel that their workload has indeed increased. The non-filling of new and existing vacancies has contributed to an increased workload and that has been proven by respondents (78%).

Question 4: My position within the organisation changed (designation and job profile)

Figure 4.18 indicates that 58% of the respondents disagree that there has been a change in their position within the organisation while 15% of the respondents strongly disagree. This is in line with the response that the restructuring has not led to any significant changes for the employees in terms of redeployment, even though there is a significant change in the organisational structure.

Question 5: I have lack of engagement

From Figure 4.18 it is clear that 58% of the respondents disagree that there has been a lack of engagement during restructuring. The respondents have indicated that there has been clear communication, engagement, and transparency; therefore, the organisation has indeed engaged its employees in the process and the outcomes have been communicated.

4.2.9 Section I: In terms training

Figure 4.19 provides a graphical representation of the responses from the respondents on **Section I: In terms of training**

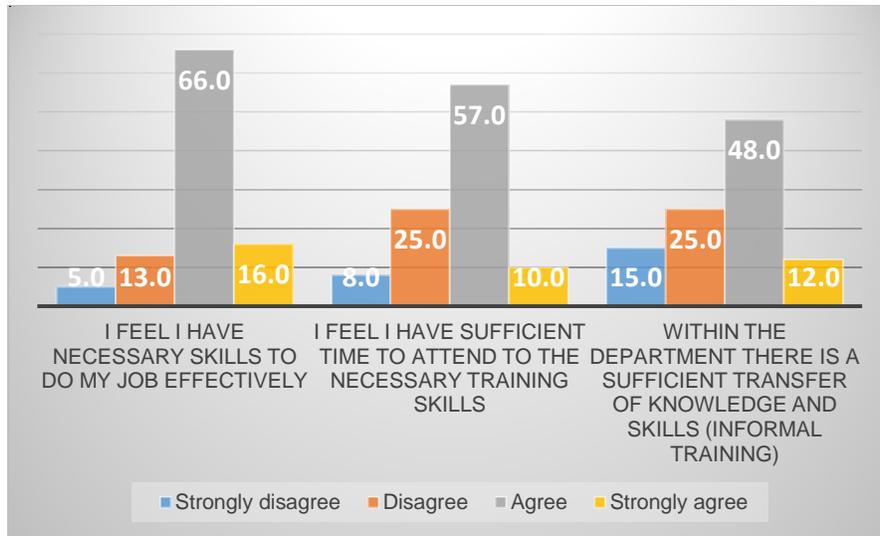


Figure 4.19: Training

This section had three questions related to the main question, namely **In terms of training**

Question 1: I feel I have the necessary skills to do my job effectively

According to Figure 4.19, 66% of the respondents are clear that the employees of the Asset Creation department feel that they have the necessary skills to do their job effectively. This is part of the fact that the restructuring has not required the employees to learn any new skills and their work targets are clear. The fact that the majority of employees have post-matric qualifications adds to the skills levels as they are mostly trained and only need to undergo basic internal training for a few courses when new technology is introduced.

Question 2: I feel I have sufficient time to attend to the necessary training programmes

From Figure 4.18 it is clear that 57% of the respondents feel that they have sufficient time to attend the necessary training programmes provided by the organisation. It shows that the organisation provides and adheres to the training requirements of its workforce.

Question 3: Within the department there is sufficient transfer of knowledge and skills (informal training)

Figure 4.18 indicates that 48% of the respondents agree and 10% strongly agree that there is sufficient transfer of knowledge and skills (informal training) within their departments, with a total of 58% of the respondents agreeing strongly. This is proof that the organisation encourages informal training and makes provision for it.

4.3 SUMMARY OF RESULTS

The empirical research provided general conclusions with regard to the results obtained.

4.3.1 Literature review

There have been numerous studies regarding organisational restructuring and its impact. Several terms related to it have been used, for example, change management. The literature confirms that restructuring is always triggered by something and the organisational leadership therefore has to take the painful decision to embark on change management. In this research study Eskom had to implement change management due to instability in the electricity supply, which created the following challenges: financial sustainability, poor operational performance, customer satisfaction, and safety records, as well as a deteriorating reputation. These all resulted in load shedding, which impacted the economy of South Africa and Eskom employees negatively.

The studies state that the outcomes of restructuring are usually downsizing of the workforce, low employee morale, loss of productivity, and increased workload on employees who remain. Restructuring also leads to a change in the organisational structure, relocation of employees, as well as offering training to the remaining employees. The studies emphasise the challenges that are experienced during restructuring, starting with buy-in from the leadership and developing a restructuring plan to communication and the importance of the change sponsor during this process. The organisational climate must be conducive for change and the importance of

restructuring and its need must be acknowledged by all stakeholders. They should be informed of possible outcomes and the impact. Measures and monitoring processes must be in place and the implementation should be phased in a manner that provides an opportunity to identify challenges and develop processes to address them.

4.3.2 Research methodology

The researcher used a non-probability purposive sampling strategy and therefore it was not a generalised sampling. The attitude of the respondents towards the restructuring and their own experiences could have an influence on the results to a certain degree.

4.3.3 Results of the study

Conclusions were drawn with regard to the statistical analysis and the results of the research.

The results indicate that, in general, Eskom Free State Operating Unit's Asset Creation department is almost equally represented in terms of gender and blacks are in the majority, followed by whites in terms of race. The majority of employees are technicians, followed by general personnel members with an even spread of managers and advisors. The age of employees is spread between the 30-39 and 25-29 year olds, with a few employees older than 50 years of age. Employees have mainly 5-9, 2-4 and 10-19 years of experience and that places the organisation in a good position for succession planning.

Evidence of the extent of restructuring to employees is based on whether there has been a change in strategy, organisational change, and how the company now operates, which are some of the principles of change. In any restructuring the employees normally have questions and uncertainties, ranging from the duration of the restructuring to the skills requirement of employees for their perceived new jobs and clarity on their roles and responsibilities. The employees believe that the restructuring process should be managed better by the management and that the unions should also be involved.

Each restructuring, according to the literature, has an impact and leads to loss of employees, loss of productivity, increased workload and a decrease in confidence in management by employees. The impact on employees, as individuals, leads to employees contemplating their long-term future based on the past six months, and whether they need training to perform their new jobs and retraining for their existing jobs.

4.4 CONCLUSION

The study highlights the fact that the Asset Creation department of the Eskom Free State Operating Unit has managed to employ employees with the required skills when considering the number of employees with diplomas, degrees and postgraduate degrees. The study also presents a picture of a department that is structured properly in terms of the age of its employees, as they are mostly between 25-49 years of age, with enough experience. That provides the management with the opportunity to engage in succession planning.

The respondents agree that there has been a significant change in the way the company operates, in organisational structure and its strategy, and these are evident to the employees. According to the respondents they agreed that there are questions and uncertainties about the timeline of the restructuring, perceived skills required to do their jobs, and clarity on their roles and responsibilities.

The study also indicates that there have not been any deployment, early retirement package offers, and retrenchments as a result of restructuring. The respondents strongly agree that Eskom management could have managed the restructuring process better through clear communication, engagement, and being transparent about the process.

From the results of the study the trade unions did not play an active role during the restructuring. The impact of restructuring has led to loss of valuable employees, loss of productivity, increased workload, and a stronger focus on safety, as well as a decrease in confidence in management. The impact of restructuring on employees as individuals has resulted in the respondents strongly disagreeing that their morale is low, that their

productivity is lowered and that they are uncertain about their roles and responsibilities. They also strongly disagree that their stress levels have increased and that restructuring has impacted their health and wellness. They strongly disagree that they are more absent from work. The respondents agree that they are clear about their job targets and that they have increased levels of anxiety and disagree that their performance has been impaired.

The respondents believe that they have a long-term future with Eskom and feel satisfied with the work they do, while strongly disagreeing that there has been a lack of engagement. Again the results prove that the employees have the necessary skills to perform their jobs effectively, have sufficient time to attend the necessary training programmes, and that there is a skills transfer process in their department.

In terms of the objectives of the study the results prove that there is an increase in the workload and a loss of productivity, but there is no low employee morale. However, the restructuring had an impact on employees of the Asset Creation department.

CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The purpose of the research was to study the influence of restructuring at the Eskom Free State Operating Unit Distribution Division. The outcomes of the study can contribute or add value in terms of initiating, implementing, and managing restructuring at Eskom in future. In order to address the aim of the study, as outlined above, the following research objectives was set for the study (also see Chapter 1):

- To provide a literature review of organisational restructuring.
- To explore the impact of organisational restructuring on employee morale at the Eskom Free State Operating Unit.
- To evaluate the effect of restructuring on productivity at the Eskom Free State Operating Unit.
- To analyse the impact of restructuring on employee workload at the Eskom Free State Operating Unit.
- To make recommendations to Eskom management regarding the implementation and management of restructuring at the Eskom Free State Operating Unit Distribution Division.

Chapter 2 provided an in-depth literature review on organisational restructuring, and Chapters 3 and 4 outlined the quantitative research methodology and results relating to the impact of organisational restructuring on employee morale, productivity and workload. In these chapters various key findings and recommendations of the study towards the implementation and management of restructuring at the Eskom Free State Operating Unit Distribution Division were discussed. In order to be able to provide the respondents with the opportunity to express their views a questionnaire was designed and distributed among the Free State Operating Unit's Asset Creation department employees as the target sample. The questionnaire contained questions addressing the following:

- The extent of evidence of restructuring to employees in terms of operation, strategy, and organisational structure.
- To find out whether, during the restructuring process, employees have been subjected to any of the following: redeployment, early retirement package offering, retrenchment, and non-filling of vacancies.
- To address the uncertainties regarding Eskom's restructuring.
- To determine the involvement of trade unions.
- The management of restructuring.
- The impact of restructuring on operations.
- The impact of restructuring on employees as individuals.
- Employees' hopes, current operating status, and training.

In terms of restructuring there has been a recurring problem at Eskom Free State Operating Unit since restructuring started in 2010, because no evaluation has been done on the impact of restructuring on employees within the Eskom Free State Operating Unit. It could be concluded that the restructuring has contributed to the pressure being experienced by existing employees because they are operating with limited resources. The organisational challenges presented by the restructuring in the form of morale, workload, and productivity are not attended to and in time they might impact the Eskom Free State Operating Unit targets directly, including its primary role, which is distribution of electricity and maintenance of the existing electrical infrastructure, as well as building new power lines and substations.

The research study also undertook to explore the following objectives in order to understand the influence of restructuring at the Eskom FSOU Asset Creation department.

Primary Objective

- To explore the impact of organisational restructuring on employees at Eskom Free State Operating Unit.

Secondary Objectives

- To provide a literature review of organisational restructuring.
- To explore the impact of organisational restructuring on employee morale at the Eskom Free State Operating Unit.
- To evaluate the effect of restructuring on productivity at the Eskom Free State Operating Unit.
- To analyse the impact of restructuring on employee workload at the Eskom Free State Operating Unit.

5.2 FINDINGS

5.2.1 To what extent is the restructuring evident to you?

A number of respondents agreed (59%) that there is a significant change in the way the company operates as well as a significant change in the organisational structure. There was a split in the number of respondents who agreed and those who disagreed that there is a significant change in strategy but both scored less than fifty per cent.

5.2.2 During restructuring process have you been subjected to any of the following?

The respondents strongly disagreed (55%) that they were subjected to redeployment, early retirement, and retrenchment, but they were unable to find a common response in terms of non-filling of new and existing vacancies.

5.2.3 I have the following question/ uncertainties regarding Eskom restructuring

The respondents agreed (49%) that the time line for restructuring was long and they perceived themselves to have the required skills to meet their job demands. They also had clarity about their roles and responsibilities.

5.2.4 Eskom management can manage the restructuring process better by

The respondents agreed (51%) that there was clear communication, the business applied relevant policies and procedures, there was engagement with employees on the outcomes of restructuring, and management was transparent about the nature of the restructuring.

5.2.5 During the restructuring process my trade union played an important role in the process

The respondents strongly agreed (88%) that their union did not play an important role in the restructuring process.

5.2.6 Impact of restructuring on the organisation has led to

The study, according to the respondents, highlighted the fact that there was a loss of valuable employees (46%), loss of productivity (37%), and an increase in workload (42%) for the remaining employees. The respondents agreed (44%) that the company has increased its focus on safety and the respondents agreed (42%) that there was a decrease of commitment by employees, which has led to a decrease in confidence in management. They also agreed that there was a shortage of skilled employees.

5.2.7 Impact of restructuring on me as an individual

The respondents were split because some disagreed while others agreed that morale was low. They disagreed that the productivity was lower. Feelings of uncertainty about the future at the organisation were split and respondents also disagreed that they were uncertain about their roles and responsibilities. The respondents agreed (45%) on being clear about their targets and disagreed that there was an increase in their stress levels and impact on their health and wellness. The respondents had a split response whether there has been an increase in anxiety and impaired performance, while on the other hand, they totally disagreed that they have been absent from work more often, and disagreed that they have been forced to learn new skills to be effective in their jobs.

5.2.8 I can see a long-term future for me at Eskom.

According to the study the respondents (71%) see a long-term future for them at Eskom.

5.2.9 In the past six months:

The respondents agreed (54%) that they could make best use of their knowledge and competencies and also felt satisfied with the work they do. Again they agreed (39%) that there has been an increase in workload, but disagreed (49%) that there has been a change in their designation and profile and disagreed (58%) that there has been a lack of engagement.

5.2.10 In terms of training:

The respondents agreed (66%) that they have the necessary skills to do their jobs effectively and have sufficient time to attend to the necessary training programmes. They also agreed that there is sufficient informal transfer of knowledge and skills.

5.3 RECOMMENDATIONS

The recommendations from the research study are presented following the subsections as highlighted in the restructuring process.

- The purpose of embarking on restructuring was to yield a significant change in strategy to benefit the Eskom Free State Operating Unit in terms of operations and welfare of its employees. In this particular change strategy the respondents believed that it did not provide significant results so in future the management should make sure that the change strategy produces visible significant results that the employees could identify.
- The company should make sure that measures are in place to address the issue of filling new and existing vacant positions that are currently necessary in the company. The non-filling of new and existing vacancies within the departments created an unstable operational environment.

- The Eskom Free State Operating Unit should in future make certain that the timeline for the implementation of the restructuring is kept to the limit and the implementation process followed as soon as is practically possible.
- Accordingly Eskom has managed to clearly communicate the restructuring process to its employees and it should also keep doing it during normal operations in future.
- It is important for the trade unions to be involved in the decision making of the company. According to this study the trade unions did not play any significant role. It must be noted that the trade unions are the link between the company and employees, therefore their involvement should contribute in making sure that employees accept and embrace the restructuring.
- Due to the manner in which the restructuring process has been perceived to have handled new and existing vacancies has led to a loss of productivity. The company should develop measures such as outsourcing some operational activities to reduce or eliminate loss of productivity.
- The non-filling of vacancies has led to an increased workload for the remaining employees that could cause them to feel exposed to unsafe working conditions as they respond to the operational requirements. Therefore the company must develop plans by hiring trained temporary employees to reduce the workload and any injuries and loss of life during restructuring.
- As the employees are uncertain about their future roles and responsibilities, their commitment is reduced, which contributes to a loss of productivity. Eskom should provide measures to limit any potentially negative impact on production.
- As a result of the unending timeline, the employees began to experience a decline in confidence in management, which could produce unintended bad results and loss of control. Thus, in each restructuring process, management should make sure that it is in control and that the employees trust them enough to let management take them through the restructuring process. The

company could do that by having a clear direction and goal that are attainable within a stipulated time frame.

- Uncertainty, coupled with an increased workload, non-filling of vacancies and loss in production, led to the employees beginning to feel or experience low morale, which also impacted on the implementation of the new strategy and lead to employees not supporting it. It is of paramount importance for management to manage the restructuring in order to avoid or limit low morale of employees.
- The company should develop measures to reduce or limit any uncertainty employees may have about their roles and responsibilities upfront. The uncertainty could lead to employees not supporting the process; feeling redundant; and believing that they are not included in the future plans of the company. Management should take care of this from the onset by assuring the employees that their roles will not be negatively impacted. Affected employees need to be assured that they will be informed in a professional manner in the presence of their trade unions.

5.4 LIMITATIONS OF THE STUDY

The study did not cover all the departments of the Eskom Free State Operating Unit Distribution Division as it was only conducted in the Asset Creation department. It therefore reflects the perceptions of this particular department. Eskom has nine operating units therefore further studies will have to be conducted to determine the outcomes that could be construed as the final impact of restructuring on all its employees.

5.5 SIGNIFICANCE OF THE RESEARCH

This study contributed towards the field of industrial psychology, specifically organisational restructuring and human resources management. As limited research on the impact of organisational restructuring in the energy sector is available, the researcher believes that this research provides insight into this issue within the electricity supply sector.

This study contributes towards the following:

- The impact of organisational restructuring on employee morale at the Eskom Free State Operating Unit.
- The evaluation of the effect of restructuring on productivity at the Eskom Free State Operating Unit.
- The impact of restructuring on employee workload at the Eskom Free State Operating Unit.
- The impact of restructuring management and its implementation.

5.6 CONCLUSIONS

The primary objective of the research was to explore the influence of restructuring at the Eskom Free State Operating Unit Distribution Division in the Asset Creation department. The secondary objectives were to explore the impact of organisational restructuring on employee morale at the Eskom Free State Operating Unit, to evaluate the effect of restructuring on productivity at the Eskom Free State Operating Unit, and lastly, to analyse the impact of restructuring on employee workload at the Eskom Free State Operating Unit. Chapters 3 and 4 addressed the objectives of the study. The outcomes of the study indicated that the employees of the FSOU Asset Creation department experience low morale, and there has been a loss of productivity and an increase in workload. The employees also experienced a decrease in commitment and confidence in management. The outlook is that the restructuring process was not properly managed, implemented, and controlled, as its time line has not been indicated. The company did communicate, but not enough as the employees are waiting for the restructuring to end in order to know the effect on their roles and responsibilities, as well as the training requirements, if there are to be job changes.

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APPENDIX A: ESKOM QUESTIONNAIRE

STUDY: THE INFLUENCE OF RESTRUCTURING AT ESKOM FREE STATE OPERATING UNIT DISTRIBUTION DIVISION

INSTRUCTIONS

1. Please mark your answers with an X in the appropriate block.
2. Questions are ranked from 1 – 4, 1 indicating Strongly Disagree and 4 indicating Strongly Agree.

SECTION A: BIOGRAPHIC INFORMATION

1. Gender	Male			Female	
2. Race	Asian	Black	Coloured	White	Other
2.1 If "Other" specify					
3. Position organisation in	Manager		Advisor	Technician	General staff
4. Department	Asset Creation				
4.1 If "Other" specify					
5. Province you are located	Free State				
6. Age	18 - 24	25 - 29	30 - 39	40 - 49	50 +
7. Years' experience in electricity industry	Less than 2	2 - 4	5-9	10-19	20+
8. Highest Qualification	Matric	Diploma	Degree	Post Grad	
9. E- mail address, if feedback is required					

SECTION B					
<i>To what extent is the restructuring evident to you?</i>		Strongly B	Disagree	Agree	Strongly agree
Q2.1	Significant change in the way company operates.	1	2	3	4
Q2.2	Significant change in organisational structure.	1	2	3	4
Q2.3	Significant change in strategy.	1	2	3	4

SECTION C					
During restructuring process have you been subjected to any of the following?		Strongly disagree	Disagree	Agree	Strongly Agree
Q3.1	Redeployment to other section or area	1	2	3	4
Q3.2	Early retirement package offer	1	2	3	4
Q3.3	Non-filling of new and existing vacancy within your department	1	2	3	4
Q3.4	Retrenchment.	1	2	3	4

SECTION D					
I have the following question/ uncertainties regarding Eskom restructuring		Strongly disagree	Disagree	Agree	Strongly Agree
Q4.1	Time line for the restructuring implementation	1	2	3	4
Q4.2	Perceived skills requirement to meet the job.	1	2	3	4
Q4.3	Clarity on my role and responsibility.	1	2	3	4
SECTION E					
Eskom management can manage the restructuring process better by:		Strongly disagree	Disagree	Agree	Strongly Agree
Q5.1	Clear communication	1	2	3	4
Q5.2	Applying relevant policies and procedures.	1	2	3	4
Q5.3	Engaging with employees on the outcomes of the restructuring.	1	2	3	4
Q5.4	Transparent about the nature of restructuring process.	1	2	3	4

Q6. During restructuring process my trade union played an important role in the process:

Yes / No

If yes please state the role it played:

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.....

SECTION F					
Impact of restructuring on the organisation has led to:		Strongly disagree	Disagree	Agree	Strongly Agree
Q7.1	Loss of valuable employees	1	2	3	4
Q7.2	Loss of productivity	1	2	3	4
Q7.3	Increase workload to remaining workers	1	2	3	4
Q7.4	Increased focus on safety in the workplace	1	2	3	4
Q7.5	Reduced commitment by employees	1	2	3	4
Q7.6	Reduced confidence in management	1	2	3	4
Q7.7	Shortage of skilled employees	1	2	3	4
SECTION G					
Impact of restructuring on me as an individual:		Strongly disagree	Disagree	Agree	Strongly Agree
Q8.1	Low morale	1	2	3	4
Q8.2	Lower productivity	1	2	3	4
Q8.3	Uncertainty about my future at the organisation	1	2	3	4
Q8.4	Uncertainty about my role and responsibilities.	1	2	3	4
Q8.5	It has forced me to learn new skills in being effective in my job	1	2	3	4
Q8.6	Increased anxiety	1	2	3	4

Q8.7	I am more absent at work	1	2	3	4
Q8.8	Impaired performance	1	2	3	4
Q8.9	I am clear about my job targets	1	2	3	4
Q8.10	Increased stressed	1	2	3	4
Q8.11	Impacted on my health and wellness	1	2	3	4

Q9. I can see long term future for me at Eskom: **Yes/No**

If **No** please explain

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SECTION H					
In the past six months:		Strongly disagree	Disagree	Agree	Strongly agree
Q10.1	I feel I could make best use of my knowledge and competence.	1	2	3	4
Q10.2	I feel satisfied with the work that I do	1	2	3	4
Q10.3	I have seen an increase in my workload	1	2	3	4
Q10.4	My position within the organisation changed (designation and job profile)	1	2	3	4
Q10.5	I have lack of engagement	1	2	3	4

SECTION I

In terms of training:		Strongly disagree	Disagree	Agree	Strongly Agree
Q11.1	I feel I have the necessary skills to do my job effectively	1	2	3	4
Q11.2	I feel I have sufficient time to attend to the necessary training skills	1	2	3	4
Q11.3	Within the department there is a sufficient transfer of knowledge and skills (informal training)	1	2	3	4

Thank you for participating in this important survey.



Mr. Xolisa Songcaka

Date: 13 October 2015

Eskom Distribution: Free State Operating Unit

Enquiries:
Tel +27 51 404 2759

Dear Mr Songcaka

PERMISSION TO USE ESKOM INFORMATION

I hereby grant you permission to approach and distribute your Research Study Questionnaire about the Influence of restructuring at Eskom Free State Operating Unit Distribution Division. The questionnaire is to be distributed to Asset Creation department employees. This information is for study purposes.

You may use this information to do the study, highlight findings and make recommendations to Eskom Free State Operating Unit.

Yours sincerely

M.I. Rantsonyane
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