

**EXAMINING THE EFFECTS OF RESTRUCTURING IN THE
PUBLIC SERVICE: THE CASE OF THE SOUTH AFRICAN
NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS**

by

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DECLARATION

I declare that the mini-dissertation submitted to the University of Limpopo, for the degree of Master of Public Administration & restructuring has not previously been submitted by me for a degree at this or any other university; that is my work in design and in execution, and that all material contained herein has been duly acknowledged.

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ABSTRACT

In modern industrial economies, the public sector has a wide range of responsibilities. In countries with sovereign and democratic systems, such as South Africa, the public sector is complex. The South African Government has embraced the concept of restructuring through various economic policy statements. Restructuring is a process of making a major change in an organisational structure that often involves reducing management levels and possibly changing components of the organisation through divestiture and/or acquisition, as well as shrinking the size of the workforce. Restructuring does affect institutions and employees as at most they become uncertain of their future in the institution and this affects service delivery.

The main objective of this study was to identify possible approaches that public sector institutions could pursue in implementing restructuring without adversely affecting their employees. The practical context was the examination of a government department that had recently initiated and implemented organisational restructuring, namely the South African national Department of Human Settlements.

The research methods used in this study entailed conducting an intensive review of relevant literature to determine what the theory revealed in respect of restructuring strategies that could assist organisations in effectively implementing the restructuring process. Dissertations, theses, research reports and journals were consulted in an attempt to formulate a theoretical basis for this study. Contemporary literature reveals that there are various strategies that organisations can employ to restructure their organisations effectively with minimal adverse influence on employees. The restructuring of organisations should ensure that employees are genuinely involved in the process at the outset. The desired changes and the benefits thereof should be clearly and consistently communicated to the employees at the beginning of the restructuring process.

A study was then conducted at the chosen department. The focal point of the study was to consider the manner in which this department had implemented its restructuring

process. The main purpose was to examine the effects that this restructuring had on employees.

A structured questionnaire was used to collect data in this study. The researcher visited the relevant branches within the Department of Human Settlements to administer the questionnaire personally. Amongst the findings the study suggests that consultation, engagement, involvement and participation were not encouraged during the restructuring; there were mixed feelings amongst respondents. The majority of employees still felt committed to the goals and objectives of the department, and they still put in the extra effort to ensure that the goals and objectives of the department are achieved.

This study included an assessment of the findings in order to draw conclusions and make appropriate recommendations. The conclusions revolved around the effects of restructuring on the employees of this department; the focus of the recommendations was on what approaches restructuring organisations should follow to implement a restructuring process successfully and effectively without adversely affecting their employees.

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ABBREVIATIONS

PRC Presidential Review Commission
PRR Provincial Review Report
SOE state-owned enterprise

CHAPTER 1: INTRODUCTION TO THE STUDY

1.1 BACKGROUND

In modern industrial economies, the public sector has a wide range of responsibilities. In countries with sovereign and democratic systems, such as South Africa, the public sector is complex. The South African Government has embraced the concept of restructuring through various economic policy statements. Internationally, privatisation of state-owned enterprises (SOEs) has been viewed as a key component of the economic structural reform process, fostering economic growth, attaining macroeconomic stability and reducing public sector borrowing requirements. Synek (2001:672–677) defines *restructuring* as ‘a change of a particular economic area structure, and change of production programmes and enterprising activities’. Accordingly, Bartol and Martin (1998:779) support this fact by saying that restructuring is a process of making a major change in an organisational structure that often involves reducing management levels and possibly changing components of the organisation through divestiture and/or acquisition, as well as shrinking the size of the workforce.

From 2000 to 2005 the South African national Department of Human Settlements (previously known as the *Department of Housing*) experienced a significant push to deliver and a heavy emphasis on ensuring that the correct guidelines were in place to implement a housing programme. During this period the focus was largely on housing delivery targets and it is during this period when difficult trends began to emerge that pointed out consequences of trade-offs in housing delivery within the context of fiscal and capacity constraints. Presidential Proclamation No. 48 of 2009 pronounced that the Department of Housing would be renamed the *Department of Human Settlements*. These changes of name and mandate further triggered restructuring exercises. The restructuring resulted in an increase in the number of Deputy Director-Generals from five to six; a decrease in the number of Chief Directors from 27 to 22; a decrease in the number of Directors from 62 to 60; and an increase in vacancies from 171 to 207 which is a 21per cent increase (Department of Human Settlements, 2011:118).

1.2 PROBLEM STATEMENT

According to Nazmul et al. (2012:1), new public management is a new paradigm of public management that puts forward a different relationship between government, the public service and the public. There have been changes in the public sector and reforms of an unprecedented kind. For a variety of reasons, the traditional model of public administration has been replaced with a new model of public management. The change to new public management involves much more than mere public service reform. It means changes to the ways in which public services operate, changes to the scope of governmental activity, changes to time-honoured processes of accountability and changes to the academic study of the public sector.

According to Riany et al. (2012:199), organisational restructuring has proven to be beneficial in a number of ways that are not limited to lowering operational costs, and assisting in better formulation and implementation of strategies. The effects of restructuring in the South African Department of Human Settlements might be different since there were increases in the number of Deputy Director-Generals and in the number of vacancies; and a decrease in the number of Chief Directors and Directors (Department of Human Settlements, 2011:118).

Further, questions need to be raised on whether officials in the Department of Human Settlements have embraced the change that came along with the restructuring process which was intended to transform the department into, and to align it with, the new mandate of providing sustainable human settlement to society. Restructuring often comes with changes in organisational structure, changes in management level and change in job description, among other things. In this regard, the study sought to examine the effects of the restructuring of the Department of Human Settlements for the period 2010 to 2014.

1.3 SIGNIFICANCE OF THE STUDY

The study is intended to contribute to the existing body of knowledge as it relates to challenges in implementing a restructuring strategy. The issue of restructuring is a new public management principle and seeks to ensure that the public service is cost-effective in its functioning. The nature of cost-effectiveness in functioning of the Department of Human Settlements means delivery of required services with minimal and effective employees, ensuring value for money in the number of employees the department employs.

1.4 AIM OF THE STUDY

To examine the effects of restructuring in the public service: The case of the South African national Department of Human Settlements.

1.5 RESEARCH QUESTIONS

The study considers both a general question and specific questions. The general question of this study was: What are the effects of restructuring on the Department of Human Settlements? Whereas the specific questions of this study were as follows:

- Could a restructuring process lead to increased efficiency in the Department of Human Settlements?
- What were the challenges experienced during the restructuring process in the Department of Human Settlements?

1.6 RESEARCH OBJECTIVES

The following research objectives were set for this research study:

- To determine whether a restructuring process could lead to increased efficiency in the Department of Human Settlements; and

- To describe challenges experienced during the restructuring of the Department of Human Settlement.

1.7 SCOPE OF THE STUDY

The scope of this work is delimited to the units and sections in the Department of Human Settlement.

1.8 RESEARCH PROCESS

The research process provides insight into the manner in which the study is conducted, from the formulation of the research proposal to the final submission of this dissertation. According to Collis and Hussey (2003:16), there are six fundamental stages in the research process, namely

- i identification of the research topic;
- ii definition of the research problem;
- iii determination of how the research will be conducted;
- iv collection of the research data;
- v analysis and interpretation of the research data; and
- vi writing the dissertation or thesis.

The above-mentioned research process is adhered to in this dissertation.

1.9 RESEARCH DESIGN AND METHODOLOGY

According to Leedy and Ormrod (2010:87), planning the research design is particularly important for the researcher, not only to choose a particular research problem, but also to think about the kinds of data that an investigation of the problem would require, as well as logical ways of collecting and interpreting such data.

A *research design* can be defined as the logical sequence that connects the empirical data to the initial research question of a study and ultimately to its conclusion.

Conventionally, a research design is an action plan for getting from here to there, where *here* may be defined as the initial set of questions to be answered and *there* is some set of conclusions (answers) to the question (Yin 2011:5).

Sammy (2008:6) suggests that there are three types of research functions, namely (i) basic research, (ii) applied research and (iii) evaluation research. Collis and Hussey (2003:66) posit that *descriptive research* refers to research that describes phenomena as they exist, while *analytical research* is a continuation of descriptive research, and aims to understand phenomena by discovering and measuring causal relations among them. Collis and Hussey (2003:66) described *applied research* as the type of research in which the results or findings can be used to solve a specific existing problem. Based on the definition of Collis and Hussey (2003:66), this study is a combination of descriptive and applied research. Yin, 2011:6 indicates that although case study research falls within the phenomenological (qualitative) paradigm, it could equally be applied within the positivistic (quantitative) paradigm.

A *case study* is an empirical inquiry that investigates a contemporary phenomenon in its real-life context. Case study research explains questions such as ‘how’ and ‘why’. Thus, an explanatory case study approach is followed in this research endeavour (Collis and Hussey, 2003:67). These authors further argued that various types of case studies could be identified. The present study thus considers an explanatory case study which posits that existing theory is used to understand and explain what is happening.

The present research is descriptive in nature and endeavours to consider the effects of restructuring practices in the Department of Human Settlement.

1.10 DEFINITION OF CONCEPTS

Restructuring: According to Synek (2001:672–677), restructuring is usually perceived as a change of a certain organism structure. Changes can be distinguished at macro and micro levels. Synek further defines *restructuring* as a change of a particular economic area structure, and change of production programmes and enterprising activities.

According to Bartol and Martin (1998:779) *restructuring* can be defined as a process of making a major change in organisational structure that often involves reducing management levels and possibly changing components of the organisation through divestiture and/or acquisition, as well as shrinking the size of the workforce.

Organisational restructuring: According to Hina (2009:3–4), organisational restructuring is a process that affects employees at all levels in an organisation. This process not only requires structural and functional changes in the organisation, but also a change in the mind-sets of the employees who are the major players in the success or failure of any change effort. This author further suggests that similar to other planned interventions, organisational restructuring also involves significant changes to the structure and functions of an organisation.

Organisation: Bittner (1965: 239–255) defines *organisation* as a stable of associations of persons engaged in concerted activities directed at the attainment of specific objectives.

Restructuring challenge: The present study refers to restructuring challenges as difficulties experienced during the restructuring and implementation stages.

Organisational structure: Kibe (2014:7) defines *organisational structure* as ‘the network of relationships and roles existing throughout the organization’. *Organisational structure* may be defined as the established pattern of relationships among the components of the organisation. Organisational structure in this sense refers to the network of relationships among individuals and positions in an organisation. Kibe further defined *organisational structure* as the formal system of task and reporting relationships that controls, coordinates and motivates employees so that they co-operate and work together to achieve an organisation’s goals.

Corporate turnaround: Downey (2009:3), defines *corporate turnaround* as ‘the implementation of a set of actions required to save an organisation from business failure and return it to operational normality and financial solvency’. Turnaround management

usually requires strong leadership and can include corporate restructuring and redundancies, an investigation into the root causes of failure, and long-term programmes to revitalise the organisation.

1.11 OUTLINE OF THE STUDY

The chapters in this report are briefly discussed below:

Chapter 1 describes the introduction and scope of the research so as to provide a setting for the study. It further addresses the statement of the research problem, research objectives, research questions, research process, research design and methodology, definition of the concepts *restructuring*, *organisational restructuring*, *organisation*, *restructuring challenge*, *organisational structure* and *corporate turnaround*.

Chapter 2 presents a literature review of the effect of restructuring in the public service. The history, definition and evolution of restructuring over the years are reviewed first, followed by a general review of restructuring in relation to the present study. The benefits, importance and application are also reviewed in this chapter.

Chapter 3 presents an explanation of the methodology employed in conducting this research. The method of data collection, research techniques, and the population and sampling design employed to carry out the investigation of the effects of restructuring in the public service, focusing on the Department of Human Settlements.

Chapter 4 presents the results, analysis, interpretation and discussion of the collected data. This chapter presents the outcomes of the empirical study that was conducted to assess the impact that the organisational restructuring carried out in the Department of Human Settlements.

Chapter 5 provides a summary of the study. The research is concluded, final analogies are drawn and appropriate recommendations for future research are offered.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

Chapter 1 described the introduction and scope of the research so as to provide a setting for the study. It further addressed the statement of the research problem, research objectives, research questions, research process, research design and methodology.

In this chapter literature relating to restructuring is reviewed. In this regard, the history, definition and evolution of restructuring over the years were addressed. This approach was followed by a general review of restructuring in relation to the study. The benefits, importance and application were also reviewed in the chapter.

2.2 EVOLUTION OF RESTRUCTURING METHODOLOGY

Restructuring in the public service has only recently entered popular and political discourse. Public service has, for a long time, been regarded as a stable world with its own way of working, of employing people, managing human resources and social dialogue. However, things have changed, and the borders between the profit and non-profit economy, and between the public and private sectors have blurred. Restructuring is now on the agenda of the public sector and is driven by a range of factors including, but not exclusively, the change of mandates, crisis and the public debt (Triomphe, 2003:6). This has been the case in the South African public sector, departments including the Department of Human Settlements undergo restructuring due to a number of factors but mostly due to change of mandates and/or efforts to improve service delivery.

In the early years following the commencement of democratic government, the various public services were unified into a single public service for the Republic of South Africa. At the same time public service policy was completely rewritten. Batho Pele was launched in 1997. Two major reviews of the performance of the public service were conducted; the Provincial Review Report (PRR) in 1997 and the Presidential Review

Commission (PRC) in 1998. The PRR highlighted the fact that the public service was not performing efficiently and effectively. During 1998, the Mbeki administration compiled a report on factors constraining the performance of the public service, what had been done in the past, whether these initiatives had worked, and what could be done in the short to medium term to improve the performance of the public service (Presidential Review Commission, 1998). South African government departments have been embarking on restructuring processes ever since the dawn of democracy. Some of these departments succeed in their restructuring process, for instance, the Department of Home Affairs succeeded and is regarded as having undergone the best restructuring, which is said to have yielded positive results.

The PRC (1998) report provides that the system of governance was in many respects not working well. There was a 'vacuum at the centre of government', and the Presidency and intergovernmental coordination needed to be strengthened.

Furthermore, the new Public Service Regulations were launched in 1999, which did away with much of the detailed rules and regulations contained in the Staff Code, giving departments the flexibility to develop their own human resource management policies within a framework of norms and standards. Many departments were initially not able to do this, and support was provided to departments through the Integrated Implementation Programme and Integrated Provincial Support Programmes. These initiatives registered some successes (Department of Public Service and Administration, 2007). In the same vein during the period 2000 to 2005 the Department of Housing was marked by a significant push to deliver and a heavy emphasis on ensuring that the correct guidelines were in place to implement housing programmes. During this period the focus was largely on housing delivery targets and it is during this period where difficult trends began to emerge and also tentative lessons which pointed to the consequences of trade-offs in housing delivery within the context of fiscal and capacity constraints (Department of Human Settlements, 2011:21).

Presidential Proclamation No. 48 of 2009 pronounced that the Department of Housing would become the Department of Human Settlements. The National Department of

Human Settlements argued that a change in name and mandate expanded the department's responsibilities to include the provision of integrated human settlement to the people of South Africa. This is because the Department of Housing was responsible for providing services relating to top structures to beneficiaries.

The new mandate of the Department of Human Settlements needs to respond to human settlement conditions in South Africa. This implies that the full spectrum of settlement development issues, components and input must be considered and managed through a single mechanism, while simultaneously coordinating and integrating all various functions contributing to the development of human settlement (Department of Human Settlements, 2011:6). In realising the aforementioned, the department is now expected to ensure accelerated delivery of housing opportunities; access to basic services; an improved property market; and efficient utilisation of land for human settlement development. Hence a complex and multi-faceted turnaround strategy that focused on delivering the expected outcomes was developed and the organisation was restructured (Department of Human Settlements, 2011:6).

The restructuring resulted in the increase in a number of Deputy Directors-General from 5 to 6; a decrease in the number of Chief Directors from 27 to 22; a decrease in the number of Directors from 62 to 60; and an increase in the vacancy rate from 171 to 207 which increased by 21 per cent (Department of Human Settlements, 2011:118). While according to Riany et al. (2012:199), organisational restructuring has proven to be beneficial in a number of ways that are not limited to lowering operational costs and assisting in better formulation and implementation of strategies, the effects of restructuring in the Department of Human Settlements might be different since the number of Deputy Directors-General, Chief Directors decreased and the vacancy rate increased.

Furthermore, questions need to be raised on whether officials in the Department of Human Settlements are embracing the change that came along with the restructuring (turnaround strategy) process which was intended to transform the department and to align it to the new mandate of providing sustainable human settlements to society.

According to the department's turnover report, a sizeable number of employees had resigned or transferred to other departments since the beginning of the implementation of the strategy in 2012.

To establish how the restructuring affected the Department of Human Settlements, a question that needs to be answered is how did the restructuring affect officials who are believed to have experienced both higher and/or lower levels of uncertainty during the restructuring (based on their job roles) but who remained employed in the department. Bews and Uys (2002:27) indicate that not all employees necessarily regard organisational restructuring as negative. These authors conclude in support of Mishra and Spreitzer's (1998) argument that not all survivors of restructuring will necessarily react negatively to these changes. These authors further argue that some survivors seem to regard such change as an opportunity for growth, while others may be quite neutral towards the restructuring, depending on how they believe that the organisational changes will affect them.

When an organisation undergoes restructuring, management should provide a formal and well-communicated policy of the changes that are likely to be undertaken after consultation with staff. Time is a great healer to many problems as eventually people get used to the change and accept the new work environment. During restructuring, organisations must also avoid an autocratic management style by involving, consulting and considering all staff members in restructuring strategies (Jai-Singh, 2010:106). According to Ashford (1998:20), the most frequently cited psychological state resulting from large-scale organisational change is that of uncertainty. Employees react most strongly to uncertainty about how a change will affect their careers and daily activity, and how it might lead to potential terminations, transfers, and the need to survive under a new and relatively unknown supervisor (Ashford, 1988: 20).

Whereas Riany et al. (2012:199) posit that an organisation is affected by myriad factors including the lines of communication and command connecting these individuals (organisational authority structure and the degree of centralisation); the resources and

information to which individuals have access; the nature of the task faced by the individuals; and the type and severity of the crisis under which individuals operate.

However, Bews and Uys (2002:27) argue that not all employees will react negatively to organisational restructuring; some may be neutral towards it depending on how they believe organisational change will affect them. In addition, the effects of organisational restructuring on trust as regards the perception of trustworthiness amongst employees and direct supervisors and managers need to be considered when initiating organisational restructuring (Bews & Uys, 2002:21). Balogun (2007:81) in his own opinion added that organisational restructuring is commonplace, put in place by many senior management teams as part of a wider strategic change to create alignment between ways of working and a new strategic intent. Little is known about how this restructurings is implemented and delivered by the middle managers often charged with making the senior manager blueprints a reality.

This restructuring can be driven by a number of strategic considerations, such as a desire to adopt new, more flexible and modular organisational forms to respond to an increasingly dynamic business, or the need for more globally integrated ways of working, or just the need to improve business performance through cost reductions or productivity gains. Young, (2002:1) supports this by highlighting the fact that restructuring is pursued to create a more logical organisation where the state can perform its mandates and responsibilities more efficiently and effectively. Greater accountability is another aim of many restructuring efforts. When responsibility and performance within the state bureaucracy are uncertain, restructuring is often seen as an antidote (Young, 2002:1).

In addition, researchers believe that restructuring needs to be done step by step as highlighted below:

i Identify the strategic aims or purpose of restructuring

Young (2002:2) suggests the following components for restructuring purposes:

- An ‘environmental scan’ or a situational analysis of the strengths and weaknesses of an organisation, including an analysis of external threats and opportunities;
- The formation of or the ‘putting into words’ of a vision for the future and an accompanying mission statement that defines the fundamental purpose of an organisation, its values and its boundaries;
- The development of general goals, specific targets or objectives, and performance measurements to gauge organisational progress;
- A set of strategies to indicate what will be done to accomplish its goals and objectives;
- The implementation of detailed operational or tactical plans that provide for staff assignments and schedules; and
- An evaluation component to monitor and revise the overall strategic approach as it unfolds.

Langdon and Whiteside (2012:4) argued that this is the stage where the management team meets with two facilitators to become oriented to the reorganisation’s goals and the process to be used. Prior to this meeting, the facilitators have reviewed the literature, searched the Internet and other sources for best practices for the particular industry. The management team was also assigned the task of identifying best practices in advance of the first day’s meeting. A brief review, summarising and prioritisation of these best practices are necessary for the first group activity of defining the group’s value proposition.

According to Nyasha (2011:28), the real value of defining the strategic purpose lies in the consultation process that is, articulating where the organisation is going and what it wants to achieve via genuine consensus building. It is one thing to have a clear statement of intent which should mesh with the overall organisational mission and strategy, but it is another for this statement of intent to express a future vision or set of values that is meaningful and energising for the staff concerned.

There is a need for organisations to understand the current status in terms of successes and failures before embarking on a restructuring process. Restructuring should be

informed by a clear organisational vision and mission, goals and objectives, which will assist decision-makers in establishing what the organisation should look like to accomplish its goals and objectives. It will further assist decision-makers in planning and assignment scheduling. It is often argued that anticipation of change and restructuring is not only a necessary requirement for managing those processes in a socially responsible way and to soften their social impact, it is also an indispensable pre-condition of economic success and of organisation's competitiveness.

ii Distinguish problems that reorganisation seeks to fix

Young (2002:2) argued that a problem assessment that will allow those responsible for any restructuring efforts to distinguish clearly and comprehend the problems that are caused by current organisational structures and their related processes should be conducted.

De Haan (2004:3) argued that the impetus for the need for organisational change or restructuring emanated from both outside and within the organisation. These triggers can be classified as economy-wide, industry-specific and unique organisational factors. Organisational factors ranged from frustration and low workforce morale stemming from an acute stagnation of employees in their career paths, on the one hand, to pending managerial pay revisions on account of sustained pressure from trade unions for a uniform application of government guidelines applicable to public sector undertakings of a similar nature, on the other. The combination of these factors resulted in a pressing need for drastic organisational change.

iii Consider affected stakeholders

Young (2002:3) argued that there was a need to consider the stakeholders who ultimately will lose and/or who will gain from any restructuring. Often stakeholders are identified in a nebulous way and restructuring in and by itself will nevertheless have a great impact on them. In restructuring it is always wise to identify everyone that will be affected by the reshuffling of an organisation (p. 3).

Dunn (2006:10) argued that varied stakeholder interests placed in the mix, such as restructuring business debtors, lenders and other stakeholders involved in the restructuring must be cognisant of how each stakeholder competes with and potentially complements one another. It is not sufficient for participants to simply identify key stakeholders; there must also be an understanding of each player's motivation in the restructuring.

According to Langdon and Whiteside (2004:14), employees are involved because they complete the job models and organisational scan, which means that they define the work and obstacles in the culture that interfere with their ability to get the work done. They have opportunities to raise questions about the core process maps with their managers. They also define, at the operational level, the jobs that will be filled to complete the work of the core processes.

iv Encourage participation by the affected

Young (2002:3) argued that everyone should be encouraged to participate, and then all concerns, views and ideas would be on the table early on in the restructuring process and can serve as part of the analysis leading to a workable restructuring. Furthermore, the concerns and views of a wide group of individuals involved would inevitably lead to a better and more thoroughly constructed restructuring plan.

Wolfe (2004:11) argues that advance notification is highly effective, allowing employee's time to process the information about change and the likely consequences. This influences the participation of employees in the process since they will have been informed beforehand. Decision-makers should look to providing employees with as much open and honest information as possible to help alleviate workers' insecurity. This author further argued that a high level of employee participation at all stages of decision-making also pays dividends. Active involvement enables employees to view themselves and their input as valuable to the organisation, which will in itself enhance engagement and commitment.

Shaw et al. (1992:8) argue that the presence of participative decision-making groups may be viewed by an employee as an important external coping resource, even when the individual plays a small role in the group itself. It would seem that the ability of external coping resources to increase the employee's sense of vicarious control may be particularly important in situations of major organisational change.

Jones (2010:6) argued that broader participation of employees is often made on the grounds of fairness, contribution to employee morale and adherence to democratic management values. A much stronger argument for participation is that employees and programme constituents have information that needs to be assessed by programme managers in deciding whether and how to restructure.

v Invest resources to accomplish reorganisation

Young (2002:4) stated that an essential criterion was the preparation to invest in the costs of carrying out reorganisation. Those individuals involved in reorganisation planning should be aware that restructuring invariably costs money. The planning effort alone was an expenditure item. Other costs range widely. They may and often do include costs associated with new technologies and control systems, staff training and development, and retrofitting or establishing new facilities. The cost-savings expected from reorganisation by eliminating duplication of effort, merging programmes, downsizing staff, and the minimising of 'waste' may or may not result in a net gain in terms of cost-savings (p. 4).

Shaw et al. (1992:8) argue that tangible support may also be in the form of direct aid to the employee as in the provision of financial or material resources, or other direct services that increase the individual's ability to cope with stressors.

It is further necessary to bear in mind that assistance provided to employees in the organisation should be provided to deal effectively with the process of organisational restructuring. Restructuring must be viewed as an on-going process rather than a

project. The successful implementation of change requires organisations to change their mind-set and this does not happen overnight. Employees must not only be given both intellectual and financial tools needed to cope with future business challenges, but be assisted in starting to see the business environment differently (Zweni, 2004:34).

All the aforementioned authors argued for the need to provide the affected employees with support. This implies that for the restructuring process to proceed smoothly, the employer must invest in employees as resources.

vi Empower change agents

According to Young (2002:4) another key criterion to be considered in attaining a smooth and successful restructuring, is the role of change agents. Early in the planning stages of restructuring, and up to and including the implementation phases, responsibilities for restructuring should be plainly identified. Restructuring of government departments or agencies is a monumental task and highly complicated; all restructuring players should be apprised what the plan is and what part they have in that plan and its implementation (p. 4).

Smollan (2009:254) argued that there was a need to empower change agents because when change players find that their colleagues understand the emotional aspects of change, whether or not they are the same emotions, they feel more able to deal with their own emotions. Change players feel less alone, in knowing that a sympathetic or empathetic audience has simply acknowledged and validated their feelings. Change players might at the same time experience their own emotions towards the change process or towards the reaction of audiences of change.

This study concludes that there is a need for change agents to be capacitated before the restructuring process commences. Change agents will assist the restructuring manager and decision-makers to deal with communicating change to staff members and deal with all the emotional aspects in relation to change.

According to Nyasha (2011:35), change agents should be aware of internal company politics, be skilled at influencing people to gain commitment and to adopt a broad perspective. Often in the event of any major organisational change, internal managers are inclined to hire the services of an outside specialist as consultant to provide advice and assistance. These outside experts are said to be able to present an objective perspective, as opposed to insiders. In contrast, outsider specialists may be at a disadvantage because they do not have an adequate understanding of the culture, history, operating procedures and personnel of the organisation. Managing the kinds of changes encountered by, and instituted within, organisations requires an unusually broad and finely honed set of skills.

Nyasha (2011:35) also argued that change agents should have political skills because organisations are first and foremost social systems. Without people there can be no organisation. Lose sight of this fact and any would-be change agent will likely lose his or her head. Organisations are hotly and intensely political. Change agents dare not join in this game but they should better understand it. This is one area where one must make one's own judgement and keep one's own counsel; no one can do it for another.

vii Identify constraints to achieving restructuring

Young (2002:4) argued that identifying constraints to achieving restructuring should be considered carefully when, or perhaps before, restructuring begins. All participants should recognise that there are normal and predictable constraints and limitations in governmental restructuring undertakings. These are characterised typically as conceptual, political, fiscal, and human constraints (p. 4).

Zweni (2004:30) argued that the most common challenge of these various forms of restructuring was that they required workflows to be reorganised and appropriately aligned. They also required staffing levels to be altered so that an appropriate level of resources could be maintained in a corporate structure capable of rapid response to environmental changes.

Zweni (2004:30) also added that the restructuring process itself posed serious challenges for these companies as it had the potential to create much uncertainty amongst staff if it was not properly managed.

viii Recognise that restructuring is an on-going process

Young (2002:5) argued that everyone connected with a restructuring effort should understand that it was an on-going process and is never complete. All organisations are in a constant state of some form of change. Internal and external pressures are always exerting themselves in some way on organisational units and programmes (p. 5).

ix Grasp the political and organisational cultures

Young (2002:5) argued that it should be noted that political realism extended to special interest groups and other related constituencies. Interest groups play an important part in any restructuring effort. A restructuring of government will either appeal to an interest group wherein they will perceive it as an opportunity or, conversely, they will see it as a threat to their influence and constituencies, in which case they will undoubtedly oppose it. Restructuring always faces the political realities of special interests, and proponents of government restructuring should always be cognisant of their sway and role in such matters. Moreover, political play by governmental agency heads, managers, and other civil servants should not be ignored. It is obvious that reorganisation, great or small, will affect current government employees (p. 5).

x Evaluate restructuring

Young (2002:5) argued that nearly all restructuring efforts were not evaluated to determine either their benefits or their harm. This is illogical and makes restructuring after-effects, for all intents and purposes, unknown. This is an anomaly to the rational mind, but could possibly be explained. First, the costs for evaluating reorganisation may be prohibitive. Second, politicians who support restructuring are often reluctant to measure the outcomes due to the uncertainties and possible shortcomings or problems

that may occur. Third, restructuring and its results are difficult to evaluate in a definitive sense; therefore, there is a tendency to assume what has been done is a step forward or an inherent good and evaluation is simply unnecessary or superfluous (p. 5).

In addition, Zweni (2004:26) supported the fact by arguing that in the initial stage of the restructuring a circular informing the staff about the decision to restructure should be issued. The circular must communicate the following: establishment of the steering committee that is going to manage and implement the change, and the appointment of the senior manager who is going to oversee and implement the merger of the relevant business segments of the organisation.

Buchholz (2006:2) argued that there was also a need for the proper process of accreditation of the turnaround managers to ensure that appropriate skills, independence and experience were brought to bear in each situation.

Stensaker and Falkenberg (2007:137) concluded that organisations can respond to change in a number of ways such as by transforming them, making symbolic changes, customising the change to better fit the context, or by corrupting the change and actually reinforcing the status quo.

2.3 CONCLUDING REMARKS

This chapter reviewed literature that indicate that there is a need for decision-makers to communicate anticipated change effectively. The chapter further discussed the evolution of restructuring and the steps to be considered during a restructuring process. The fact that employees should be equipped with information that will help decision-makers to assess the performance of the institution was emphasised. If the restructuring is applied correctly, the level of satisfaction for the participants can easily be assessed.

Van de Heuvel (2012:78) further demonstrates that most antecedent categories are not related to a particular organisational change, but rather to the general state of the employment relationship. Factors such as trust and change culture, for example,

primarily concern the situation prior to the introduction of the organisational change. Since these factors shape the individual's perception and evaluation of the change, they should be carefully considered by management during the planning and design stages of a specific change. In addition, fulfilment of the psychological contract creates trust, which can compensate for worries about the individual negative consequences of the change. Additionally, the evaluation of the change depends not only on the individual perception of the change, but also on the content of the psychological contract.

This chapter also emphasised the fact that if restructuring is applied in a more holistic way, it will assist decision-makers in fully analysing the organisational/business needs,; the perceptions of staff; and public and economic evaluation will bring about efficiency and effectiveness of state enterprises, financing growth and the requirements for industrial competitiveness, ensuring wider participation in the South African economy and mitigating possible negative social impacts arising from restructuring and promoting sustainable employment, either directly or indirectly through improvements in the economy.

The next chapter presents an explanation of the methodology employed in conducting this research: the method of data collection, research techniques, and the population and sampling design employed during the study.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

The previous chapter presented a literature review on the effect of restructuring in the public service. The history, definition and evolution of restructuring over the years was reviewed, followed by a discussion of the general process of restructuring in relation to the study. This chapter presents an explanation of the methodology employed in conducting this research; the method of data collection; research techniques; and the population and sampling design employed to carry out the investigation of the effects of restructuring in the public service, using the Department of Human Settlements as a case study.

3.2 RESEARCH DESIGN

A *research design* is defined as a plan, structure and strategy of investigation that is perceived to obtain answers to research questions or problems (Kumar, 2011:94). The design plan consists of the complete scheme or programme of the works. It includes an outline of what the researcher will do – from writing research objectives and their operational implications all the way to the final analysis of the data (p. 94).

The above-mentioned explanation of research design has two main functions. The first relates to the identification and development of procedures and logistical arrangements required to undertake a study, and the second function highlights the importance of quality in these procedures to ensure validity, objectivity and accuracy (Kumar, 2011:94). According to Kumar (2011:94), through the use of a research design one should be able to

- conceptualise an operational plan to undertake the various procedures and tasks required to complete one's study; and
- ensure that these procedures are adequate to obtain valid, objective and accurate answers to the research questions.

Mouton (1996:108) argues that the basis for a research design is therefore to plan and structure a research project in such a manner that the eventual validity of the research findings is maximised through either minimising or, where possible, eliminating potential errors. The research design applied in this study is descriptive based on the assumption that this would help produce more accurate results; as subjects are measured only once in a descriptive research design (Hopkins, 2003:41).

3.3 QUANTITATIVE RESEARCH VERSUS QUALITATIVE RESEARCH

According to Neuman (2000:10), the fundamental differences between qualitative and quantitative research designs and techniques are that quantitative research designs deal with the 'what' and 'when' of the knowledge as opposed to qualitative research designs that deal with the 'why' and 'how' of human behaviour.

The main focus of qualitative research is to understand, explore, discover and explain situations, feelings, perceptions, attitudes, values, beliefs and experiences of people. Study designs of qualitative research are thus based on a deductive rather than an inductive logic. One of the most distinguishing features of qualitative research is its adherence to the concept of respondent concordance. In this type of research approach the researcher makes every effort to seek the agreement of respondents with regard to interpretation, presentation of the situations, experiences, perceptions and conclusions (Kumar, 2011:104). The parameters of the scope of the study and the information-collecting methods and processes are often regarded as flexible and evolving; hence most qualitative research designs are not structured and sequential.

Quantitative research focuses on measuring quantities and relationships between variables by following a set of scientifically complex problems (Bowling & Buckingham, 2005:190). The quantitative research approach is thus ideal for situations where knowledge about the phenomenon of interest already exists; this allows for the use of standardised methods of data collection (p. 190). In qualitative research, sufficient details about the study exist which allows for the study to be verified,

replicated and reassured, whereas in a qualitative research approach the replication of a study often becomes impossible (Kumar, 2011:104).

According to Hopkins (2003:1), the main aim in quantitative research is to determine the relationship between one thing (an independent variable) and another (a dependent variable) in a population. Quantitative research designs are either descriptive or experimental. Furthermore, this type of research is all about quantifying relationships between variables (p. 2).

The advantages associated with quantitative research are that quantitative study designs are specific and well structured. They are able to handle large samples sizes, are less expensive and quicker to undertake, are easier to quantify, have been tested for their validity and reliability, and can be openly defined and recognised. In contrast, qualitative study designs either do not have these aforementioned qualities or have them but to a lesser degree. Qualitative study designs are also less specific and precise, and do not have the same structural depth as quantitative study designs (Kumar, 2011:103).

3.4 RESEARCH METHOD

This research was conducted by adopting a quantitative method approach because it focuses on the measurement and number of characteristics displayed by the people and the events that the researcher examined. Quantitative research aims to seek explanations and predictions that will generalise to other people and places (Hopkins, 2003:41). Another motivation for selecting the quantitative research approach was due to the advantages that it has over the qualitative method.

The choice of method was also influenced by Jai-Singh (2010:33) who found quantitative research to be the most appropriate method to keep the feasibility of his research. The quantitative method was cost-effective and fast to execute for the researcher's study. This method also allowed participants to take part in the research at a time convenient to them. Thus, being able to collect data quickly without any geographic constraints together with the limited resources on hand are some of the

factors that contributed to influencing the researcher's preference of selecting one methodology over another. Jai-Singh's study is on similar subject matter as the present study.

Thomas (2009:57) identifies research methods as processes and instruments that are used for gathering information. There are two major methods of gathering information about a situation, namely (i) person and (ii) problem or phenomenon. These two major methods are categorised as primary data and secondary data.

Primary sources provide first-hand data, while secondary sources provide second-hand data. The present research employs both methods of collecting primary and secondary data. The secondary sources of information used in this research include textbooks, databases, articles, journals, conference papers, government documents and Internet sources. The information obtained from these sources assisted in conveying an in-depth understanding of the topic, and further served as a tool in the design of the questionnaire, while the primary data were collected through a structured questionnaire.

Several methods can be utilised to collect primary data. The choice of method depends on the purpose and aims of the study, the resources available, and the skills of the researcher (Kumar, 2011:140).

Kumar (2011:140) explains that there are many types of research methods that can be used to collect primary data such as experiments, surveys, observations and existing data. There are two types of surveys, namely (i) interviews and (ii) questionnaires. Kumar (2011:140) further mentions that a survey is a structured list. He explains that surveys are characterised by collecting data from samples of people in order to describe and explain the characteristics or opinions of a population through a representative sample.

A questionnaire was selected as the design tool for the research. Hopkins (2003:52) asserts that well-designed questionnaires are highly structured to allow for the same type of information to be collected from a large number of people in the same way and

for data to be analysed quantitatively and systematically. The questions posed in this research have been carefully structured so as to address the research objectives directly.

3.5 INSTRUMENT DESIGN

In this study, a structured questionnaire was chosen as a means to collect data. Questionnaires were preferred as they save time and human and financial resources, and they are comparatively convenient. Questionnaires also offer great anonymity as there is no face-to-face interaction between the respondents and the interviewer. In situations where sensitive questions are posed, it assists in increasing the likelihood of obtaining accurate information (Kumar, 2011:148).

The views or opinions of employees of the Department of Human Settlements on the current organisational restructuring were required to give the researcher enough data to demonstrate how employees were affected. Thus a quantitative research method by carrying out surveys was considered to be the best suited approach for this study.

Hopkins (2003:57) proposes that the length of the questionnaire be taken into consideration so as to obtain accurate relevant information in terms of looking at what is being asked, how it is being asked and the order in which it is asked. The length of the questionnaire in this research was deemed to be appropriate. The questions were simplified to ensure that all the professional teams and site workers answering the questionnaire would clearly understand the questions being asked.

The questionnaire was designed to address the three research questions regarding the problem statement of this research. Closed-ended questions were utilised; the reasoning behind this being that they are easy to answer and are also easier to analyse as they provide pre-determined lists of responses (Kuman, 2011:152). Care was also taken to avoid bias by providing alternative responses through related and proceeding questions.

3.6 MEASUREMENT SCALES

The questionnaire was based on the Likert scale in which respondents were asked to respond to questions or statements. The Likert scale was chosen because it can be used in both respondent-centred (how responses differ between people) and stimulus-centred studies, and was judged to be most appropriate to obtain data in support of the research problem and question.

Viljoen and Watkins (2011:69) posit that the advantages of using the Likert scale are as follows:

- It is easy and quick to construct.
- Each item in the scale meets an empirical test for discriminating ability.
- It is probably more reliable.
- It is also treated as an interval scale.

According to Remenyi et al. (2002:60–66), interval scales facilitate meaningful statistics when calculating means, standard deviations and Pearson's correlation coefficients. The Likert scale is based on the assumption that each statement or item on the scale has equal importance or weight in terms of reflecting on the issue in the question (Kumar, 2011:129).

Likert scales possess the advantage of not expecting a simple 'yes' or 'no' answer from the respondent, but it rather allows for degrees of opinions, or even no opinion at all. Therefore, quantitative data is obtained which means that data can be analysed with relative ease, and because of this advantage, the Likert scale is employed as the questionnaire instrument in this study.

The questionnaire was divided into three sections, with each section relating to a specific research problem (see Annexures A, B and C). The questionnaire was designed using the information that was also informed by discussions from the literature review.

The questionnaire was distributed with an accompanying cover letter. The letter included the following:

- An explanation of the relevance of the study.
- A brief description of the objectives of the study.
- Instructions on how to complete the questionnaire.
- Assurance of confidentiality.

3.7 STUDY AREA

The study area for this research was the Department of Human Settlements of the Republic of South Africa.

3.8 POPULATION

According to Brynard and Hanekom (2006:51), *population* refers to a group in the universe that possesses specific characteristics. They argued that population does not refer to the population of a country, but objects, subjects, phenomenon, cases and events that the researcher wishes to research in order to establish new knowledge.

The target population in this study will constitute employees who were with the department prior and post restructuring. The Department of Human Settlements has approximately 600 employees. The study only targeted those officials who are believed to have experienced higher and lower levels of uncertainty during the restructuring (based on their job roles) but who remained employed in the department.

3.9 SAMPLING AND SAMPLING TECHNIQUES

Sampling is the process of selecting a few respondents (a sample) from a larger group (the population) to become the basis for estimating or predicting a fact, situation or outcome regarding the larger group (Kumar, 2011:148). Walliman (2011:184) defines *population* as ‘a collective term used to describe the total quantity of cases of the type

of participant who are subject to a study’, while *a sample* is defined as ‘a selected number of cases in a population’.

Simple random sampling is utilised when the population is uniform or has similar characteristics in all cases. These techniques should aim to guarantee that not only each element, but also every possible combination of the elements has an equal chance of being selected (Walliman, 2011:185). The present study employed simple random sampling since as a sampling technique it offers each population member a chance of being selected. This was done by first establishing who was employed prior the restructuring process and participated during the process.

Since the study was an investigation of the effects of restructuring in the public service; the case of the Department of Human Settlements, respondents in this study were staff members in the department who possess the broadest knowledge of the subject; these are staff members who were employed prior and post restructuring

3.10 SAMPLE SIZE

Walliman (2011:188) argues that if the population is homogenous and the study is not detailed, then a small sample could constitute a fairly representative view of the whole population. The greater the accuracy required in the true representation of the population, the larger the sample must be. The size of the sample should be in direct relationship to the number of questions posed. Conclusions reached from a large sample are more convincing than those from a smaller one. After a study of the above-mentioned literature it was decided that a fair sample size would be approximately 60 respondents from 600 employees who were employed prior the restructuring to serve as a safety measure for this research (p. 188).

3.11 DATA COLLECTION

A structured questionnaire was used to collect data in this study. The researcher visited the relevant branches of the Department of Human Settlements to administer the questionnaire personally. The respondents, comprising Directors, Deputy Directors, senior staff and others who might have deeper knowledge of the subject matter took approximately 20 minutes to complete the questionnaire, according to the guidelines contained in the cover letter of the questionnaire.

3.12 DATA ANALYSIS

Walliman states that quantitative analysis uses the syntax of mathematical operations to investigate the properties of data. Statistics can be subdivided into parametric and non-parametric statistics. Parametric statistics can be further subdivided into descriptive and inferential statistics. Descriptive statistics are used to present quantitative descriptions in a manageable form. In research of this nature, many different measures may be included or a large number of people could respond to a lower measure. Descriptive statistics assist in simplifying large amounts of data in a sensible manner, whereas inferential statistics extend beyond describing the characteristics of data and the examination of correlations between variables (Walliman, 2011:213).

The present research utilises mean percentage to analyse the data collected as this method facilitates simplifying large amounts of data easily and they are presented in tabular format for ease of reference.

3.13 ETHICAL CONSIDERATIONS

This study considered the following four ethical considerations to which the researcher should pay attention, according to Welman et al. (2007:201):

- i The researcher obtained the necessary permission from respondents who were all requested to take part in this study after they had been thoroughly and truthfully

informed about the aim of the research project, research method and the particular nature of participation required from them, confidentiality and possible publication of results;

- ii Respondents were informed that their identity would remain anonymous.
- iii The respondents were given the assurance that they would be indemnified against any physical or emotional harm.
- iv The researcher guarded against manipulating respondents or treating them as objects or numbers rather individual human beings. The research did not use unethical tactics and techniques during the engagements.

3.14 CONCLUDING REMARKS

In this chapter, the design of the research was discussed and the reasons for using a questionnaire were specified. The study area for this research was identified, and the motivation for the choice of study area was furnished. The sampling technique and sample size were also identified. Lastly, the link between the literature review and the methodology was disclosed. The next chapter focuses on the data analysis and discussion of the data.

CHAPTER 4: DATA PRESENTATION AND INTEPRETATION

4.1 INTRODUCTION

Chapter 3 presented an explanation of the methodology employed in conducting this research; the method of data collection, research techniques, and the population and sampling design employed to carry out the investigation of effects of restructuring in the public service; using the Department of Human Settlements as a case study.

This chapter presents the results, analysis, interpretation and discussion of the collected data. This chapter presents the outcomes of the empirical study that was conducted to assess the impact that the organisational restructuring carried out in the Department of Human Settlements has had.

4.2 RESPONSE RATE

Responses were attained from 51 respondents out of a total of sample of 60 respondents. This overall response rate translates to 85 per cent. The representativeness of a response rate needs to be considered high and acceptable in the context of this study. The responses that were not returned during data collection were only nine respondents and translate to 15 per cent of the sample. The overall rate is depicted on table 4.1 below:

Table 4.1: Overall response rate

| Responses | Number of responses | Percentage |
|-----------------------|----------------------------|-------------------|
| Responses attained | 51 | 85 |
| Outstanding responses | 9 | 15 |
| TOTAL | 60 | 100 |

The questionnaires were circulated on 5 September 2016 to the respondents and they were asked to return them on 15 September 2016. Questionnaires were circulated to six branches of the department (Table 4.2). A total of seven (14per cent) were received from the Office of the Chief Finance Officer; twelve (19per cent) from the Chief Operations Office; ten (23per cent) from the Corporate Services branch; eight (16per

cent) from the Office of the Director-General; three (6per cent) from the Programme and Project Management Unit branch; four (8per cent) from the Strategy and Planning branch; and seven (14per cent) from the Stakeholder and Intergovernmental Relations branch.

Table 4.2: Response according to branches or units

| Branches | Number of responses | Percentage |
|---|----------------------------|-------------------|
| Chief Finance Office | 7 | 14 |
| Chief Operations Office | 10 | 19 |
| Corporate Services | 12 | 23 |
| Office of the Director-General | 8 | 16 |
| Programme and Project Management Unit | 3 | 6 |
| Strategy and Planning | 4 | 8 |
| Stakeholder and International Relations | 7 | 14 |
| TOTAL | 51 | 100 |

The respondents were then asked to indicate their positions within the organisation. The distribution of these positions is indicated in Table 4.3. The table depicts that the respondents who took part in the study comprised 12 per cent top management, 37 per cent middle management, 37 per cent per cent junior management and 14 per cent general staff.

Table 4.3: Response according to positions

| Position | Number of responses | Percentage |
|-------------------|----------------------------|-------------------|
| Top management | 6 | 12 |
| Middle management | 19 | 37 |
| Junior management | 19 | 37 |
| General worker | 7 | 14 |
| TOTAL | 51 | 100 |

Respondents were requested to indicate years of service. Table 4.4 illustrates that 49 per cent of the respondents had been with the Department of Human Settlements for less than five years at the time of the change process. While 51 per cent of the respondents had been with the department for more than five years at the time of the change process.

Table 4.4: Response according to years of service before restructuring

| Years | Number of response | Percentage |
|---------------|---------------------------|-------------------|
| Below 5 years | 25 | 49 |
| Above 5 years | 26 | 51 |
| TOTAL | 51 | 100 |

Respondents were requested to indicate their qualifications. Table 4.5 shows that 8 per cent of the respondents had education levels below matric. The majority had university degrees (3per cent), 31 per cent had a diploma, 25 per cent had a postgraduate qualification and only 2 per cent had other qualifications.

Table 4.5: Response according to qualifications

| Qualification | Number of responses | Percentage |
|----------------------|----------------------------|-------------------|
| Matric | 4 | 8 |
| Diploma | 16 | 31 |
| Degree | 18 | 35 |
| Postgraduate | 12 | 24 |
| Other | 1 | 2 |
| TOTAL | 51 | 100 |

Respondents were requested to provide their racial category on the questionnaires. Table 4.6 shows that the majority of respondents were Africans at 78 per cent, 8 per cent were coloureds, 6 per cent were Indians and 8 per cent were whites. Statistically, the majority of employees in the Department of Human Settlements are Africans.

Table 4.6: Response according to race

| Race | Number of responses | Percentage |
|--------------|----------------------------|-------------------|
| African | 40 | 78 |
| Coloured | 4 | 8 |
| Indian | 3 | 6 |
| White | 4 | 8 |
| TOTAL | 51 | 100 |

The respondents were also asked to indicate their age on the questionnaires. The overall response rate in Table 4.7 shows that the majority of respondents who participated in

the research were between the ages of 20 and 35 years (29per cent); 36 and 45 years (49per cent) and 46 and 55 years (16per cent), while those who were 56 years and only constituted 4 per cent.

Table 4.7: Response according to age

| Age | Number of responses | Percentage |
|--------------|----------------------------|-------------------|
| 20–35 | 15 | 29 |
| 36–45 | 25 | 49 |
| 46–55 | 8 | 16 |
| 56 and above | 3 | 6 |
| TOTAL | 51 | 100 |

Respondents were also requested to indicate their gender. Table 4.8 shows that the majority of respondents were female, which constituted 63 per cent, while males only constituted 37 per cent.

Table 4.8: Response according to gender

| Gender | Number of responses | Percentage |
|---------------|----------------------------|-------------------|
| Male | 19 | 37 |
| Female | 32 | 63 |
| TOTAL | 51 | 100 |

4.3 ANALYSIS AND INTERPRETATION OF RESULTS

Questions were developed where respondents were expected to indicate whether they strongly agreed, agreed, were uncertain, disagreed or strongly disagreed with the posed question for the assessment of employees involvement in the restructuring process. Analysis and interpretation of data are depicted in graphs.

A question on whether management recognised and managed the impact of change on employees was asked. Figure 4.1 depicts that 4 per cent of the respondents strongly agreed, 27 per cent agreed, 10 per cent were uncertain, 41 per cent disagreed and 18 per cent strongly disagreed. This study found that the majority of respondents felt that management recognised and managed the impact of change on employees.

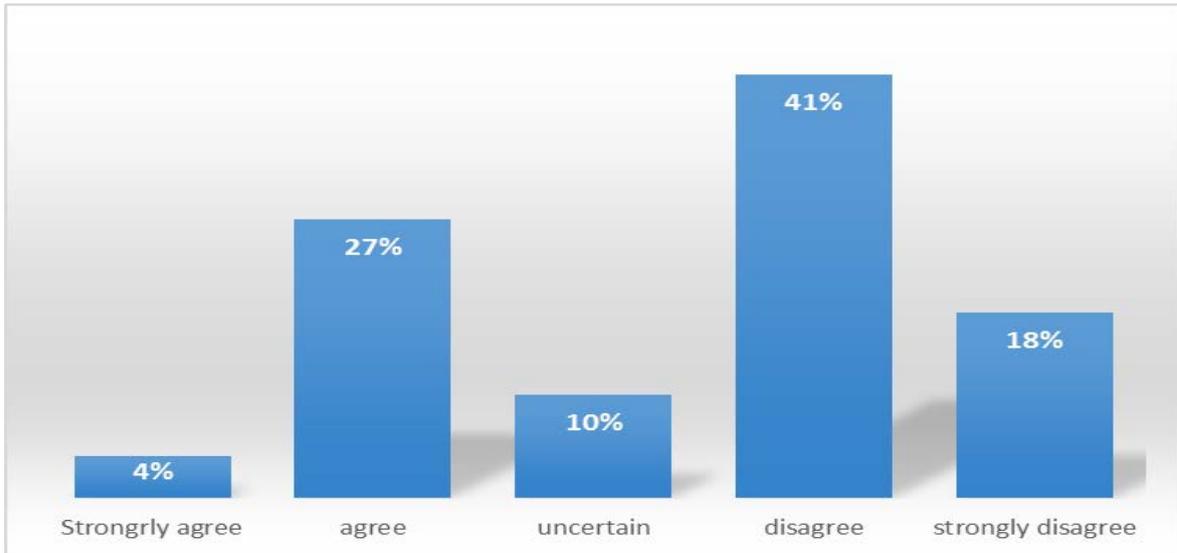


Figure 4.1: Management recognised and managed the impact of change on employees

A question on whether all affected employees were consulted before change was implemented was asked. Figure 4.2 depicts that 4 per cent of respondents strongly agreed, 20 per cent agreed, 25 per cent were uncertain, 37 per cent disagreed and 14 per cent strongly disagreed. After the percentage of respondents disagreeing and those strongly disagreeing had been added up, this study concluded that the majority of respondents felt that affected employees had not been consulted before restructuring had been implemented.

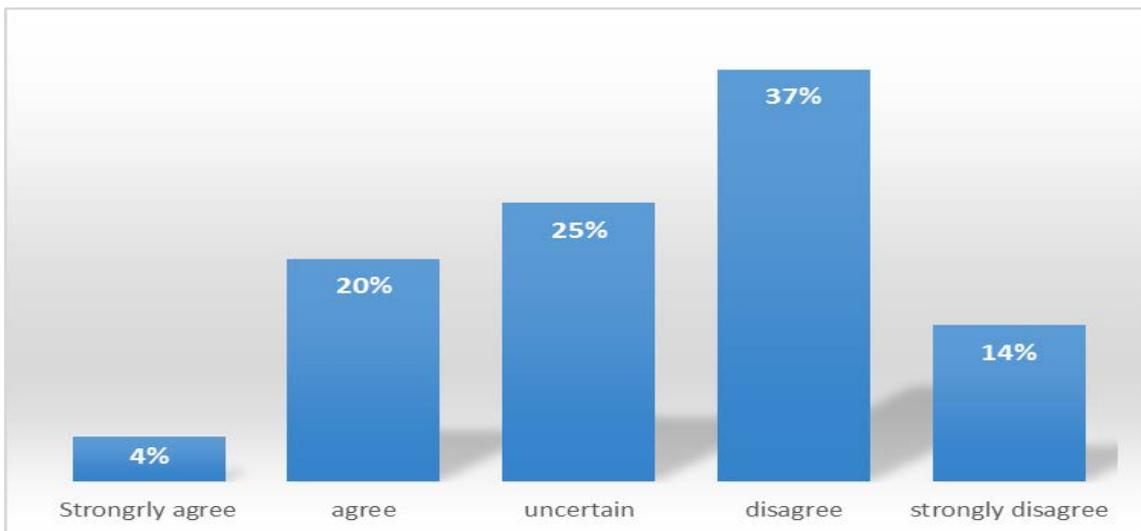


Figure 4.2: All affected employees were consulted before change was implemented

A question on whether employees were encouraged to become involved and committed to the restructuring process by management was asked. Figure 4.3 depicts that 2 per cent of respondents strongly agreed, 32 per cent agreed, 12 per cent were uncertain, 32 per cent disagreed and 22 per cent strongly disagreed. After the percentages of respondents disagreeing and those strongly disagreeing had been added together, this study concluded that management had not encouraged employees to become involved in, and committed to, the restructuring process.

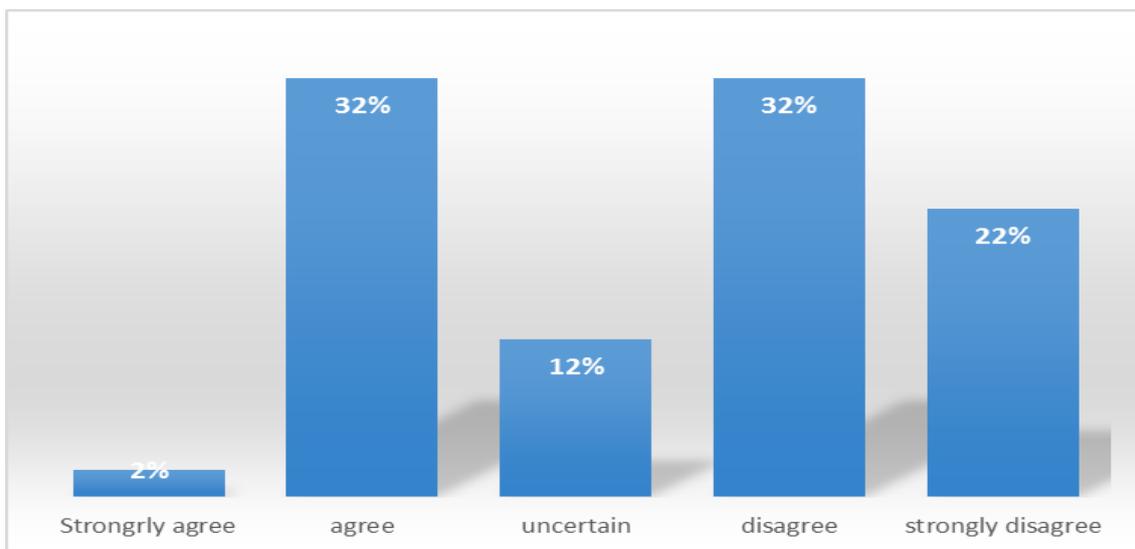


Figure 4.3: Management had encouraged employees to become involved in, and committed to, the restructuring process

A question on whether the benefits of restructuring were discussed with employees individually or in groups was asked. Figure 4.4 depicts that 35 per cent of respondents agreed, 14 per cent were uncertain, 35 per cent disagreed and 16 per cent strongly disagreed. After the percentages of respondents disagreeing and those strongly disagreeing had been added together, this study concluded that the benefits of restructuring had not been discussed with employees individually or in groups.

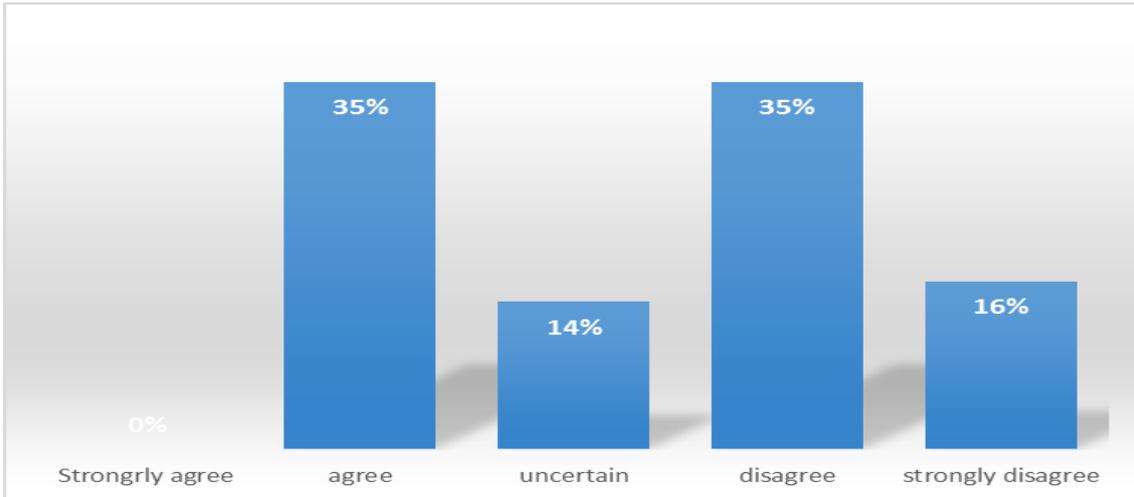


Figure 4.4: Benefits of restructuring were discussed with employees individually and in groups

A question on whether employees clearly understood the reasons for the recent restructuring was asked. Figure 4.5 depicts that 2 per cent of the total respondents strongly agreed, 35 per cent agreed, 14 per cent were uncertain, 33 per cent disagreed and 16 per cent strongly disagreed. Though the percentage of respondents who agree is higher, the high percentage of respondents who disagree, strongly disagree and uncertain added together suggest that employees did not clearly understand the reasons for the recent restructuring is higher than all categories. This study concluded that employees did not clearly understand the reasons for the recent restructuring.

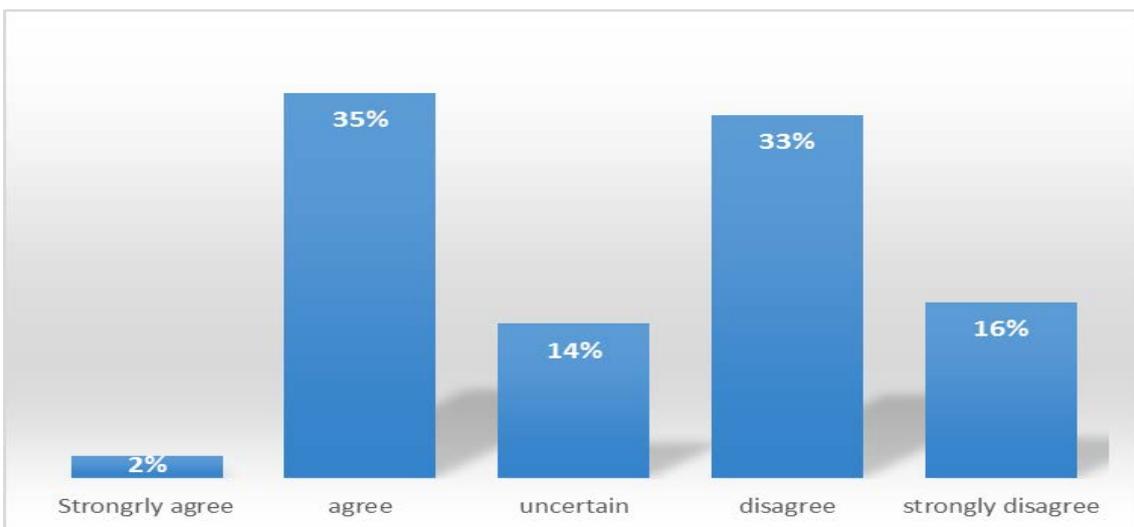


Figure 4.5: Employees clearly understood the reasons for the recent restructuring

A question on whether employees were given an opportunity to provide input into the restructuring process was asked. Figure 4.6 depicts that 2 per cent of the total respondents strongly agreed, 27 per cent agreed, 16 per cent were uncertain, 35 per cent disagreed and 20 per cent strongly disagreed. After the percentages of respondents disagreeing and those strongly disagreeing had been added together, this study concluded that employees were not given opportunity to provide input into the restructuring process.

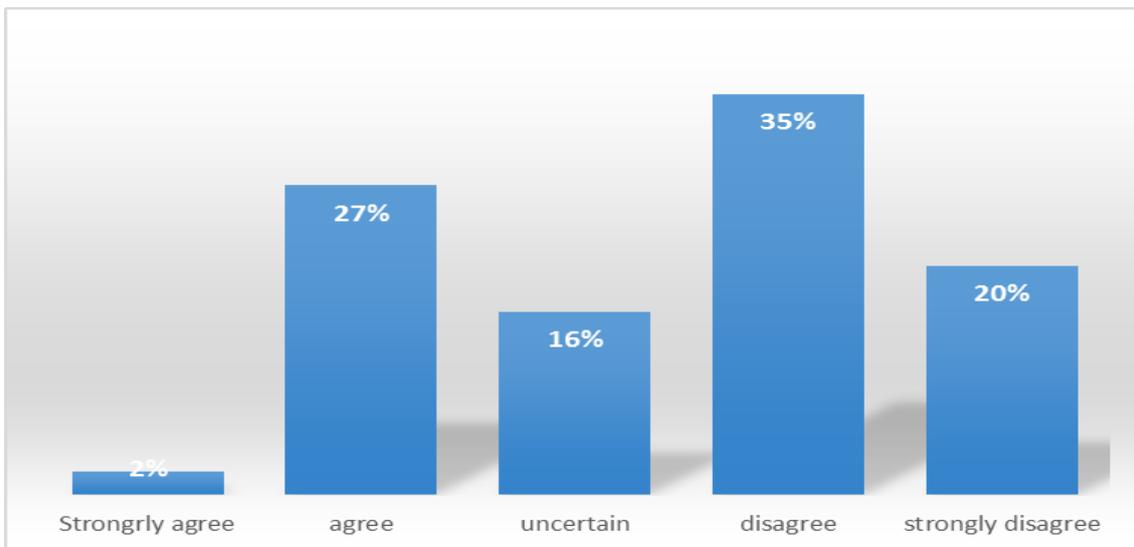


Figure 4.6: Employees were given an opportunity to provide input into the restructuring process

A question on whether employees' input was considered during the process was asked. Figure 4.7 depicts that 12 per cent of the total respondents agreed, 33 per cent were uncertain, 25 per cent disagreed and 30 per cent strongly disagreed. Though a high percentage of respondents were uncertain, after the percentages of respondents that disagreed and strongly disagreed had been added together, this study concluded that employees' input was not considered during the process.

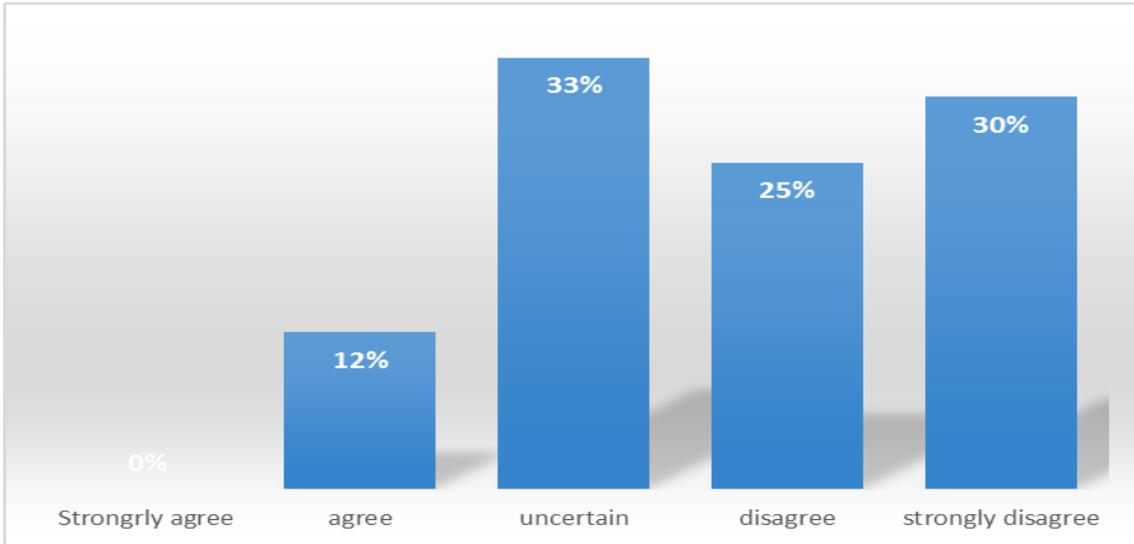


Figure 4.7: Employees' input was either considered or not during the process

A question on whether or not the department had appointed change agents during the process was asked. Figure 4.8 depicts that 12 per cent of the total number of respondents strongly agreed, 35 per cent agreed, 27 per cent were uncertain, 16 per cent disagreed and 10 per cent strongly disagreed. This study concludes that due to the majority of positive responses the department had appointed change agents during the restructuring process.

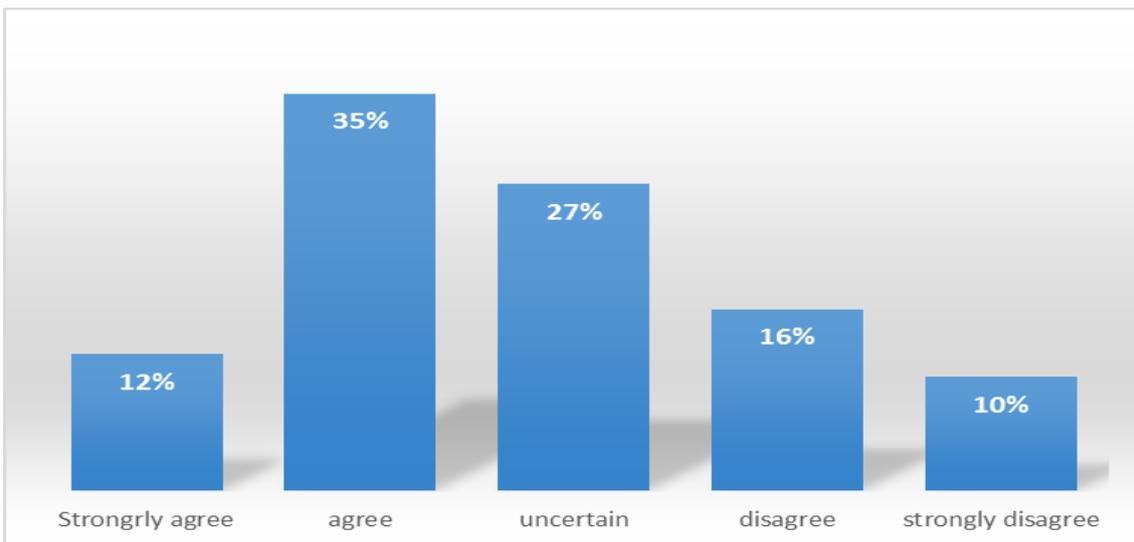


Figure 4.8: Appointment of change agents during the process

A question on whether or not the change agents were given an opportunity to advocate for the change was asked. Figure 4.9 depicts that 6 per cent of the total number

respondents strongly agreed, 18 per cent agreed, 33 per cent were uncertain, 25 per cent disagreed and 18 per cent strongly disagreed. Though the majority of respondents were uncertain of whether or not change agents were given an opportunity to advocate for the change, after the percentages of respondents disagreeing and strongly disagreeing had been added together, this study concluded that change agents had not been given the opportunity to advocate for the change during the process.

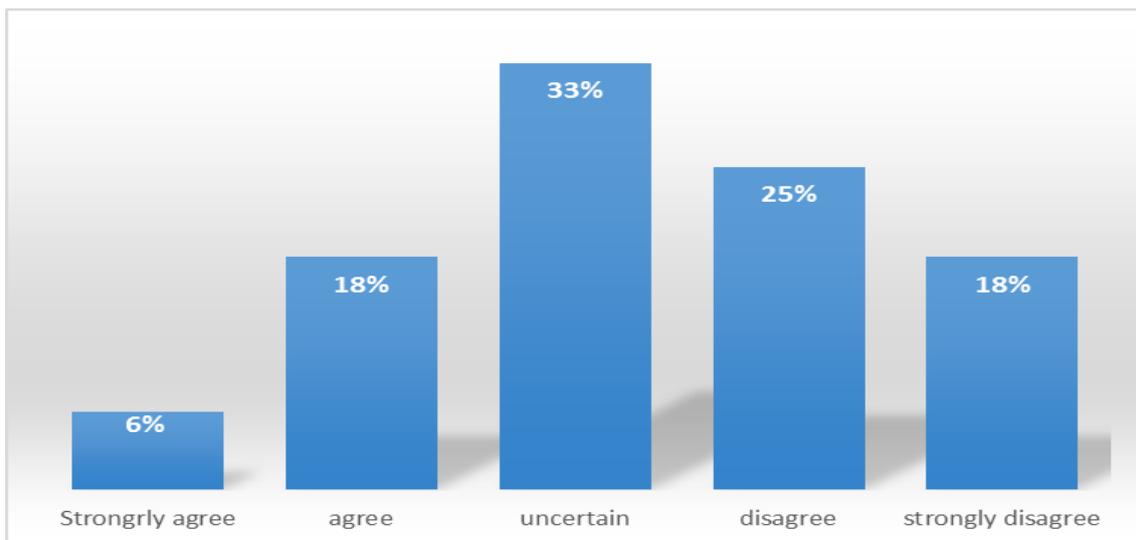


Figure 4.9: Opportunity for the change agents to advocate for the change

A question on whether the department had implemented the restructuring process effectively was asked. Figure 4.10 depicts that 2 per cent of the total respondents strongly agreed, 18 per cent agreed, 24 per cent were uncertain, 29 per cent disagreed and 27 per cent strongly disagreed. After the percentages of respondents disagreeing and those strongly disagreeing had been added together, this study concluded that the department had not effectively implemented the restructuring process.

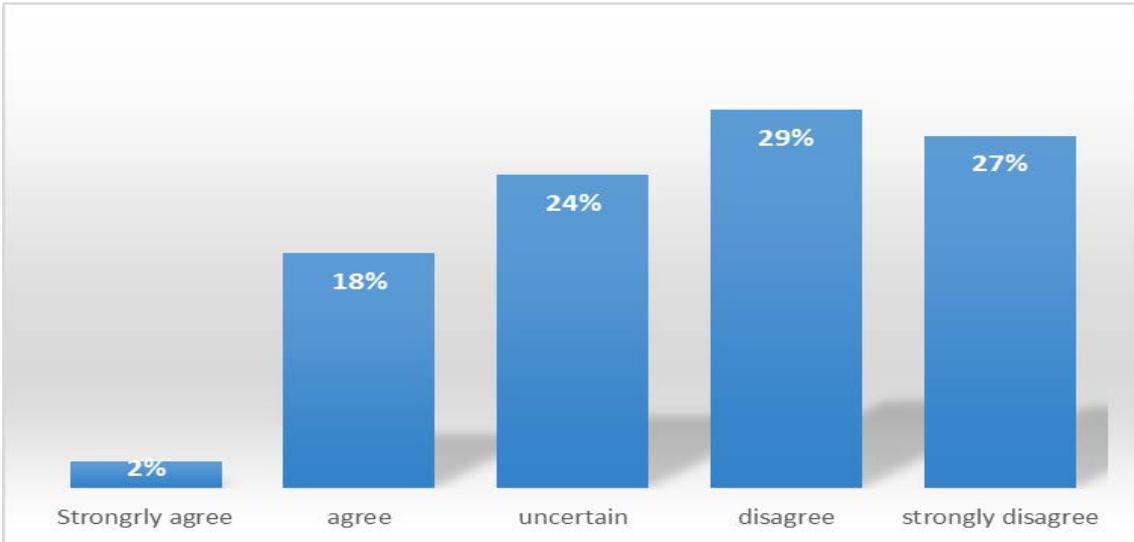


Figure 4.10: Did the department implement the restructuring process effectively?

A question on whether the department had changed for the better was asked. Figure 4.11 depicts that 8 per cent of the total respondents agreed, 24 per cent were uncertain, 33 per cent disagreed and 35 per cent strongly disagreed. After the percentages of respondents disagreeing and those strongly disagreeing had been added together, this study concluded that the department had not changed for the better.

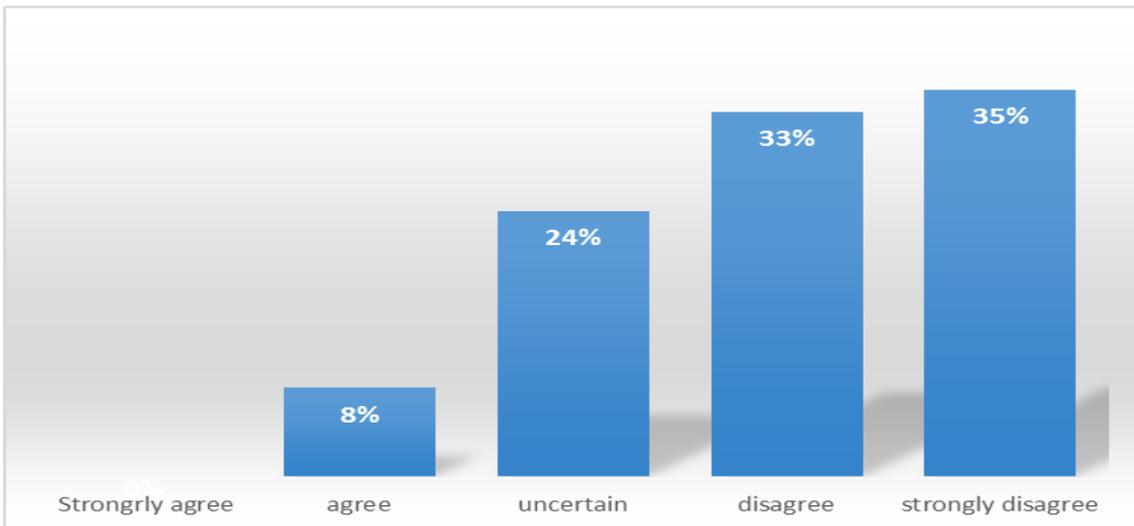


Figure 4.11: The department has changed for the better

A question on whether employees felt positive and certain about their future in the department was asked. Figure 4.12 depicts that 20 per cent of the total respondents agreed, 24 per cent were uncertain, 31 per cent disagreed and 25 per cent strongly

disagreed. After the percentages of respondents disagreeing and strongly disagreeing had been added together, this study concluded that employees did not feel positive and certain about their future in the department.

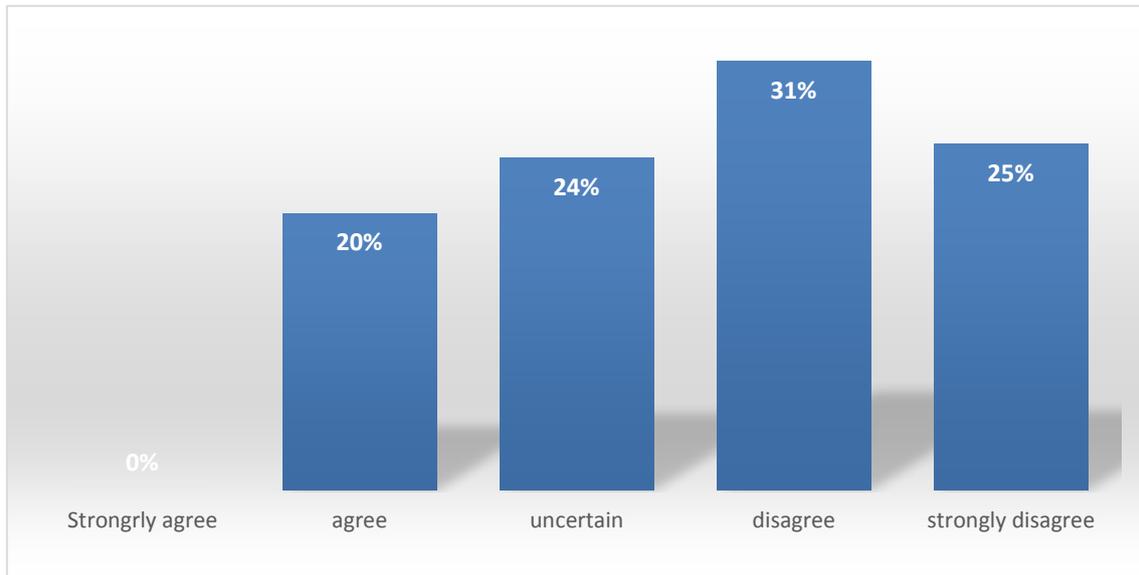


Figure 4.12: Employees feel positive and certain about their future in the department

A question on whether the turnaround strategy or restructuring resulted in positive outcomes for the department was asked. Figure 4.13 depicts that 8 per cent of the total respondents agreed, 27 per cent were uncertain, 30 per cent disagreed and 35 percent strongly disagreed. After the percentages of respondents disagreeing and those strongly disagreeing had been added together, this study concluded that the turnaround strategy or restructuring had not resulted positive outcomes for the department.

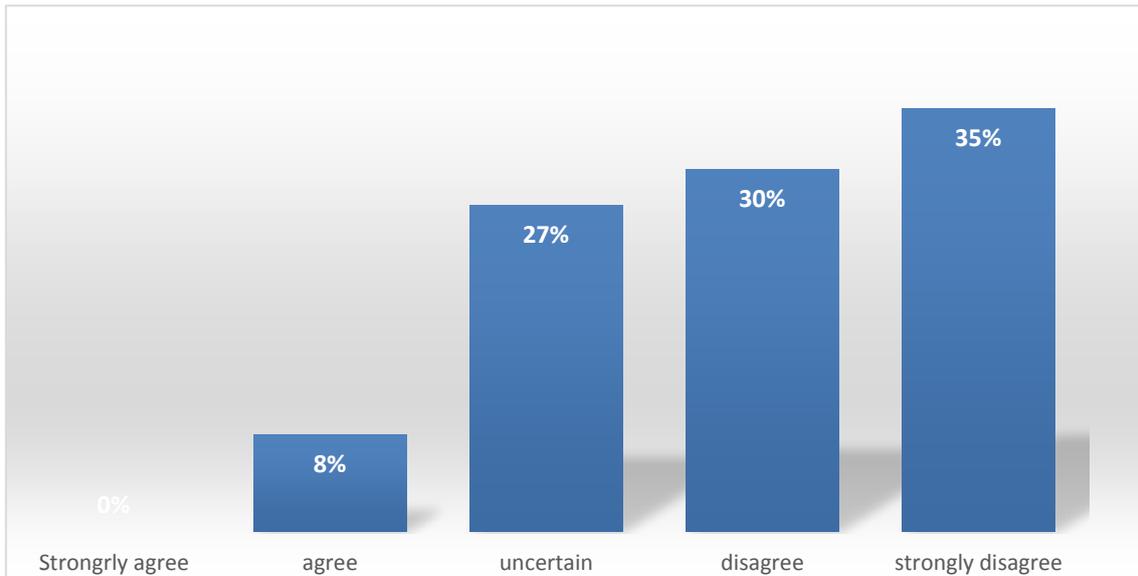


Figure 4.13: The recent turnaround strategy or restructuring resulted in positive outcomes for the department

A question on whether employees intended working for this organisation for a long time to come was asked. Figure 4.14 depicts that 2 per cent of the total respondents strongly agreed, 20 per cent agreed, 25 per cent were uncertain, 25 per cent disagreed and 28 per cent strongly disagreed. After the percentages of respondents disagreeing and those strongly disagreeing had been added together, this study concluded that employees did not intend working for this organisation for a long time to come.

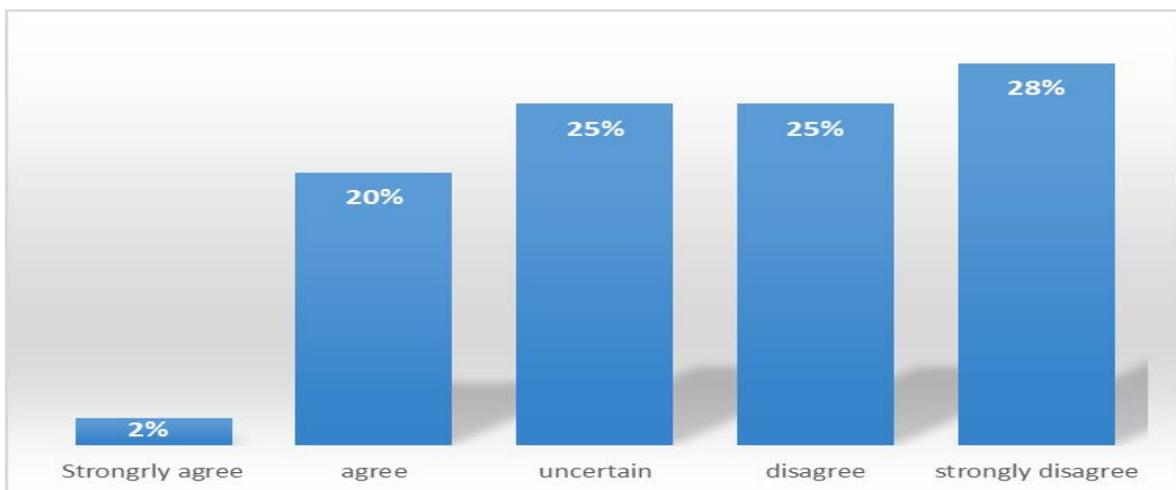


Figure 4.14: Employees intend working for this organisation for a long time to come

A question on whether employees still had confidence in top management and this department was asked. Figure 4.15 depicts that 4 per cent of the total respondents strongly agreed, 12 per cent agreed, 18 per cent were uncertain, 29 per cent disagreed and 37 per cent strongly disagreed. After the percentages of respondents disagreeing and those strongly disagreeing had been added together, this study concluded that employees no longer had confidence in top management and this department.

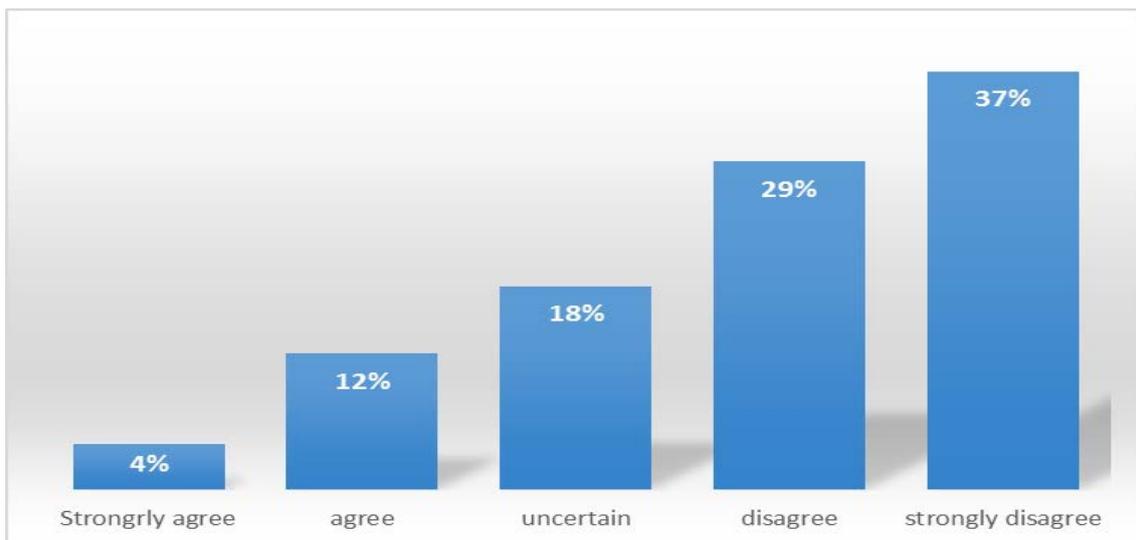


Figure 4.15: Employees still have confidence in top management and this department

A question on whether or not most of the employees had left the department after restructuring was asked. Figure 4.16 depicts that 25 per cent strongly agreed, 24 agreed, 33 per cent were uncertain, 12 per cent disagreed and 6 per cent strongly disagreed. Though the percentage of respondents that were uncertain is high, after the percentages of respondents agreeing and those strongly agreeing had been added together, this study concluded that most employees had left the department after restructuring.

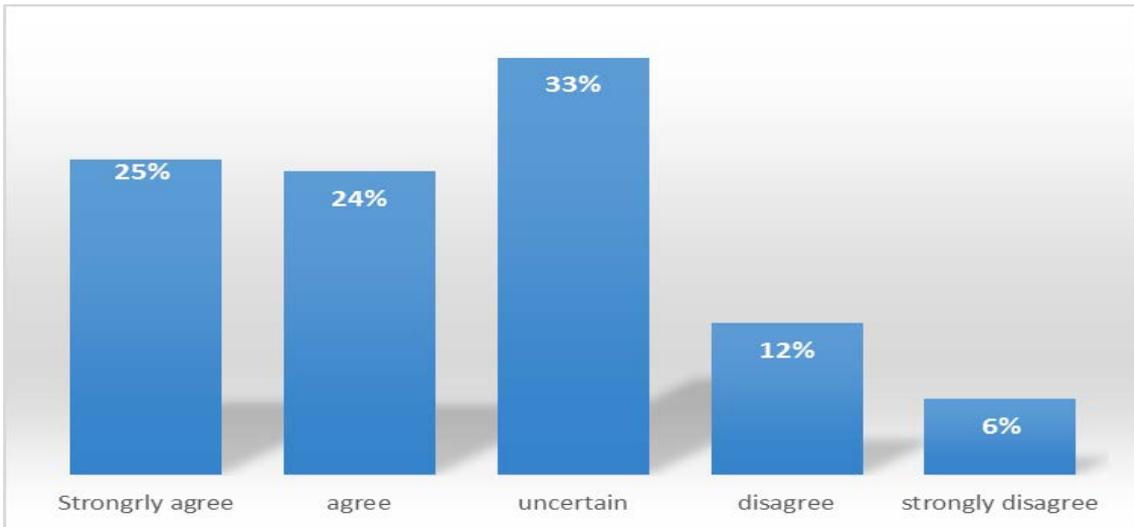


Figure 4.16: Most employees left the department after restructuring

A question on whether or not the recent restructuring had created more opportunities for employees was asked. Figure 4.17 depicts that 6 per cent of the total respondents agreed, 25 per cent were uncertain, 34 per cent disagreed and 35 per cent strongly disagreed. After the percentages of respondents disagreeing and those strongly disagreeing had been added together, this study concluded that the restructuring had not created opportunities for employees.

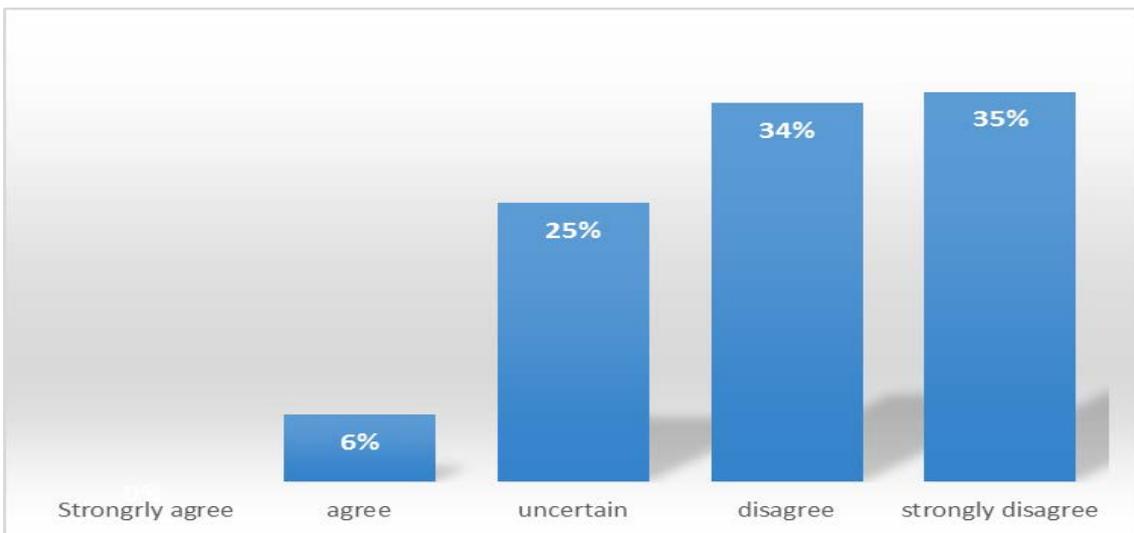


Figure 4.17: Recent restructuring has created more opportunities for employees

A question on whether or not the recent restructuring had improved employees' working conditions was asked. Figure 4.18 depicts that 14 per cent of the total number of respondents agreed, 21 per cent were uncertain, 41 per cent disagreed and 24 per cent strongly disagreed. After the percentages of respondents disagreeing and those strongly disagreeing had been added together, this study concluded that the recent restructuring had not improved employees' working conditions.

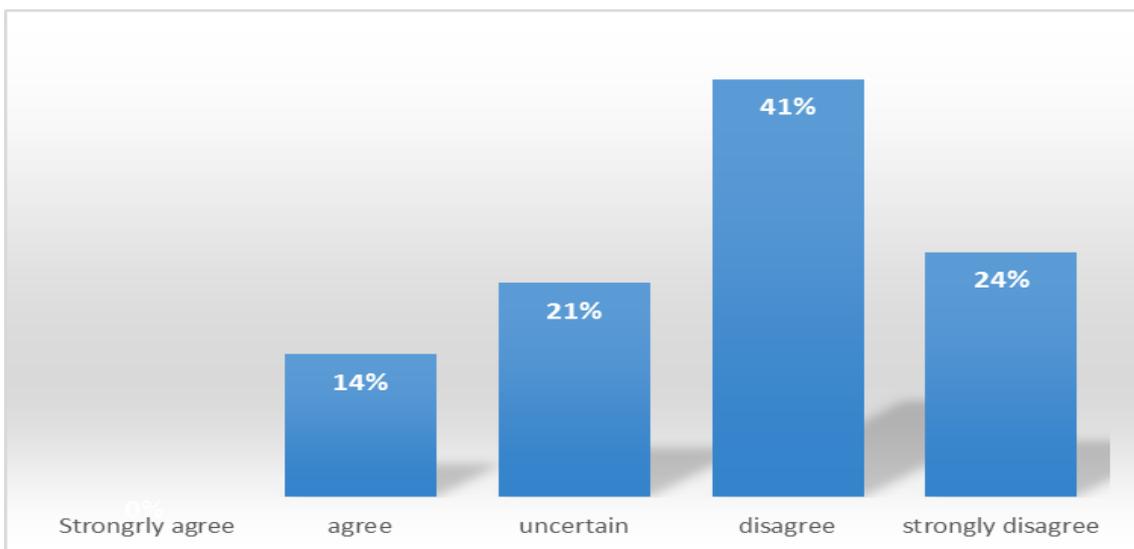


Figure 4.18: Recent restructuring has improved employees' working conditions

A question on whether or not employees still felt very committed to the goals and objectives of this department was asked. Figure 4.19 depicts that 8 per cent of the total respondents strongly agreed, 41 per cent agreed, 24 per cent were uncertain, 25 per cent disagreed and 2 per cent strongly disagreed. After the percentages of respondents agreeing and those strongly agreeing had been added together, this study concluded that employees still felt very committed to the goals and objectives of this department.

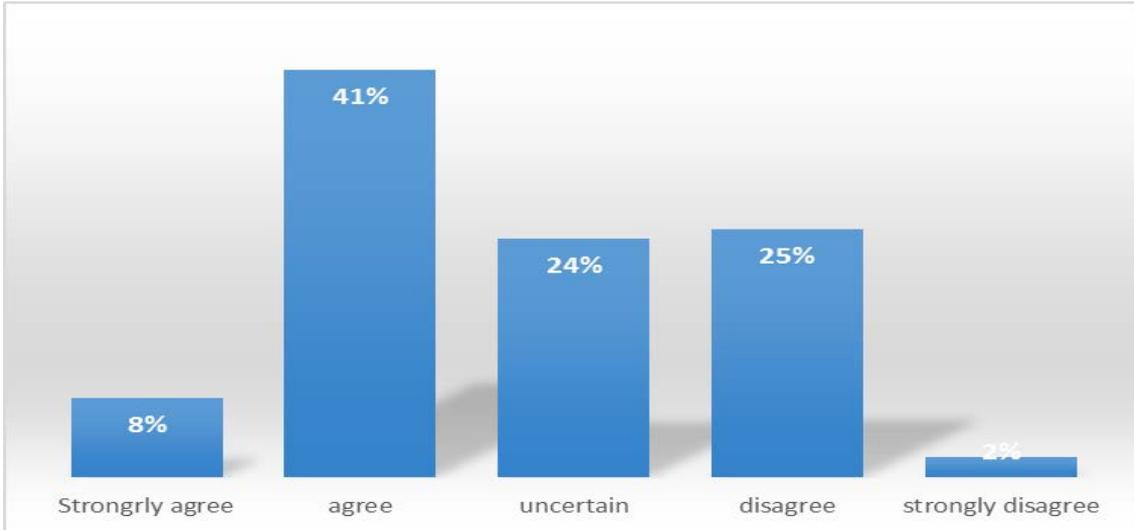


Figure 4.19: Employees still feel very committed to the goals and objectives of this department

A question on whether or not employees still put in extra effort to ensure that goals and objectives of this department were achieved was asked. Figure 4.20 depicts that 14 per cent of the total respondents strongly agreed, 41 per cent agreed, 12 per cent were uncertain, 31 per cent disagreed and 2 per cent strongly disagreed. After the percentages of respondents agreeing and those strongly agreeing had been added together, this study concluded that employees still put in extra effort to ensure that goals and objectives of this department were achieved.

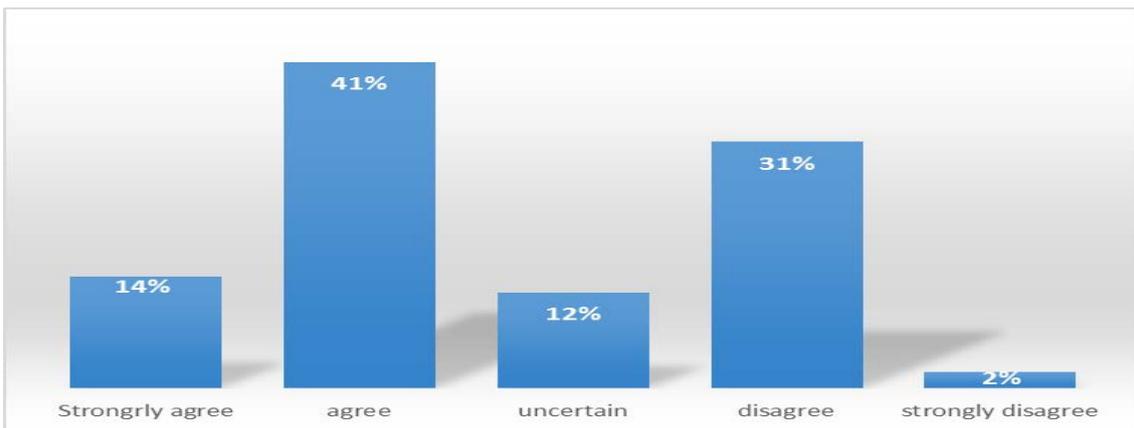


Figure 4.20: Employees still put in extra effort to ensure that goals and objectives of this department are achieved

4.5 CONCLUDING REMARKS

This chapter presented the outcomes of the study. The results revealed some gaps in the employees' involvement in the restructuring process; and also revealed the respondents reactions or attitude to the restructuring. It is interesting to note that the restructuring did affect employees in the Department of Human Settlements and that respondents did not view it positively.

Chapter 5 will provide further discussion on the implication of the findings. Final conclusion are drawn on the significance of the findings and recommendations are then made.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

Chapter 4 presented the results, analysis, interpretation and discussion of the collected data. This chapter presents the outcomes of the empirical study that was conducted to assess the impact that the organisational restructuring carried out in the Department of Human Settlements.

This chapter provides a summary of findings, and some conclusions and recommendations regarding the study. The research is concluded and final analogies are drawn, offering appropriate recommendations for future research.

5.2 MAIN FINDINGS

In Chapter 4 the findings of the study were set out after the restructuring process at the Department of Human Settlements had been set out. The main findings regarding the effects of restructuring on the employees were divided into the employees' involvement and employees' attitude towards restructuring. The findings are summarised as follows:

5.2.1 Employees' involvement in the restructuring process

- Managers did not recognise and manage the impact of change on most of the employees: 41 per cent of respondents disagreed and 18 per cent of respondents strongly disagreed. Employees felt that management recognised and managed the impact of change on employees. These of those disagree and strongly disagree percentages are high as compared to those who agreed and strongly agreed combined.
- Most employees were not consulted about the restructuring: 37 per cent of respondents disagreed and 14 per cent of respondents strongly disagreed. The majority of respondents felt that affected employees were not consulted before

restructuring was implemented, these percentages are high as compared to those who agree and strongly agree and agree combined.

- Most employees were not encouraged to participate or to be involved in the restructuring process: 32 per cent of respondents disagreed and 22 per cent of respondents strongly disagreed that employees were not encouraged to become involved in, and committed to, the restructuring process by management. These percentages are high as compared to those who agreed and strongly agreed combined.
- Benefits of the restructuring were not communicated to most employees: 35 per cent of respondents disagreed and 16 per cent respondents strongly disagreed that benefits of restructuring had not been discussed with employees individually or in a group. These percentages are high as compared to those who agreed and strongly agreed combined.
- The majority of employees did not clearly understand the reasons for restructuring: 33 per cent of respondents disagreed and 16 per cent of respondents strongly disagreed that employees clearly understood the reasons for the recent restructuring. Though the percentage of respondents who agree is higher, the high percentage of respondents who disagree, strongly disagree and uncertain added together suggest that employees did not clearly understand the reasons for the recent restructuring is higher than all categories.
- The majority of employees were not given an opportunity to give input into the restructuring process and the minority who provided input theirs were considered during the process: 35 per cent of respondents disagreed and 20 per cent of respondents strongly disagreed that employees were given an opportunity to provide input into the restructuring process.
- The majority agreed that change agents were appointed but disagreed that change agents were given an opportunity to advocate for the change: 18 per cent of respondents agreed, 33 per cent were uncertain, 25 per cent of respondents disagreed and 18 per cent or respondents strongly disagreed that change agents were not given an opportunity to advocate for change during the process

Employees' attitude after restructuring was as follows:

- The majority of employees indicated that the department had not implemented the restructuring process effectively: this is because their view is that the department did not change for the better and have since disagreed that the turnaround strategy or restructuring resulted in positive outcomes for the Department of Human Settlements.
- Most employees did not intend working for this organisation for a long time to come and most employees do not have confidence in top management and the department.
- Most employees do not feel positive and certain about their future in the department, and disagree that the restructuring had created more opportunities and that it had improved their working conditions.
- Whereas, only 33 per cent of respondents were uncertain about whether or not most employees had left the department after restructuring, combining the number of respondents who agreed and those who strongly agreed (up to 49per cent) leads one to conclude that most employees had left the department after the restructuring.
- The majority of employees still consider themselves committed to the goals and objectives of the department. This means that they still put extra effort into ensuring that the goals and objectives of the department are achieved.

To assess the main problem, which is whether officials in the Department of Human Settlements are embracing the change that come along with the restructuring process which was intended to transform the department in order to align it to the new mandate of providing sustainable human settlement to society (highlighted in Chapter 1), the problem will be examined against the findings listed above. The statement of sub-problems, which is an analysis of the main problem, allowed identification of the following sub-problems:

Sub-problem 1: Whether a restructuring process could lead to increased efficiency in the Department of Human Settlements?

In Chapter 2 the restructuring process was discussed step by step and how the process could increase the efficiency of an organisation. The research results in Chapter 4 suggests that consultation, engagement, involvement and participation were not encouraged. One can conclude that employees could not embrace change because, as the results suggest, change was imposed on them. Change that is imposed on employees of an organisation cannot always improve the efficiency of that organisation. Government departments need to involve employees when restructuring from the onset even when experiencing political pressure and ensure proper communication at all stages of the process.

In Chapter 4, the research findings indicate that employees who were affected by the restructuring felt positive and certain about their future in the department. These respondents further alluded to the fact that the restructuring did not create more opportunities and did not improve their working conditions. One can conclude that the efficiency in the Department of Human Settlements was not improved by the restructuring.

Sub-problem 2: What were the challenges experienced during the restructuring process in the National Department of Human Settlements?

Research findings in Chapter 4 also suggest that the department experienced the following challenges:

- The morale and attitude of employees towards top management and the department were affected, which is supported by the reported high volume of employees who had left the department.
- The department could not cover all the elements of the restructuring process since there were no proper consultations, engagements, involvement and participations with the affected employees during and after restructuring.

The research findings in Chapter 4 also indicate mixed feelings among respondents. However, the majority of employees still felt committed to the goals and objectives of

the department, and they still put extra efforts in to ensure that the goals and objectives of the department were being achieved. These commitments might be due to the fact that employees might be hoping for better change in future or have adapted to the current changed environment.

5.3 RECOMMENDATIONS

The following recommendations are made on the basis of the research findings since the objectives mentioned above have been met:

- i Organisations should consider following the restructuring steps deduced in Chapter 2. The research findings indicate that some of them had not been followed during the restructuring of the Department Human Settlements.
- ii Managers should ensure that employees are involved in restructuring from the onset and ensure participation by employees in the process. The research findings indicate that employees do not always get involved. Restructuring should be treated as an inclusive process and not a process imposed on employees, which enables employees to support and embrace the desired change.
- iii Constant feedback must be solicited from employees and their input must be considered in the process. If their participation is not requested, the reasons for exclusion should be indicated clearly. The research findings indicate that the majority of employees were not given an opportunity to provide input into the restructuring process and their input was not considered during the process.
- iv The desired change and the possible benefits of restructuring must be communicated to employees regularly, and from the start of the process to the end in order to gain their support. The research findings indicate that the benefits of the restructuring were not communicated to most of the employees.

5.4 OPPORTUNITIES FOR FURTHER RESEARCH

Areas requiring further research that are linked to the research problem were acknowledged during the study. Since the research was limited to the effects of

restructuring on the employees, there is a further need to assess how the restructuring affects service delivery and the society the department is serving. There is a need to assess which political changes influence organisational change.

5.5 CONCLUDING REMARKS

The purpose of this chapter was to provide a summary of findings, some conclusions and recommendations regarding the study. Research findings were listed and recommendations were made. This chapter also provided for further research opportunities where other subjects related to the subject matter of this research were highlighted.

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**ANNEXURE A: INVITATION LETTER TO PARTICIPATE IN
THE RESEARCH**

Department of Public Administration
University of Limpopo
South Africa

20 October 2016

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

LETTER OF INVITATION

We would like to invite you to participate in this research project. Attached to this letter is a short questionnaire requesting you to complete it. This research project is being conducted at the Turfloop Graduate School of Leadership, Department of Public Administration, University of Limpopo, South Africa. The research topic is: **‘EFFECTS OF RESTRUCTURING IN THE PUBLIC SERVICE: A CASE STUDY OF THE SOUTH AFRICAN NATIONAL DEPARTMENT OF HUMAN SETTLEMENT’**.

As part of this research, we need to test the validity of the measures in improving the performance of the department. We would like you to assist us to know the effect of restructuring in the national Department of Human Settlements. By doing so, you will be adding a valuable contribution towards the expansion of knowledge in the South African public service as a whole.

The questionnaire was compiled specifically for Staff and Stakeholders who have the necessary information about the said topic in their respective jurisdiction. The answering of the questionnaire will take approximately **10 minutes**.

You and your department are assured of complete confidentiality and should you wish to know the findings of the research, you are welcome to contact Mr Solomon

Mabasa telephonically at +27 83-852-0051 or at solly.mabasa75@gmail.com. The researcher will gladly send you a summary of the results. Please answer the questions **TRUTHFULLY AND SINCERELY** so as to help us improve the performance of the department.

Thanking you in advance.

Mr Mashangu Solomon Mabasa

APPENDIX A: QUESTIONNAIRES

EXAMINING THE EFFECTS OF RESTRUCTURING IN THE PUBLIC SERVICE: A CASE STUDY OF THE SOUTH AFRICAN NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS.

INSTRUCTIONS:

PLEASE ANSWER THE FOLLOWING QUESTIONS BY CROSSING (X) ON THE RELEVANT BLOCK OR WRITING DOWN YOUR ANSWER IN THE SPACE PROVIDED.

EXAMPLE of how to complete this questionnaire:

Your gender?

If you are female:

| | |
|--------|--------------|
| Male | 1 |
| Female | 2 |

SECTION A: BACKGROUND INFORMATION.

This section of the questionnaire refers to the background or biographical information. Although we are aware of the sensitivity of the questions in this section, the information will allow us to compare groups of respondents. Once again, we assure you that your response will remain anonymous. Your co-operation is appreciated.

1. Gender

| | |
|--------|---|
| Male | 1 |
| Female | 2 |

2. Age

| | |
|------------------------|--|
| 20 years – 35 years | |
| 35<36 years – 45 years | |
| 45<46 years – 55 years | |
| 55<56 years & Above | |

3. Historically, in which of these groups would you be classified?

| | |
|----------|--|
| African | |
| Coloured | |
| Indian | |
| White | |

4. Please indicate your position/level in the organisation

| | |
|-------------------|--|
| Top Management | |
| Middle Management | |
| Junior Management | |
| General Staff | |

5. Which branch do you work for?

| | |
|---|--|
| Chief Operations Office | |
| Corporate Services | |
| Chief Financial Office | |
| Programme and Project Management unit | |
| Strategy and Planning | |
| Stakeholder and Intergovernmental Relations | |
| Director General Office | |

6. How long had you been working at the Department of Human Settlements when the turnaround or restructuring strategy was implemented?

| | |
|--------|--|
| Years | |
| Months | |

7. Please indicate your highest level of qualifications

| | |
|--------------|--|
| Matric | |
| Diploma | |
| Degree | |
| Postgraduate | |

Other(s) *(please specify)*

.....

SECTION B: ORGANISATIONAL RESTRUCTURING OR TURNAROUND STRATEGY AT THE SOUTH AFRICAN DEPARTMENT OF HUMAN SETTLEMENTS

This section of the questionnaire measures the effect of turnaround or restructuring turnaround strategy at the South African Department of Human Settlements with the following:

1. = Strongly agree
2. = Agree
3. = Uncertain
4. = Disagree
5. = Strongly disagree.

B.1 EMPLOYEES INVOLVEMENT IN THE RESUSTRUCTURING PROCESS

Please indicate the degree to which you agree with the following statements regarding the involvement of employees in the turnaround strategy or restructuring process.

| | Strongly agree | Agree | Uncertain | Disagree | Strongly Disagree |
|---|-----------------------|--------------|------------------|-----------------|--------------------------|
| Employee involvement in the restructuring process | | | | | |
| My manager recognised and managed the impact of change on me | | | | | |
| All affected employees were consulted before change was implemented | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| I was encouraged to become involved and committed to the restructuring process by my manager | | | | | |
| Benefits of restructuring were discussed with me personally or in a group | | | | | |
| I clearly understood the reasons for the recent restructuring | | | | | |
| I was given an opportunity to give input into the restructuring process | | | | | |
| Was the input considered during the process? | | | | | |
| Did the department appoint change agents | | | | | |
| Were the change agents given an opportunity to advocate for the change? | | | | | |

B.2 Employee attitude after the restructuring

Please indicate the degree to which you agree with the following statements regarding employee attitude after the turnaround strategy or restructuring process

| Employee attitudes after the restructuring process | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
|---|-----------------------|--------------|------------------|-----------------|--------------------------|
| Did the department effectively implement the restructuring process | | | | | |
| The department has changed for the better | | | | | |
| I feel positive and certain about my future in this department | | | | | |
| The recent turnaround strategy or restructuring resulted in positive outcomes for the Department of Human Settlements | | | | | |
| I intend working for this department for a long time to come | | | | | |
| I still have confidence in top management and this department | | | | | |
| Most of the employees left the department after restructuring | | | | | |
| Recent restructuring has created more opportunities for employees | | | | | |
| Recent restructuring has improved my working conditions | | | | | |
| I still feel very committed to the goals and objectives of this department | | | | | |
| I still put in extra effort to ensure that goals and objectives of this department are achieved | | | | | |

Many thanks for participating in this project. Your time and input are greatly appreciated.