The impact of a restructuring process on employee morale at a private security company

OS Vaughan

orcid.org 0000-0001-8869-6177

Mini-dissertation submitted in partial fulfilment of the requirements for the degree Master of Business Administration at the North-West University

Supervisor: Mr AA Andrianatos

Graduation: May 2018

Student number: 12661163
ABSTRACT

This study was conducted because a private security company underwent a restructuring process due to a change in Managing Director in 2016. The company represented is one of the largest private security companies in the Vanderbijlpark area and enjoys a client base of just over 3000 clients in the area. After undergoing a change in Managing Director, it changed its strategic objectives and embarked on a restructuring process in order to leverage talent as well as acquire new talent in line with the new objectives. The objective of this study was to investigate the effect of a restructuring process on the effect on the employee morale of the employees of the organisation. Upon examination, it was found that there is a strong correlation between communication from top management and maintaining positive employee morale during a restructuring process. Furthermore, it was found that employees were more likely to display positive morale during a restructuring process if they were job secure. The implications of this study for improving employee morale are investigated and discussed.

KEYWORDS

Employee morale, job security, job satisfaction, restructuring, buy-in, private security industry, take-over, strategic intent, employee engagement, institutional trust, self esteem, employee turnover, organisational climate, turnover intent, work alienation, employee emotions, employee attitudes, employee perceptions, collective decision making, employee motivation
DECLARATION

I declare that:

THE IMPACT OF A RESTRUCTURING PROCESS ON EMPLOYEE MORALE AT A PRIVATE SECURITY COMPANY

is my own work and that all the sources I have used or quoted have been indicated and acknowledged by means of complete references, and that this dissertation has not previously been submitted by me for a degree at any other university.

________________________

OS Vaughan

November 2017

Vanderbijlpark
ACKNOWLEDGEMENTS

I would like to express my heartfelt thanks to my husband Jason Vaughan for always believing in me. It has only been because of your love, support and sacrifice that I have been able to complete this MBA.

To my son Matthew Vaughan, I would like to say thank you for being patient when I have been unavailable. I hope that through this, you have learned perseverance and consistency and that you will use it in your own endeavours one day.

To my mother Sandra Van Wyk, thank you for believing in me since childhood, with the unwavering love and pride that only a mother is able to know. I hope that the achievement of this degree is testament to the amazing example you have set for me through the years.

To Aspen Pharmacare, who provided me with a much needed bursary in the second and third year of this programme, I will be eternally grateful. It is only because of the generosity of companies like Aspen Pharmacare that some people are ever able to achieve their dreams.

To my friends Tanja Bouwer and Nina Roos who have cheered me on through times when I wanted to give up, your love and support did not go unnoticed and our bond has been a source of strength throughout this process.

To my syndicate group, through whom I have grown immeasurably, thank you. To the professors, lecturers and my study leader who have guided me through this process, thank you for sharing your knowledge base in order to enrich mine.

To Xander Van Wyk, my syndicate team mate, thank you for all the support, advice, motivation and inspiration. Your love for God and your steadfast dedication have helped me more than you will ever know.

Lastly but most importantly, I would like to thank God for allowing me to have experienced this life-changing process. Without faith in the plans you have for me, I would never have been part of this amazing programme.
LETTER OF EDITING

Ms Linda Scott
English language editing
SATI membership number: 1002595
Tel: 083 654 4156
E-mail: lindascott1984@gmail.com

9 November 2017

To whom it may concern

This is to confirm that I, the undersigned, have language edited the dissertation of

O.S. Vaughan

for the degree

Master of Business Administration
entitled:

The impact of a restructuring process on employee morale at a private security company

The responsibility of implementing the recommended language changes rests with the author of the dissertation.

Yours truly,

[Signature]

Linda Scott
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>section</th>
<th>page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>II</td>
</tr>
<tr>
<td>DECLARATION</td>
<td>II</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>III</td>
</tr>
<tr>
<td>LETTER OF EDITING</td>
<td>IV</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>X</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>XI</td>
</tr>
<tr>
<td>CHAPTER 1</td>
<td>1</td>
</tr>
<tr>
<td>NATURE AND SCOPE OF STUDY</td>
<td>1</td>
</tr>
<tr>
<td>1.1 INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>1.2 PROBLEM STATEMENT</td>
<td>2</td>
</tr>
<tr>
<td>1.3 OBJECTIVES OF THE STUDY</td>
<td>3</td>
</tr>
<tr>
<td>1.3.1 Primary objective</td>
<td>3</td>
</tr>
<tr>
<td>1.3.2 Secondary objectives</td>
<td>3</td>
</tr>
<tr>
<td>1.3.3 Empirical objectives</td>
<td>4</td>
</tr>
<tr>
<td>1.4 SCOPE OF THE STUDY</td>
<td>4</td>
</tr>
<tr>
<td>1.4.1 Field of the study</td>
<td>4</td>
</tr>
<tr>
<td>1.4.2 Geographical demarcation</td>
<td>4</td>
</tr>
<tr>
<td>1.5 RESEARCH METHODOLOGY</td>
<td>5</td>
</tr>
<tr>
<td>1.5.1 Literature review</td>
<td>6</td>
</tr>
<tr>
<td>1.5.2 Empirical study</td>
<td>7</td>
</tr>
<tr>
<td>1.5.2.1 Target population</td>
<td>7</td>
</tr>
<tr>
<td>1.5.2.2 Research design</td>
<td>8</td>
</tr>
<tr>
<td>1.5.2.3 Sampling method</td>
<td>8</td>
</tr>
<tr>
<td>1.5.2.4 Data collection instruments</td>
<td>9</td>
</tr>
<tr>
<td>1.5.2.5 Data collection methods</td>
<td>10</td>
</tr>
<tr>
<td>1.5.2.6 Recording of data</td>
<td>11</td>
</tr>
<tr>
<td>1.5.2.7 Data analysis</td>
<td>11</td>
</tr>
<tr>
<td>1.6 LIMITATIONS OF THE STUDY</td>
<td>12</td>
</tr>
<tr>
<td>1.7 LAYOUT OF THE STUDY</td>
<td>13</td>
</tr>
<tr>
<td>1.8 SUMMARY</td>
<td>14</td>
</tr>
<tr>
<td>CHAPTER 2</td>
<td>15</td>
</tr>
<tr>
<td>LITERATURE REVIEW: OVERVIEW OF A RESTRUCTURING PROCESS</td>
<td>15</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2.1 INTRODUCTION</td>
<td>15</td>
</tr>
<tr>
<td>2.2 OVERVIEW OF A RESTRUCTURING PROCESS</td>
<td>16</td>
</tr>
<tr>
<td>2.2.1 Defining a restructuring process</td>
<td>16</td>
</tr>
<tr>
<td>2.2.2 Restructuring processes in business</td>
<td>16</td>
</tr>
<tr>
<td>2.2.3 Organisational restructuring in a strategic context</td>
<td>17</td>
</tr>
<tr>
<td>2.2.4 International perspectives</td>
<td>17</td>
</tr>
<tr>
<td>2.2.4.1 Global shift to environmental awareness</td>
<td>17</td>
</tr>
<tr>
<td>2.2.4.2 The whole is greater than the sum of its parts - corporate spin-offs</td>
<td>18</td>
</tr>
<tr>
<td>2.2.4.3 Profit versus employee buy-in</td>
<td>19</td>
</tr>
<tr>
<td>2.2.4.4 International perspectives of the private security industry</td>
<td>19</td>
</tr>
<tr>
<td>2.2.3 South-African perspectives</td>
<td>20</td>
</tr>
<tr>
<td>2.2.3.1 The South African criminal climate as a setting for private security</td>
<td>21</td>
</tr>
<tr>
<td>2.2.3.2 The way that private industry has filled the gap in the South African market</td>
<td>24</td>
</tr>
<tr>
<td>2.2.3.3 The Private Security Industry Regulation Act (56 of 2001)</td>
<td>26</td>
</tr>
<tr>
<td>2.2.3.4 Private Security Levies Act (23 of 2002)</td>
<td>27</td>
</tr>
<tr>
<td>2.2.3.5 The Private Security Industry Regulation Authority’s role in the industry in South Africa</td>
<td>28</td>
</tr>
<tr>
<td>2.2.3.6 The Firearms Control Act (60 of 2000) and subsidiary legislation</td>
<td>29</td>
</tr>
<tr>
<td>2.3 DEFINITIONS ASSOCIATED TO THE RESTRUCTURING PROCESS USED IN THE STUDY</td>
<td>30</td>
</tr>
<tr>
<td>2.4 JOB SECURITY AS A MAJOR FACTOR THAT IMPACTS EMPLOYEE MORALE AS A RESULT OF A RESTRUCTURING PROCESS</td>
<td>31</td>
</tr>
<tr>
<td>2.4.1 Job security during a restructuring process</td>
<td>31</td>
</tr>
<tr>
<td>2.4.2 The importance of job security to the employee’s personal life</td>
<td>32</td>
</tr>
<tr>
<td>2.4.4 The influence of job security on employee motivation</td>
<td>33</td>
</tr>
<tr>
<td>2.4.6 How job security affects turnover intent</td>
<td>33</td>
</tr>
<tr>
<td>2.5 OTHER FACTORS THAT HAVE AN IMPACT ON EMPLOYEE MORALE AS A RESULT OF A RESTRUCTURING PROCESS</td>
<td>35</td>
</tr>
<tr>
<td>2.5.1 Employee self esteem</td>
<td>35</td>
</tr>
<tr>
<td>2.5.2 Industry-specific obstacles that drive turnover intent</td>
<td>36</td>
</tr>
<tr>
<td>2.5.3 The influence of collective decision making in restructuring: the capability theory</td>
<td>37</td>
</tr>
<tr>
<td>2.5.4 The influence of restructuring on organisational climate</td>
<td>39</td>
</tr>
</tbody>
</table>
## Table of contents

2.6 THE EFFECT OF RESTRUCTURING PROCESS ON EMPLOYEES: PERCEPTIONS, EMOTIONS, ATTITUDES, TRUST AND ENGAGEMENT ................................................................. 40

2.6.1 Definition of perceptions ........................................................................................................ 40

2.6.2 The effect of restructuring on employee perceptions ............................................................... 40

2.6.3 The effect of restructuring on employee emotions ................................................................. 41

2.6.4 The effect of restructuring on employee attitudes ................................................................. 42

2.6.5 The effect of restructuring on institutional trust ..................................................................... 42

2.6.6 The effect of restructuring on employee engagement ........................................................... 43

2.7 SUMMARY ................................................................................................................................... 43

CHAPTER 3 .................................................................................................................................... 44

RESULTS AND DISCUSSION OF THE QUALITATIVE STUDY .................................................................. 44

3.1 INTRODUCTION .......................................................................................................................... 44

3.1.1 The aims and objectives of the study ..................................................................................... 44

3.2 RESEARCH METHODS ............................................................................................................. 45

3.2.1 Research design used in the study ........................................................................................ 45

3.2.2 Construction of questionnaire and semi-structured interviews ........................................... 47

3.2.3 Population and sample of the study ..................................................................................... 47

3.2.4 Data collection methods of the study ...................................................................................... 48

3.2.5 Qualitative data analysis techniques ...................................................................................... 49

3.3 POPULATION AND SAMPLE DEMOGRAPHICS OF THE STUDY ........................................... 49

3.3.1 Demographics of the population ............................................................................................ 49

3.3.2 Racial demographics of the sample selected by the researcher ............................................. 52

3.3.3 Gender demographics of the study sample ............................................................................ 53

3.3.4 Level of education obtained by respondents ......................................................................... 54

3.3.5 Age ......................................................................................................................................... 55

3.3.6 Position in the company ........................................................................................................ 56

3.4 DATA ANALYSIS .......................................................................................................................... 56

3.4.1 Questions asked during the semi-structured interviews ....................................................... 57

3.4.2 Transcribed results of the semi-structured interviews ............................................................ 58

3.5 ANALYSIS OF THE RESPONSES ............................................................................................... 69

3.6 INTERPRETATION OF QUESTIONS ASKED IN THE INTERVIEWS ........................................ 69

3.6.1 Question 1: In your opinion, has morale increased among employees after the restructuring process and if so how? ................................................................. 70
3.6.2 Question 2: Is there anything at the security company that makes you feel like you would rather not want to come to work? ........................................... 70
3.6.3 Question 3: Do you feel that you would like to continue employment with this organisation for the foreseeable future? ..................................................... 71
3.6.4 Question 4: How much do you trust the new company model to implement changes that are for your own benefit? ................................................................. 71
3.6.5 Question 5: Do you believe that management communicated changes clearly to you during the restructuring process? ..................................................... 72
3.6.6 Question 6: Do you believe that management acted in your best interest during the restructuring process? ................................................................. 72
3.6.7 Question 7: Were you ever fearful that you could lose your job during the restructuring process? .................................................................................. 72
3.6.8 Question 8: Do you believe that you are able to achieve your personal goals within the organisation? ................................................................. 73
3.6.9 Question 9: Do you understand and believe in the new processes and procedures that have been implemented in the company? .................. 73
3.6.10 Question 10: Do you feel inspired to do your job to the best of your ability every day? ...................................................................................... 73
3.6.11 Question 11: How much do you believe that what you do forms a valuable contribution to the organisation? ..................................................... 74
3.6.12 Question 12: Do you believe that the company cares about you as a person? ...................................................................................... 74
3.6.13 Question 13: Do you feel employees, including yourself are committed to the organisational goals after the restructuring process .................. 75
3.6.14 Question 14: Have you thought about looking for another job in the last six months ...................................................................................... 75
3.6.15 Question 15: Do you believe that another organisation may value your contribution more if you found alternative employment? ................. 76
3.6.16 Question 16: How do you feel about your contribution to the organisation since the new management has taken over? .......................... 76
3.6.17 Question 17: Do you believe that the changes that have been made are positive for the employees of the security company? .................. 77
3.6.18 Question 18: How easy have you found it to adapt to a new way of doing things at the security company? ............................................... 77
# Table of Contents

3.7 ETHICAL TREATMENT OF INFORMATION PROVIDED BY RESPONDENTS ................................................................. 78
3.8 SUMMARY ......................................................................................................................................................... 78

CHAPTER 4 .............................................................................................................................................................. 80
CONCLUSIONS AND RECOMMENDATIONS ........................................................................................................... 80
4.1 INTRODUCTION .................................................................................................................................................. 80
4.2 CONCLUSIONS DRAWN FROM THE DATA ANALYSIS ...................................................................................... 80
4.2.1 Answering the research question .................................................................................................................. 80
4.2.1.1 Primary objective ....................................................................................................................................... 81
4.2.1.2 Secondary objectives ................................................................................................................................ 83
4.2.2 Demographics of the sample .......................................................................................................................... 84
4.2.2.1 Age ........................................................................................................................................................... 84
4.2.2.2 Level of education ...................................................................................................................................... 85
4.2.2.3 Position in the company .......................................................................................................................... 85
4.2.2.4 Race .......................................................................................................................................................... 85
4.2.2.5 Gender ....................................................................................................................................................... 85
4.2.3 Data collection methods .................................................................................................................................. 86
4.2.4 Analysis of data .............................................................................................................................................. 86
4.2.5 Implications of the research study ................................................................................................................ 86
4.2.6 Limitations of the study .................................................................................................................................. 87
4.3 RECOMMENDATIONS BASED OF THE FINDINGS OF THE STUDY ......................................................... 88
4.4 RECOMMENDATIONS FOR FUTURE STUDIES IN THE FIELD .................................................................. 90
4.5 CRITICAL EVALUATION OF THE STUDY .................................................................................................... 91
4.5.1 Evaluation of the effectiveness of the study in answering the research objectives ........................................ 91
4.5.2 Significant insights identified during of the study ......................................................................................... 91
4.6 SUMMARY ......................................................................................................................................................... 92
REFERENCES .......................................................................................................................................................... 93
APPENDIX B ............................................................................................................................................................ 108
LIST OF FIGURES

Figure 1.1: Map of Vanderbijlpark and surrounds ........................................5
Figure 1.2: Data collection process .................................................................10
Figure 1.3: Data analysis process .................................................................12
Figure 2.1: South African murder rates 1911-2015 ........................................22
Figure 2.2: Recorded robbery rates in South Africa 2002-2016 .......................23
Figure 2.3: South African fourth quarter gross domestic product 2016 ..........25
Figure 2.4: How job security affects aspects of employee morale during restructuring .................................................................32
Figure 2.5: The effect of increased job security on turnover intent .................34
Figure 2.6: Maslow’s Hierarchy of Needs .......................................................36
Figure 2.7: The capability model .................................................................39
LIST OF TABLES

Table 1.1: Six identified constructs.................................................................9

Table 3.1: Demographic breakdown of the population.................................49

Table 3.2: Abbreviation and position...............................................................51

Table 3.3: Racial demographics of the sample group...................................51

Table 3.4: Gender demographics of the sample group.................................52

Table 3.5: Level of education in the sample group.......................................53

Table 3.6: Age demographics of the sample group.......................................53

Table 3.7: Position of respondents within the company...............................54
CHAPTER 1
NATURE AND SCOPE OF STUDY

1.1 INTRODUCTION

As the private security industry is on a growth curve on the back of a failing South African Police Service (Mthethwa, 2012), private security providers seek to gain market share over rival competitors. In light of the high crime levels experienced in the country, South African citizens are willing to spend more money to ensure their personal safety as well as the safety of their property. According to Sasseta (2016), the number of active registered security personal grew 8.9 percent per year in the period from 2011 to 2014. This indicates that demand has driven growth in the industry. Private security companies are capitalising on this opportunity in the security sector by buying and taking over existing security companies, improving and expanding them, or opening up new security companies to cater for the demand.

Security, as a historically public domain, has become a growing market in the private sector (Steenkamp, 2002). With more security companies entering this market, it seems that profit seeking is now a factor and that policing activities are no longer seen as non-profit activities, but as profit-generating business opportunities. Moreover, Business Tech (2015), the largest information technology publisher in South Africa, reports that in 2014, private security staff registered with PSIRA (Private Security Industry Regulatory Authority) totalled 487 058 versus 153 116 sworn police officials. The number of private security officers is reported to be in excess of the police and the military combined in South Africa (Areff, 2015). Furthermore, because private security companies employ staff under the regulation of PSIRA and not the public sector, staff often do not enjoy the same social benefits as government employees (Hofmeyr & Mc Cay, 2010:54).

Prospective operators elect to work at private security companies because of easy access and minimal level of required formal training. Training consists of basic security training with grades E (lowest) and highest level A (highest), as well as firearm competency versus extensive training to become a police worker. Human capital is vital in terms of delivering private security solutions and it is important for
the acquiring security companies and management to understand the culture, history and individuality of the company before attempting to place blanket standardisation in place (Drowley, 2013:206).

According to Taljaard (2008), one of the main disadvantages of the private security industry, is that unfavourable profit margins could result in a withdrawal from the industry causing a gap in security services delivered to the public. Companies are pressured to optimise staff efficiency and increase profit margins through measures such as restructuring activities in order to remain competitive.

Addressing human resource management in the security industry is vital in terms of maintaining operational effectiveness. Investigating organisational behaviour after a restructuring process will assist in providing insight into how more efficient human resource systems can influence the operational capacity of staff members to perform their tasks effectively on a day-to-day basis. Thus, understanding the effect of a restructuring process on organisational culture is crucial in identifying problems in the operations and service delivery of the company.

1.2 PROBLEM STATEMENT

After an extensive literature review, it seems little research has been done in the line of takeovers or restructuring processes in private security companies in South Africa. There is thus a gap in empirical research done on a large sector within South Africa. However, as the private security sector remains part of private industry, it may be appropriate to compare a security company takeover/restructure to a plant takeover in terms of the effects on employees. Carriquiry (2014) outlines the problems and opportunities associated with dealing with human capital in a takeover and argues that in a study of 17 915 employees working at a firm during a takeover, findings suggest that staff were more likely to leave due to the stresses associated with the changing organisational culture and the dire emotional responses to that change. Carriquiry (2014), furthermore, concluded that of the staff who opted to leave, the majority were top performers, which placed a huge strain on the newly acquired plant (Carriquiry, 2014).
Organisations seeking to acquire security companies by means of takeover should thus carefully consider how to approach the matter of imposing their own organisational culture upon the existing staff (Drowley, 2013:206). In activities that protect life and property, continuity and the flow of activities is imperative in delivering effective private security services to clients. The sudden loss of an experienced administrative employee, for example, could seriously compromise the operational effectiveness and standard on a daily basis within a security company, ultimately impacting on service delivery. Strategic management should plan carefully to ensure that the takeover strategy affords due consideration to the experience and cultural integration of staff members (Drowley, 2013:210).

1.3 OBJECTIVES OF THE STUDY

The research objectives of this study is divided into two, namely primary and secondary objectives

1.3.1 Primary objective

The primary objective of this study was to understand whether the restructuring of a private security company affects employee morale.

1.3.2 Secondary objectives

The literature indicates, in general, that a takeover and restructuring process is a shocking and emotional experience that generates uncertainty and poses a threat to staff on a professional and personal level (Drowley, 2013:206; Terry & Callan, 1997). Thus, in order to reach the primary objective of this study effectively, various secondary objectives have been identified, namely:

- To conduct a literature review of the importance of a restructuring process on employee morale
- To examine the effects of a restructuring process on employee emotional well-being
- To evaluate the attitudes of employees after a restructuring process
- To identify the role a restructuring process plays on the short term organisational objectives
1.3.3 Empirical objectives

In accordance with the primary objectives of the study, the following empirical objectives were formulated:

- Determine the effect of restructuring on employee morale
- Determine the effect of restructuring on employee trust
- Determine the effect of restructuring on employee job security
- Determine the effect of restructuring on employee self-esteem
- Determine the effect of restructuring on employee turnover intent
- Determine the effect of restructuring on employee attitudes

1.4 SCOPE OF THE STUDY

1.4.1 Field of the study

This study involves the observation of the effects on human capital during a restructuring process within a private security company. The study falls within the boundaries of the change management field. The study was conducted in Vanderbijlpark, Gauteng province.

1.4.2 Geographical demarcation

The study took place in Vanderbijlpark in Gauteng province. Vanderbijlpark is a steel-producing industrial town that forms part of the Emfuleni Local Municipality, which in turn forms part of the larger Sedibeng District Municipality. According to the last census done in 2011, the population was 95,840 and the geographical footprint was 178 km², equating to a population density of 539 persons/km² (Statistics South Africa, 2011). The larger municipal area includes surrounding rural areas, including Vereeniging. The Emfuleni area covers an area of 966 km² and has a population density of 747 persons/km², with a total population of 721,663 in 2011 (Statistics South Africa, 2011). Vanderbijlpark is part of the Gauteng province and is approximately 72 km from Johannesburg to the north and 126 km from Kroonstad to the south.
According to the Sedibeng District Municipality’s Growth and Development Strategy (2012), the district comprising of Vanderbijlpark, Evaton and Vereeniging, makes up 3.5 percent of the Gauteng province total and 1.26 percent South African GDP in 2013 with its heavy industry and rich water resources (Sedibeng Integrated Development Plan (2015/2016;2016). The Emfuleni Local Municipality, which includes Vanderbijlpark, is the largest contributor and comprises 77 percent of the Sedibeng District’s GDP. The area of Vanderbijlpark and the surrounding towns making up the Sedibeng district are depicted in Figure 1.1 below. This is where the study took place.

![Figure 1.1: Map of Vanderbijlpark and surrounds](source: Gauteng.net (2017))

1.5 RESEARCH METHODOLOGY

The study is divided into a literature review and a qualitative study. The researcher, in conducting qualitative research, has adapted the following principles from Farber (2006:368-372):

- Identifying a research question
- Defining the research problem
- Understanding the research instrument
- Data collection through interviews and observations
- Data analysis through coding of rich data
- Writing the report
• Concluding remarks and suggestions.

An interview schedule was used for the empirical part of the study to gather qualitative data.

1.5.1 Literature review

In support of the empirical portion of the study, both South African as well as international literature was reviewed. The reviewed literature was supported by secondary sources and included peer reviewed academic articles, Internet journals, news articles, business articles, textbooks and journals articles.

The literature reviewed focused on organisational culture in the private security sector and the importance thereof in service delivery; the effect of takeovers on employee buy-in and staff turnover in the private security sector; the effect of staff turnover and employee disillusionment on the organisation in the private sector; and the effect of mergers in organisational culture in the private security sector.

Thereafter, the research methods and procedures used in the case study were described. The findings of the study were discussed, followed by limitations of the study. The implications of the findings were discussed and proposals for further research areas in this field were offered. Care was taken to use sources that are new and relevant in order to reflect the latest studies and the accepted literature on organisational change and employee buy-in.

A complete review regarding employees of private security companies as well as the effect of mergers and acquisitions on employees in organisations was done. The sources that were consulted include:

• Accredited journal articles in Ebscohost, Google Scholar as well as the North West University Library site
• Books and e-books from the NWU library
• Dissertations and previous theses on organisational behaviour and industrial psychology
The literature was strengthened from published articles from qualitative approaches in business studies and other databases for example Business Source Premier and Emerald Library.

1.5.2 Empirical study

This section describes the specific techniques that were used to reach the findings of the research study. These include the research setting, the sampling methods, instruments of measurement used, the collection of data, recording of data and the analysis of the data.

1.5.2.1 Target population

The target population relevant to this study were full-time employees of a private security company in the Vaal Triangle, Gauteng, South Africa. The target population comprise:

- Element: Full-time employees of any age, race, gender or educational background
- Sampling unit: Private security company
- Geographical extent: Vanderbijlpark, Gauteng, South Africa
- Year: 2017

The target population for the study was staff of a private security company undergoing change of ownership and management during 2016. The sampling technique used is thus a non-probability sampling method employing a total population sampling technique. This is subjective sampling, where the researcher is of the opinion that the sample is of such a small size that the study constitutes a typical case sample where the changes transpiring in the company constitute a single situation from which valuable data can be extracted (Laerd, 2012). According to Higginbottom’s (2004) interpretation, purposive sampling can be described as choosing a participant based on their membership to a group or sub-culture. The study focuses on the culture of a specific culture of people and the effect of restructuring thereon.
1.5.2.2 Research design

The research was conducted at the offices of a private security company. The researcher had direct access to the company and the target population on a daily basis and the Managing Director of the organisation recognised that the researcher requested voluntary participation from the employees during working hours (see Appendix A). It, therefore, is possible to conduct continuous structured and unstructured observations within the organisation. Through observation techniques and researcher-led interviews with approximately six staff members, the researcher had access to the data required to complete the case study.

The research does not extend to the level of the clients as that involves special legal considerations and consent; it, furthermore, falls outside the scope of this study. The employees of the organisation were all selected due to their respective work experience and position in the private security industry. The organisation’s processes, cultures, people, programmes and managers were available to the researcher through permission obtained by the Managing Director and employees to conduct the interviews.

1.5.2.3 Sampling method

Due to the study being of a qualitative nature, purposive, non-random sampling often is used because the number of interviewees is less important than the selection criteria. Individual characteristics of the participants are considered and a judgement sampling technique is employed to ensure that the right characteristics are found in the participants (Etikan, Musa & Alkassim, 2016:2). It was more valuable, in terms of gathering information regarding the specific company culture, to use a small number of individuals carefully selected on the basis of involvement in the restructuring process that took place. The type of purposive sampling used in the study was a phenomenological approach, where the researcher studies the effect that the phenomenon of restructuring had on the employees of the private security company (Sauro, 2015). It is, furthermore, also a typical case sample, where the transformative changes transpiring in one company constitute a single situation from which valuable data can be extracted to aid further research on similar situations in
the future. It is important to assess how the transformation has affected the staff as a whole within one company (Laerd, 2012).

1.5.2.4 Data collection instruments

Semi-structured interviews were used to interview the six participants. The researcher guided the group using 18 questions aimed at extracting the feelings of the staff towards the restructuring process. Table 1.1 represents the constructs identified by the researcher and adapted from questionnaires by Nober (2014), Sayed (2013) and Zweni (2004), whose measurement tools were found to be reliable and valid when used in respective studies in which they were utilised:

Table 1.1: Six identified constructs

<table>
<thead>
<tr>
<th>EMPLOYEE MORALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMPLOYEE TRUST</td>
</tr>
<tr>
<td>EMPLOYEE JOB SECURITY</td>
</tr>
<tr>
<td>EMPLOYEE SELF ESTEEM</td>
</tr>
<tr>
<td>EMPLOYEE TURNOVER INTENT</td>
</tr>
<tr>
<td>EMPLOYEE ATTITUDES</td>
</tr>
</tbody>
</table>

Structured, interviewer-administered questionnaires were used to facilitate semi-structured interviews on areas in which participants were encouraged to give opinions in order to obtain the richest data (Anderson, 2010). The researcher manually evaluated and interpreted the data. The interpretation was conducted by dividing the rich data using information obtained during the literature study phase of the research into emerging themes identified from each participant during the interviews. (Tuckett, 2004:8). The researcher then highlighted the important themes after transcribing all of the participants’ responses. The themes and related questions used were adapted from questionnaires by Nober (2014), Sayed (2013)
and Zweni (2004) to ensure reliability and validity of the data obtained. This ensures that the measuring tool was a reliable tool to measure the data obtained in order to obtain objective results related to the research question.

1.5.2.5 Data collection methods

The staff members were sent electronic invitations to participate in the study via email. Staff members were informed that participation in the study was voluntary and that responses will remain anonymous and only be used in the context of this study. Once accepted, instructions on how the discussion would work were sent to all participants to peruse before the interview to save time. Because all of the participants are in a single geographical location during a nine-day rotation, it was relatively easy to co-ordinate the interviews over a period of two weeks. Six one hour sessions were scheduled with the selected participants and conducted as planned. The data were recorded on a voice recorder and manually filled in by the interviewer. The data then was recorded and processed by the researcher. No incentives were offered to respondents to participate in the study (Anderson, 2010). The data collection process is illustrated in Figure 2.

![Data collection process diagram]

Figure 1.2: Data collection process

The data were collected through open and semi-structured interviews with focus groups sessions. The reason for this was twofold. First, the group environment
provided a natural setting in which the respondents felt more comfortable to express views regarding how they feel about the new management and company model, secondly, the employees of the small organisation have their own culture and are a group of people that have developed trust relationships over time (Wheelan, 2005:11). This means that the discussion between staff members facilitated valuable observation opportunities for the researcher.

1.5.2.6 Recording of data

All sessions with respondents were recorded on a voice recorder and later transcribed by the researcher to ensure the integrity of the data collection process (Responsible Conduct of Research, 2005). The researcher transcribed and captured the data on an Excel spreadsheet, categorised under emerging themes identified from the relevant questions asked. The questions and subsequent themes were adapted from questionnaires by Nober (2014), Sayed (2013) and Zweni (2004) in order to ensure reliability and validity. This ensured that the recording of the data was reliable and the results obtained remained objective.

The data were stored on recordings as well as on Excel spreadsheets. Both the recorded and captured data were backed up onto an external hard drive, which will be kept for two years subsequent to publication of the research for verification purposes. This will ensure that the data are not lost or destroyed and can be accessed easily for purposes of study duplication.

1.5.2.7 Data analysis

The questions utilised were adapted from questions by Nober (2014), Sayed (2013) and Zweni (2004) and were found to be reliable and valid when tested against the objectives of the study; this being that the researcher attempted to assess if an organisational restructuring process affects the attitudes and perceptions of the employees to such a point that employee morale is affected. The NVivo program was considered for use to analyse the data; however, it was decided that the richness of the data necessary to answer the research question required analysis by the researcher in this study.
After the information was recorded and transcribed, discussion items that were dominant between members and between groups was identified and grouped according to the constructs identified by the researcher.

Frequencies of the discussion items were recorded to ascertain the emerging themes. These items were populated with the individual qualitative data. Common threads were identified and interpreted to be representative of the group as a whole. Figure 3 illustrates the data analysis process.

**Figure 1.3: Data analysis process**

1.6 LIMITATIONS OF THE STUDY

The researcher identified the following limitations of qualitative research:

- It was time-consuming to evaluate the individual data of each respondent.
- Due to the work relationship between the researcher and the participants, it was difficult to maintain anonymity with regards to the reaction of the participants.
- The interpretation by the researcher had a risk of biasness due to inductive reasoning techniques and personal experiences. (Barbour, 2001:1115).
• The study is limited to the geographical location of Vanderbijlpark and a specific private security company; findings may be different in another location and organisation. This means that caution should be exercised when generalising the findings.

• Because qualitative research involves the feelings and perceptions of people within a specific company, it cannot be generalised to another company.

1.7 LAYOUT OF THE STUDY

The chapters in this mini-dissertation are presented as follows:

<table>
<thead>
<tr>
<th>Chapter 1</th>
<th>Nature and scope of the study</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Introduction</td>
</tr>
<tr>
<td></td>
<td>Problem statement</td>
</tr>
<tr>
<td></td>
<td>Objectives of the study</td>
</tr>
<tr>
<td></td>
<td>Research methodology</td>
</tr>
<tr>
<td></td>
<td>Limitations of the study</td>
</tr>
<tr>
<td></td>
<td>Layout of the study</td>
</tr>
<tr>
<td>Chapter 2</td>
<td>Literature review</td>
</tr>
<tr>
<td></td>
<td>A literature review on the effect of restructuring on the members within an organisation</td>
</tr>
<tr>
<td>Chapter 3</td>
<td>Qualitative study and results</td>
</tr>
<tr>
<td></td>
<td>Develop instrument</td>
</tr>
<tr>
<td></td>
<td>Collect data</td>
</tr>
<tr>
<td></td>
<td>Analyse data</td>
</tr>
</tbody>
</table>
Chapter 1: Nature and scope of the study
Chapter 1 provides an overview of the scope of the study and highlights the problem statement, research objectives, research methodology and limitations of the study. It also briefly outlines the layout of the rest of the chapters in the study.

Chapter 2: Literature review
The second chapter covers the literature review. The aim of this chapter is to define a restructuring process, in general, in terms of the literature and to provide a context in terms of the specific security industry in South Africa. The literature also explains why it is necessary to gather qualitative data on personal feelings and perceptions of both employees and management, in order to assess the impact of the restructuring process.

Chapter 3: Qualitative study and results
The third chapter focuses on the methodology used to obtain the results including the instruments used, the population size and sample used as well as the data collection and analysis methods employed. The interpretation of the results is discussed in this chapter.

Chapter 4: Findings and recommendations
The fourth chapter dissects the results discussed in Chapter 3 and provides more insight into the impact of the findings on the private security company. This chapter discusses practical recommendations based on the findings of the research that the company can implement.

1.8 SUMMARY
Chapter 1 provides an introduction to the study. It outlines the problem, which the researcher intends to research, investigate and provide necessary feedback on, of the study. The next chapter provides the literature review of the study and the foundation for the empirical study.
CHAPTER 2
LITERATURE REVIEW: OVERVIEW OF A RESTRUCTURING PROCESS

2.1 INTRODUCTION

The aim of this chapter is to define a restructuring process in general by doing an in-depth literature review, with specific reference to the private security industry in South Africa. It is necessary to gather qualitative data on employees and management perceptions and understanding during and after a restructuring process. In a merger between two higher education institutions in Wales, it was contended that relationships between staff, management and executive management is of particular importance and collaboration on a strategic level and often filters down onto an operational level (Drowley, 2013:2010). Staff members or middle managers who were demotivated by the restructuring process inadvertently influence the rest of the personnel negatively.

Research in mergers and acquisitions is scarce due to high employee turnover, making it difficult to assess employees’ emotions and perceptions over time (Cartwright & Schoenberg, 2006:9). It is imperative that during a restructuring process, the operational activities remain uninterrupted and employees be reassured of job security because the operations are the core activity of the company and operating in a dangerous environment, errors made by employees due to demotivation may cause injury to people or damage to property. The security industry as a whole is prone to high employee turnover due to the traditional militaristic nature of the business, high stress levels and long working hours (Alexander Forbes, 2014:361).

Companies that have enjoyed high staff retention, high productivity and high buy-in percentages despite going through turbulent times, have continuously placed a high value on the comfort, physical, psychological and financial well-being of their employees (Gorey, A. 2011). There is little research on restructuring of security
companies in South Africa and a great deal could be gained from a study into how employees and employers can work together to find middle ground.

2.2 OVERVIEW OF A RESTRUCTURING PROCESS

2.2.1 Defining a restructuring process

According to the Business Dictionary Online (2017), a restructuring process is understood better as a fundamental or drastic change that changes the relationship between different departments, positions or elements within a company.

According to Business Jargons (2017:1), restructuring can be defined as:

the process of making changes in the composition of a firm's one or more business portfolios in order to have a more profitable enterprise.

Simply, reorganizing the structure of the organization to fetch more profits from its operations or is best suited to the present situation.

Brand & Wilson (2000:97) contend that a restructuring process can be thought as a way of redesigning the internal structure of an organisation by streamlining processes and re-defining employee roles. This is done with the aim of gaining competitive advantage through optimal use of processes and people.

It can be deducted from the three definitions that a restructuring process can be characterised by change within the organisation that results in a more streamlined approach to processes, re-designing job roles to leverage human talent fully, with the ultimate goal of improved operations and competitive advantage.

2.2.2 Restructuring processes in business

According to Business Dictionary Online (2017), a restructuring process in business can be described as “[b]ringing about a drastic or fundamental internal change that alters the relationships between different components or elements of an organisation or system”.

Business restructuring has become an integral part of streamlining people and processes in order to ensure organisations remain competitive. Furthermore,
redefining job roles and organisational culture can result in the emergence of a more competitive organisation (Brand & Wilson, 97:2000).

Macro-economic change and pressure from an ever-changing business environment is forcing organisations to focus on becoming leaner and more cost effective in order to remain competitive in the market (Marais & Hofmeyr, 2013:11). Predetermined organisational goals are the primary objective of any undertaking and strategies need to be adapted according to market demands in order to achieve organisational success. It is thus necessary for organisations to adapt corporate strategy in order to reach goals and restructuring business operations is a method to achieving such goals. (Nober, 2014:20)

2.2.3 Organisational restructuring in a strategic context

In order to cope with a fast changing global macro-environment, organisations are pressured to employ restructuring to counter rising costs of inputs, inflation and economic downturn. In order to remain competitive, strategic restructuring of business activities leads to cost cutting, divesting in non-profitable business units, down-sizing and internal re-organisation of processes. The primary aim of restructuring in a strategic context is to ensure that the business remains competitive and this may result in various stakeholders being affected by the process (Marais & Hofmeyr, 9:2013).

2.2.4 International perspectives

2.2.4.1 Global shift to environmental awareness

As globalisation and environmental factors play an increasingly important role in strategic business operations, it becomes important to consider what factors organisations, contribute to the environment (International Federation of Social Workers, 2012).

In the security industry, the main cost contributor in operations is the use of fossil fuels to react to crimes using petrol/diesel. According to Ghosal (2015, 123) who conducted a study on business restructuring in paper mills in Finland and the United
States of America (USA), there is increased responsibility to consider global environmental issues such as air pollution during the restructuring process.

During his studies at various paper mills, Ghosal (2015:128) found that an important focus during restructuring is to identify bottlenecks during the production process by examining the value chain, in order to ensure that strategic business initiatives are restructured in such a way to ensure compliance with changing global norms and market conditions. As a fossil fuel user, private security companies should strive to ensure that restructuring initiatives, when performed, have a medium- to long-term focus on global environmental sustainability. Due to the main carbon footprint being the use of fuel in cars, security companies could start by considering alternative methods of service delivery such as electric cars or at least finding methods to increase efficiency and reduce carbon emissions.

2.2.4.2 The whole is greater than the sum of its parts - corporate spin-offs

According to leading news provider Business Times (2017), corporate spin-offs can be defined as a unique way of divesting in certain areas of the business to allow for more focus on core competencies, without diluting equity or transferring shares.

In restructuring, certain international companies have adopted divestiture as a strategy to remain competitive in core business operations. The organisation’s focus is to divest out of products/services that may be eating into long-term profitable projects. In 2009, the FCI Group sold off its electrical brand (making up 12% of total revenue), Burndy to Hubbell (Pele, 2009), with the CEO, Pierre, according to Hakala (2006:683), divesting low productivity plants in the long run played an integral role in long-term increases in productivity. Bhana (2004:5) contends that a spin-off allows shareholders of the parent company to retain shares in the newly founded company at the same percentage as in the parent company and that no re-evaluation of assets nor cash exchanges take place.

The company involved in this study is currently registering a separate entity to run their guarding and strategic security solutions division in an attempt to optimise core operational efficiency and focus on areas of competence rather than diversify. The new entity not only allows organisation to offer guarding and strategic solutions
services to customers, but it also allows key staff within the organisation to focus on service excellence in its core business operations.

The above view from an international perspective justified that divesting in certain business areas may enhance other operational activities and although certain stakeholders may be affected, the various core operations of the company should be a primary focus during restructuring.

2.2.4.3 Profit versus employee buy-in

Ghosal (2015:132) concluded during visits to paper mills in Finland and the USA that in the USA, top management were concerned with profitability through efficiency whilst restructuring, while in Finland, top management were concerned with incrementally changing attitudes of both management and employees. However, both companies confirmed that the decrease in costs versus efficiency increased by 1.25 percent to 2 percent despite the difference in managerial approaches (Ghosal, 2015:123). This indicates that regardless of the approach to the restructuring process, both companies were in the same range of operational improvement.

2.2.4.4 International perspectives of the private security industry

During the literature review, the researcher found that little research has been done on the private security sector internationally. The researcher made use of Kontos (2004) as a source. The reason that the researcher believes that it was still valid in 2017, is due to the fact that private policing, public law enforcement and public policing services are generally accepted as part of society and are not likely to become redundant. It was furthermore confirmed in another study where Minaar (2004:1) confirms the incremental growth of the private security industry, as well as the importance of the private security function in relation to public policing activities. It was therefore considered by the researcher to remain relevant in 2017. According to Kontos (2004:199), the private security industry is one of the fastest growing industries in the world and is following neoliberal trends of deregulation and privatisation characterised by capitalism and free markets. Kontos (2004) contends that numerous governments across the globe are attempting to cut government spending by privatising historically public services. However, legitimate force used by police all over the world is afforded legitimacy because of their status as government
officials. The question posed by the author was: Can a government hand over its rights to a private company and if so is it in violation of international human rights to do so? (Kontos, 2004:199).

Kontos (2004:202) contends in his debate, that worldwide, private security officers have no more rights than ordinary citizens in terms of a citizen’s arrests and the use of lethal force. Furthermore, the state is under stricter liability during the use of lethal force than private citizens and thus if the state confers these duties to private companies, is the state then less liable for violations committed by security officers if policing is essentially outsourced. Private security guards can only make an arrest if a serious crime has been witnessed or in protection of private property, whereas police officers are able to arrest on suspicion of crime or for less serious crimes without a warrant (Kontos, 2004:203).

According to the International Law Commission (ILC), drafts for state responsibility refer to the fact that state responsibility for actions executed by private persons, acting in the capacity of the state, do not apply to private security guards. Security personnel acting by way of self-help or self-defence, are comparable to private individuals and such laws would apply to private citizens as well (Kontos, 2004:220).

This appears to be in line with the situation in South Africa, where private security officers act with authority to protect property and lives of the person who owns the premises. In terms of sub-section 42 of the Criminal Procedure Act (51 of 1977), it is this right to protect someone else’s life and property that gives security personal the jurisdiction to act.

2.2.3 South-African perspectives

The Criminal Procedure Act (51 of 1977) allows for arrest of a suspect by a private person in sub-section 42 of the Act. Section 42 provides the following:

42 Arrest by private person without warrant

(1) Any private person may without warrant arrest any person-
(a) who commits or attempts to commit in his presence or whom he reasonably suspects of having committed an offence referred to in Schedule 1;

(b) whom he reasonably believes to have committed any offence and to be escaping from and to be freshly pursued by a person whom such private person reasonably believes to have authority to arrest that person for that offence;

(c) whom he is by any law authorized to arrest without warrant in respect of any offence specified in that law;

(d) whom he sees engaged in an affray.

(2) Any private person who may without warrant arrest any person under subsection

(1) (a) may forthwith pursue that person, and any other private person to whom the purpose of the pursuit has been made known, may join and assist therein.

(3) The owner, lawful occupier or person in charge of property on or in respect of which any person is found committing any offence, and any person authorized thereto by such owner, occupier or person in charge, may without warrant arrest the person so found.

2.2.3.1 The South African criminal climate as a setting for private security

The South African government, in addressing safety and security, utilises clusters, each with its own responsibilities that ensure priorities are met. (South African Government, 2017:1). In his budget vote speech last year, former police minister, Nkosinathi Nhleko alluded to the fact that the Justice Crime Prevention and Security cluster states that its main responsibility is to ensure that all people in South Africa are and feel safe (Nhleko, 2016). However, it appears that it has failed in meeting its priorities and Du Preez (2016:1) suggests that the country continues to experience increased cases of crime, corruption, abuse of state resources and the report on state capture.
According to Kriegler (2016:1), South Africans have become so accustomed to violence and corruption that they have built up a form of immunity to feeling shocked at crime. In her assessment, Kriegler (2016:1) identified four major categories of crime: murder, aggravated robbery, burglary, drug-related crime and illegal possession of firearms. Kriegler (2016:1) found that in 2016 the national murder rate per 100 000 people has risen from 33 to 34 with a rate increase from 2.6 percent in 2015 to 3.1 percent in 2016. It has been observed that the murder rate spiked in 1994 and that it declined steadily until 2012, since then, it has once again seen a steady incline. This may have been an exacerbating factor in the need for community members to seek alternative means of safety and protection (Kriegler, 2016:1).

Figure 2.1: South African murder rates 1911-2015

Source: (Kriegler & Shaw, 2015:1)
In contrast to the murder trends over the last 20 years, robbery rates of commercial and residential properties have increased and have not directly correlated with the murder rates over the same period (Statistics South Africa, 2016). This may have been a potentially fuelling factor in the continued growth of the private security sector, whose core function is the protection, prevention and mitigation of damage to property and persons (PSIRA, 2016). Figure 2.5 illustrates the growing robbery and burglary rates compared with the murders (Figure 2.4) in the country.

Figure 2.2: Recorded robbery rates in South Africa 2002-2016

Source: Kriegler and Shaw (2015:1)

Regardless of the historical trends, it is evident from the statistics that rates of all crimes have been climbing since 2012 (Statistics South Africa, 2016). This has left
an opportunity in the market for private industry to come in and fill the gap. Private companies, funded by private citizens, have been increasingly stepping into the role of police in areas where robbery and burglary are prevalent (Van Graan, 2016).. Mthethwa (2012:1) reports that the number of private security business registered with PSIRA grew by 18.35 percent during the 2011 and 2012 financial years, correlating with the increase in crime starting in that year as reported by Kriegler (2016:1). Drug-related crime and illegal firearm possession increased for the first time since 1996 (Crime Statistics South Africa, 2015).

Kallvest (2017:1) points out that the reported figures are extremely high in the global context and this may be the largest driving force behind the growing industry. South African citizens are increasingly subscribing to private security companies to protect private property and persons. Considering the ineffective policing, lack of training and rising crime rates, it is evident that the need to protect people and property would rise proportionately in South Africa.

Mbhele (2016:1) proposes that South Africa’s high crime rate may be attributable to a lack of adequate training within the South African Police Service (SAPS). He states that during 2014, 2015 and 2016 government had not allocated any funds on the training of SAPS senior management. Mbhele (2016:1) suggested this to be the main cause for the lack of leadership and the failure of strict adherence to protocols and disciplines taught during basic and on-the-job training.

2.2.3.2 The way that private industry has filled the gap in the South African market

South African private industry has noted the gap in a market and in answer to the rising crime levels and increased discomfort felt by the community, have taken up the opportunity. According to PSIRAs Annual Report (2016:14), South Africa has a large number of registered security firms, with 8692 registered companies. Mthetwa (2012:1) claims that this is the largest private security industry in the world. Kallvest (2017:1) suggests that the only way in which crime will be reduced adequately, is to integrate policing with private security activities. Mthetwa (2012:1) confirms that the private security industry systematically is increasing policing functions, which in turn may have serious repercussions on the criminal justice system. Private security
personnel may not properly adhere to processes followed during arrests and this may lead to criminals being set free based on procedural incorrectness.

Mthethwa (2012:1) reports that in 2012, 1.7 million security guards were registered, of which 490 000 are active in the industry. The report estimated that 15 000 - 20 000 new members join the private security industry every month. PSIRA (2015/2016), confirms this trend in their annual report stating that there had been a rise of 8.2 percent from 451 565 active officers in 2015, to 488 666 in 2016. There had also been a rise in registered security businesses of 6.1 percent from 8195 in 2015 to 8692 in 2016. Considering that South Africa’s economic growth rate for the fourth quarter of 2016 was -0.3 percent, a growth in the investment activities in the security industry of 6.1 percent is an indication that either investors identified opportunity for growth in the industry and drove growth through investment, or the public drove growth through increased demand for security.

Figure 2.3: South African fourth quarter gross domestic product 2016

Source: Statistics South Africa (2016)
According to renowned news website, Timeslive (2015), Fidelity Pty (Ltd) has recently bought over ADT South Africa owned by United States based Tyco, for an amount of R1.9 billion. This came in the wake of an amendment to the law, which has not yet been enacted requiring all foreign-owned security companies to have 51 percent local ownership to remain in operation. It will be interesting to assess ADT staff members after a time lapse in order to assess how the change in ownership affected their emotional attachment to the company as well as how the employees reacted to the changes that may be implemented.

2.2.3.3 The Private Security Industry Regulation Act (56 of 2001)

The Private Security Industry Regulation Act (56 of 2001) was promulgated with the aim of regulating the private security industry. It aims to protect employees as well as the public by ensuring that security staff and companies are above-board in all regards (PSIRA, 2017). The primary objectives of the body of authority created by the Act are as follows:

The primary objectives of the authority are to regulate the private security industry and to exercise effective control over the practice of the occupation of security service provider in the public and national interest and the interest of to security industry itself, and for that purpose, subject to this Act, to –

A. promote a legitimate private security industry which acts in terms of the principles contained in the Constitution and other applicable law;

B. ensure that all security service providers act in the best interest of the public in the rendering of security services;

C. promote a private security industry which is characterized by professionalism, transparency, accountability, equity and accessibility;

D. promote stability of the private security industry;

E. promote and encourage trustworthiness of security service providers;

F. determine and enforce minimum standards in respect of security service providers;
G. encourage and promote efficiency in the rendering of security services;
H. promote, maintain and protect the status occupation of security service provider;
I. ensure that the process of registration of security service provider is transparent, fair, objective and concluded timeously;
J. promote high standards in the training of security officers and prospective security service providers;
K. encourage ownership and control of security businesses by historically disadvantaged groups through unfair discrimination
L. encourage equal opportunity within security industry;
M. promote the protection and enforcement of the rights of security officers and other employees in the private security industry;
N. ensure that compliance with existing legislation by security service providers is being promoted and controlled through a process monitoring a providers;
O. protect the interests of the users of security services;
P. promote the development of security services which are responsive to the needs of users of such services and of the community;
Q. promote the empowerment and advancement of persons who were historically disadvantaged through unfair discrimination in the private security industry (Private Security Industry Regulation Act (56 of 2001)).

2.2.3.4 Private Security Levies Act (23 of 2002)

This Act imposes stricter levies on private security companies with the aim of funding the PSIRA. The levies fund the operations of the authority, which controls registration of companies and security officers, whereby regulating potential ‘fly by
night' individuals who may pose a danger to both the public as well as employees (Berg, 2003:189).

2.2.3.5 The Private Security Industry Regulation Authority’s role in the industry in South Africa

In order to ensure the objectives are met, the Act has created the Private Security Industry Regulatory Authority and empowered it to regulate the industry. The authority keeps companies and security employees accountable and ensures that employees do not have criminal records in order to be registered with PSIRA. Private security companies can sell security products, provide security services, or both (Iwuoha, 2016). However, it is a requirement that companies register with PSIRA, pay annual registration fees and ensure that staff members register at the correct level. PSIRA has the power to conduct investigations and audits, impose fines on offenders if regulations are not followed and refuse renewal of the security company’s registration. (Private Security Industry Regulation Act (56 of 2001):S4)

Regulation of the industry forms an integral part in holding security companies accountable for their actions as well as the actions of staff members. Mthethwa (2012:1) admits that the industry is not without fault and that continued work should be done to ensure that companies and security industry staff are compliant with the Act. Due to the nature of the industry, it can at times be susceptible to criminal activities by staff members.

Security staff members are required to possess registration certificates issued by PSIRA, to ensure that individuals who have been involved in criminal activities are no longer employable. The certificates are renewable yearly and will not be issued to individuals who have a criminal record (Private Security Industry Regulation Act 56 of 2001). The eradication of criminal infiltration remains a challenge to private companies and needs further scrutiny, which is beyond the scope of this study, apart from acknowledging the role that the authority plays in the regulation of the industry.

There are low entry barriers in the security industry because the authority fails to conduct adequate and regular inspections. Regulatory aspects contained in the Act are often vague and can be manipulated to suit the company (Maritz, 2012:1). The result of this is that there are often new entrants to the market that do not adhere to
regulatory requirements and may engage in unethical conduct in order the undercut
the market. The adherence to PSIRAs minimum wages is often the way that
companies are able to undercut the market, exploiting employees and stealing
market share from companies that adhere to regulations.

2.2.3.6 The Firearms Control Act (60 of 2000) and subsidiary legislation

The Act has procedural and substantive measures in place to regulate the
registration of firearm licenses. Among others, the Act requires that a person working
in security applying for a license be a fit and proper person, have proper training at
an accredited facility, have no criminal record five years preceding the application,
have no substance abuse issues and display no propensity towards violence.

The Firearms Control Act (60 of 2000) is aimed at furnishing every person in South
Africa with a right to protect security of the person, although in the preamble of the
Act, it states that the right to ammunition and arms has contributed to the rising
levels of violence in the country (Firearms Control Act 60 of 2000).

2.2.3.7. Private Security Industry Regulations 2002

According to the Private Security Industry Regulations Act (56 of 2001), the Minister
of Safety and Security has the power to impose regulations pertaining to the
registration and clearance issued to security officers and companies and amend
such from time to time.

2.2.3.8. Section 189A of the Labour Relations Act (66 of 1995)

Section 189A (1) (a) provides the following with respect to employers retrenching
employees where:

(a) the employer contemplates dismissing by reason of the employer’s operational requirements, at least –

(i) 10 employees, if the employer employs up to 200 employees;

(ii) 20 employees, if the employer employs more than 200, but not more than 300, employees;

(iii) 30 employees, if the employer employs more than 300, but not more than 400, employees;
(iv) 40 employees, if the employer employs more than 400, but not more than 500, employees; or
(v) 50 employees, if the employer employs more than 500, employees.

A further implication is that the employer or any consulting party to the affected employees may request statutory facilitation upon which a mandatory 60 day holding off period is implemented to allow for the outcomes of the disputes (Continental Tyre SA (Pty) Ltd v National Union of Metal Workers of South Africa (P301/05, PA2/06) [2008] ZALAC 4)

2.3 DEFINITIONS ASSOCIATED TO THE RESTRUCTURING PROCESS USED IN THE STUDY

- **Take-over:** To assume possession, control or become dominant over something; in business, generally an organisation/company (Merriam-Webster Online Dictionary (b), 2017)
- **Private security company:** A non-governmental, for profit organisation that engages in activities such as patrolling areas, preventing crime and maintaining order (Minaar, 2004; 2004)
- **Employee turnover:** The rate at which employees plan to leave voluntarily, or who are removed involuntarily within an organisation (Cole & Bruch, 2006:594)
- **Self esteem:** A confidence and satisfaction in oneself (Merriam Webster Online Dictionary (a):2017)
- **Institutional trust:** The reciprocal relationships between employees in various levels within the organisation that promotes a climate of trust and allows employees the freedom to excel. This promotes positive performance within the organisation (Marais & Hofmeyr, 2013:13)
- **Employee engagement:** A relationship between employer and employee that promotes trust and positivity, which ultimately engages employees to act in a way that improves organisational performance (Marais & Hofmeyr, 2013:13)
- **Strategic intent:** The intentions with which an organisation transforms operational efficiency to reach strategic goals by planning, managing, inspiring and driving the entire organisation effectively (Hamel & Prahalad; 2005).
• **Organisational climate:** The intricate way in which the organisational units operate and the character that embodies the organisation, which can be affected by internal factors such as leadership styles or processes, or external factors such as economic conditions or industry trends (Brand & Wilson, 2000:97)

• **Job security:** The expectation that a person will remain employed in the same position, by the same employer (Taamneh, 2014:61)

• **Turn over intent:** The psychological intention of an employee to look for other employment in the foreseeable future (Gyensare, 2013:5)

• **Work alienation:** The degree to which an employee feels removed or estranged from work activities rather than the degree to which an employee feels connected to work activities (Kanungo, 1982: 33).

• **Employee morale:** The way that an employee responds to both intrinsic and extrinsic emotional and physical stimuli which has been found to affect the level at which employees perform at work (Business Dictionary, 2017).

2.4 **JOB SECURITY AS A MAJOR FACTOR THAT IMPACTS EMPLOYEE MORALE AS A RESULT OF A RESTRUCTURING PROCESS**

The literature will show below that job security has a profound effect on many attributes of an employee and directly contributes to the employees’ morale and performance in and out of the work environment. An employee will experience an intrinsic or extrinsic need and seek satisfaction for that need. Employees have been found to react according to whether or not the need is fulfilled (Baehr & Renck, 1958:159). The following factors have been identified by the researcher as important effects that job security has on an employee’s morale.

2.4.1 **Job security during a restructuring process**

Job security is of integral importance to employees as a factor that may affect many facets of an employee’s professional and personal well-being. It is can be seen as a driving force that can affect the employee on various levels such as productivity, emotional, financial and physical health (Baehr & Renck, 1958:158). In the absence of job security, employees may feel the need to remove themselves from the situation in order to elude the anxiety that is causing the discomfort (Taamneh & Gharaibeh, 2014:56).
It can be deducted from the research performed during this literature review, that the uncertainty caused by a restructuring process can cause employees to feel uncertain as to the status of his/her future employment with the organisation. In turn, this will affect other aspects of the employees well-being and may negatively affect the employee to such an extent that the employee may choose to leave. (Gyensare, 2013:5)

Figure 2.4 depicts how job security is central to various facets of employee’s intrinsic and extrinsic attributes. These attributes are related directly to employee morale and how an employee reacts to various circumstances, including restructuring.

**Figure 2.4: How job security affects aspects of employee morale during restructuring**

2.4.2 The importance of job security to the employee’s personal life

Job security is of such an important nature to an employee on a personal and emotional level that it is a core concern in a person’s life and can cause anxiety, fear and emotional unrest as to the future of that person (Taanneh & Gharaibeh, 2014:56). Brand and Wilson (2000:99) conclude in a study of a restructuring firm that
job security does not only affect an employee’s feelings towards work activities, but also personal and social interactions outside of work.

2.4.4 The influence of job security on employee motivation

The knowledge that an employee will hold his/her position in an organisation, especially during times such as recession, is one of the major contributors to job security and thus motivates the employee to improve performance (Taamneh & Gharaibeh, 2014:61). According to the above statement, the researcher is of the opinion that an employee who is job secure, especially during global or national economic crises, will have higher motivation levels to perform job tasks.

2.4.5. Job security and work alienation

Job security can be defined as the expectation of continued employment in the same position and with the same employer (Taamneh, 2014:61). Employees become job insecure when there is a perceived threat to the continued employment at the organisation and this threat may lead to work alienation where the employee loses motivation, confidence and desire to perform optimally. The employee becomes isolated and feels powerless to control circumstances in the workplace (Taamneh, 2014:60).

Research suggests that when employers embark on a restructuring process, the expectation of continued employment by the employee is no longer present and employees may experience job alienation. In turn, employees no longer feel motivated to perform optimally and lose confidence in their ability to perform work-related tasks. This may influence the organisation negatively and reduce overall productivity. It is thus generally accepted that it is vital for organisations to communicate with employees regarding changes during restructuring to assure employees of job security (McLauchlin, 2017:39).

2.4.6 How job security affects turnover intent

Turnover intent suggests that employees may consider leaving their jobs at some point. Horwitz, et al. (2003) recommends that in order to overcome high turnover
intent within an organisation, a move from compliance to a commitment model is necessary. Organisational culture reflecting a tendency towards capacity building is considered a necessity to achieving competitiveness and equity in the workplace (Bonvin et al., 2013). Managing using a socially inclusive style will help individuals work towards reducing job insecurity in the workplace, improving employee self-esteem and reducing turnover intent. Turnover intent can be defined as the probability of an individual faced with a subjective decision to leave the organisation in the near future (Tse et al., 2013:766.).

According to Lucky et al. (2013), organisations in which people experienced high job security achieved greater success. This is because employees have been found to doubt future prospects if job-insecure, which consequently affects performance. Furthermore, the report alludes to the connection the study found between overall organisational success and individual performance, which is affected by job security.

Figure 2.5 illustrates the effect that job security has on employee turnover intent.

**Figure 2.5: The effect of increased job security on turnover intent**

In light of the research, organisations should consider employee job security seriously during the restructuring process in order to ensure that employee performance does not negatively affect overall organisational success.
2.5 OTHER FACTORS THAT HAVE AN IMPACT ON EMPLOYEE MORALE AS A RESULT OF A RESTRUCTURING PROCESS

Various other factors play a role on how the employee reacts to a restructuring process. The researcher has determined that there are various aspects that may drive how an employee perceives their work environment. (Gyensare, 2013:6). The following have been identified as important for the sake of this study:

2.5.1 Employee self esteem

The Oxford Online Dictionary of English (2010) defines self esteem as “[c]onfidence in one’s own worth or abilities; self-respect”. The Cambridge Online Dictionary (2009) defines self esteem as the, “belief and confidence in your own ability and value”. Combining these definitions, it can be suggested that self esteem can be defined as the belief and confidence in a one’s value, abilities and performance. According Pierce et al. (2004), organisational experiences such as restructuring, influence a person’s self esteem and contribute significantly to the employee’s motivation, attitudes and behaviour. As a precursor to motivation, attitudes and behaviour, self esteem should be viewed as a priority when addressing employees regarding restructuring; as diminished self esteem could lead to negative behaviour in the workplace (Locke, 2007). Ensuring an employee understands that the restructuring process is not a personal matter, but an organisational necessity could encourage the employee to embrace change with a positive attitude (Baehr & Renck, 1958:158).

According to Maslow’s Hierarchy of Needs (Maslow, 1943), inner potential, purpose and meaning is at the top of the pyramid as part of self-actualisation. In order to achieve this and be able to look to the future, a healthy self esteem is necessary.

Figure 2.6 illustrates the levels of needs experienced by human beings according to Maslow (1943):
Figure 2.6: Maslow’s Hierarchy of Needs

Nober (2014:45) suggests that each level obtained will in turn activate the next need. Therefore in order for an employee to reach the potential necessary for organisational success, it is in the employer’s best interest to that self esteem is prioritised.

2.5.2 Industry-specific obstacles that drive turnover intent

The nature of the industry poses serious challenges to private security companies due to the dangerous nature of the work the guards perform. Nicoghosian(2014) suggested that security guards face challenges because they are expected to follow specific procedures during potentially life-threatening circumstances. Inadequate availability of cars may mean that security officers travel long distances during working hours and operate in potentially dangerous or remote locations. This
increases the risk factors to which they are exposed, as accident and high-jacking situations increase proportionally with the increased travelling distances (Sevenish Law, 2017:1). The locations in which guards operate may be far from either back up from colleagues, or access to emergency services such as police or medical services. Nicoghosian (2014) also alluded to various other challenges faced by security staff including manual labour such as handling heavy steel gates, performing inspections under dangerous circumstances, climbing on vehicles to look over high walls and doing inspections in large premises such as schools and factories. As a lower income bracket profession, these guards usually reside in less affluent areas that are far from work and may experience transport difficulties at irregular times during shift changes. Exposure to weather conditions without adequate protective uniforms and long working hours are other obstacles faced by security staff (Diphoon, 2015). With these difficult working conditions, security staff may experience job insecurity effects at a heightened level. When a restructuring process takes place in the context of the already challenging work circumstances, security guards may be more likely to seek alternative employment (Taljaard, 2008)

2.5.3 The influence of collective decision making in restructuring: the capability theory

Johan Skytte Prize winner 2017, Amartya Sen’s capability theory can be described as:

the measurement against which collective decision-making processes and regulation formation should be measured and how such processes enhance the capabilities of the people involved (Stanford Online Encyclopaedia of Philosophy, 2011). This theory considers both the capability for work (how the employee values a job) as well as the capability for voice (how an employee may contribute to a collective voice towards the restructuring process (Robeyns, 2003:5). According to Bonvin et al. (2013), the capability for work involves how the worker views aspects of professional life from their own perspectives. This includes factors such as pay scale and fringe benefits, conditions of work, progression potential, job satisfaction, possibility of employment in a particular profession, the perceived quality of the profession and work/life balance.
The capability for voice involves how an individual is allowed to contribute to the collective voice during the decision making process in a way that is perceived to be valuable to the outcome. Bonvin et al. (2013) opines that the capability for voice is contingent on four contributing factors:

- The ability of employees to form a collective body that has the means to effect change and influence the final outcome of the process.
- The ability of the collective group to utilise cognitive ability and use information to make deductions regarding what constitutes a valuable position.
- The legislative and procedural entitlements employees have at their disposal that may lead to a situation where there is a balance of power between employer/shareholders and employees.
- The readiness of the parties involved to engage in meaningful negotiation about the value of the positions. This may be either voluntary through informal talks/meetings; or it can be involuntary, though legislative requirements.

According to the above explanation, it may be more effective in the long run if employees feel empowered through both how the position is valued and viewed from an employee’s perspective; as well as how involved the employee feels at the operational level on decision making during the restructuring process. This is because if pure economics is considered, sight is lost of how valuable human resources are in adding value and converting resources into profit (Schapke & Rauchmayer:2014).

The capability theory can be used to demonstrate how employees can be empowered to create a collective voice to ensure that they feel more job secure. As a collective, employees would feel part of the restructuring process. Employees could feel that they are valued as a human resource if they are afforded a platform from which to voice concerns. According to the capability theory, employees would be empowered to become part of the profit making process (Goerne, 2010).

Figure 2.7 illustrates how the employee is affected by enforcing their capability set and enabling them to perform work functions through well-being and commitment.
According to Denis and Kruse (1999), ensuring that employees feel empowered and part of the restructuring process will ensure that they buy into the new culture of the organisation. According to the capability theory, employees are more likely to be committed to the organisation when they believe that their well-being is at the core of the restructuring process.

### 2.5.4 The influence of restructuring on organisational climate

Organisational climate refers to the intricate way in which the organisational units operate and the character that embodies the organisation, which can be affected by internal factors such as leadership styles or processes, or external factors such as economic conditions or industry trends (Brand & Wilson, 2000:97). Brand and Wilson (2000) evaluated a company embarking on extensive restructuring and concluded that radical climate change and changes in employee attitude were a marked effect of the restructuring process. McLauchlin (2017) confirms that operational changes

---

**Figure 2.7: The capability model**

**Source: Schapke and Rauschmayer (2014)**

According to Denis and Kruse (1999), ensuring that employees feel empowered and part of the restructuring process will ensure that they buy into the new culture of the organisation. According to the capability theory, employees are more likely to be committed to the organisation when they believe that their well-being is at the core of the restructuring process.

### 2.5.4 The influence of restructuring on organisational climate

Organisational climate refers to the intricate way in which the organisational units operate and the character that embodies the organisation, which can be affected by internal factors such as leadership styles or processes, or external factors such as economic conditions or industry trends (Brand & Wilson, 2000:97). Brand and Wilson (2000) evaluated a company embarking on extensive restructuring and concluded that radical climate change and changes in employee attitude were a marked effect of the restructuring process. McLauchlin (2017) confirms that operational changes

---
can result in new opportunities and areas of skills and personal growth for employees and the organisation if the restructuring process is approached in the right way by encouraging a climate of openness, communication, employee involvement and planning.

2.6 THE EFFECT OF RESTRUCTURING PROCESS ON EMPLOYEES: PERCEPTIONS, EMOTIONS, ATTITUDES, TRUST AND ENGAGEMENT

The purpose of this section is to describe the effect of restructuring on each one of the below attributes that contribute to employee morale. Below is a discussion on these effects.

2.6.1 Definition of perceptions

The Medical Dictionary for Healthcare Professionals (2012) describes perceptions as “[t]he constellation of mental processes by which a person recognizes, organizes and interprets intellectual, sensory and emotional data in a logical or meaningful fashion”, while the Dictionary of Sport Exercise Science and Medicine Perceptions (2008) defines the term perceptions as:

The act or process of becoming aware of internal or external sensory stimuli or events, involving the meaningful organisation and interpretation of those stimuli. In psychology, perception also applies to evaluation of one’s own and others’ internal states and beliefs as well as sensory stimuli and a person’s perceptions are not necessarily identical to the stimulus object or event being perceived. For example, a person’s perceptions of their ability might not match their actual ability. Perception is distinguished from sensation which refers to the subjective experience that results from excitation of the sensory apparatus without any interpretation or imposition of meaning.

2.6.2 The effect of restructuring on employee perceptions

A restructuring process is shocking and emotional job security may become extrinsically threatened during the restructuring process where an employee may feel
that either the continuity of their employment is under threat, or the continuation of their current position is likely to come to an end (Buitendach & De Witte:2005:30). Buitendach (2004:28) further contends that the subjective perceptions experienced by a person regarding the continuation of their jobs is a factor in determining the level of job security. This job insecurity created by the perceptions derived from the restructuring process will then lead to a “downward spiral” of lower job satisfaction, lower levels of commitment and ultimately decreased work performance (Buitendach & De Witte:2005:28).

The above process could be mitigated by open communication channels through forums allocated to listening to the subjective opinions of employees. Explanations of the process by the employer could increase employee commitment to the restructuring process and engage employee buy-in if employees understand why the process is taking place within the organisation (Mclauchlin, 2017:39).

2.6.3 The effect of restructuring on employee emotions

Marshall and Yorks (2010) describe restructuring as a significant emotional event that has shattered their feelings about the organisation and its management and altered the way they perceive themselves and their relationship with the company.

It can be deducted from this statement that employee emotions are directly influenced by the restructuring process and the uncertainty that comes with change. It was further concluded in the article that during the period after the restructuring process, it should not be assumed that time is the only variable in mending the rift between the organisation and how the employees feel about it (Marshall & Yorks:2010).

The authors recommend that specific managerial actions are required, namely using the emotional event to build new relationships with employees and engaging an employee to commit through continuous improvement and training, rather than the promise of unconditional employment at the organisation (Marshall & Yorks:2010).

Strongly correlated with employee emotions, is burnout. Segen's Medical Dictionary. (2011) describes burnout as “a chronic state of stress that leads to physical and
emotional exhaustion, cynicism and detachment, feelings of detachment and lack of accomplishment”.

Maslach, Schaufeli and Leiter (2001, 397) describe burnout as “a prolonged response to emotional and chronic interpersonal stressors on the job and is defined by the three dimensions of exhaustion, cynicism and inefficacy”.

There is a link between emotional stressors in the workplace and burnout and it is recommended in the literature that the emotional stress caused by restructuring can be eased through direct managerial intervention The Medical Dictionary for Healthcare Professionals (2012).

2.6.4 The effect of restructuring on employee attitudes

During a restructuring process, the work environment is in a state of constant change and the employee may experience discomfort due to the nature of the work environment. An employee’s existing state of mind or propensity towards either a negative or a positive attitude thus can be intensified by the changes happening within the organisation. This, in turn, has the ability to affect other aspects of employee behaviour such as productivity, emotional state, loyalty and motivation either in a positive or negative way (Brand & Wilson, 99:2000).

Engaging employees on an individual basis could avert discomfort felt by the employee and halt the progression of negative effects on other areas of the employee’s behaviour.

2.6.5 The effect of restructuring on institutional trust

Marais and Hoffmeyr (2013) found that there is a direct correlation between restructuring, employee trust in the organisation and the level of engagement the employee exhibits towards the organisation. Furthermore, the study indicated that a change in one of the elements would affect the other elements accordingly.

It can be deducted from the above findings that if employees at an organisation experienced the restructuring process negatively, the level of trust in the organisation would decline accordingly.
2.6.6 The effect of restructuring on employee engagement

In approaching Human Resource (HR) practices during restructuring, an organisation should consider how human capital is engaged in the process to ensure that employee engagement embraces the change and contributes to the restructuring success (Hewitt, 2013; 2). Ruiz and Coduras (2015:1466) alludes to the fact that humanising HR practices leads to treating human capital as a competitive advantage and, ultimately, leads to the achievement of strategic objectives.

This study by Ruiz and Coduras (2015:1466) indicates that there is a correlation between HR practices and how the employee responds to the restructuring, as well as after the restructuring. This study indicates that financial remuneration, cost efficiency, productivity, employee turnover and general work environment are all contingent on how HR is implemented during the restructuring and how management/supervisors engage employees during the process.

Employees may embrace changes necessary for the restructuring process if HR and management engage employees pro-actively, ensuring the employees understand that they are considered as valued human capital (Sayed,2013:38).

2.7 SUMMARY

This chapter introduced the literature study regarding organisational restructuring in general and in an international context. Definitions within the field of organisational restructuring were highlighted. It further highlighted the specific literature relating to the South African private security industry and legislation pertaining to the operation thereof. The purpose of this chapter was to highlight the effects of organisational restructuring on various facets of the employees, namely job security, trust, emotions, motivation, attitudes and engagement. In the following chapter the results, analysis and discussion of data will be presented.
CHAPTER 3
RESULTS AND DISCUSSION OF THE QUALITATIVE STUDY

3.1 INTRODUCTION

This chapter expands on the research methodology used in this study. It serves to present the results and findings of the study and puts forward the interpretation and discussion of these findings.

The empirical study was conducted using researcher led interviews in order to obtain the opinions of employees regarding their feelings towards how the restructuring process affected employee morale. Attached, as Appendix B, is the interview guideline/checklist used by the researcher in the study.

This chapter presents how the study was conducted, how data were recorded and how results were interpreted. It also provides more insight into the demographic information of the population as well as the target sample and expands on how this can be interpreted in the light of the study.

3.1.1 The aims and objectives of the study

The main objective of this study is to determine the effects, if any, of a restructuring process on the morale of employees of a private security company. Furthermore, the study aimed to provide recommendations on how to improve the restructuring process for future reference, to ensure that employees transition smoothly and operations remain uncompromised.

In addition to the primary objective of the study, the following theoretical objectives have been identified:

- To conduct a literature review on the importance of a restructuring process on employee morale
- To examine the effects of a restructuring process on employee emotional well-being
- To evaluate the attitudes of employees after a restructuring process
• To identify the role a restructuring process plays on the short term organisational objectives.

The researcher identified constructs that potentially influence overall employee morale in the workplace during the literature review (Chapter 2) and these constructs are as follows:

1. Employee morale
2. Employee trust
3. Employee job security
4. Employee self esteem
5. Employee turnover intent
6. Employee attitudes

Additionally, the researcher focused on the demographics of the sample respondents in order to assess whether age, educational experience or position within the company affected their respective responses.

3.2 RESEARCH METHODS

This section provides an in depth overview of the methods chosen by the researcher to gather data needed to address the objectives of the study. The section provides more insight as to the strategies employed while conducting the research, in order to give the reader a better understanding of the study, as well as to enable easier replication of the study for further research. The section touches on the validity of the measurement tool, which was adapted from a literature review and previous studies. It provides a critical analysis as well as limitations of the study to ensure that the reader is able to evaluate, objectively and critically, the findings of the study effectively.

3.2.1 Research design used in the study

According to Sauro (2015), there are five different types of qualitative research design methods, namely:
Chapter 3: Results and discussion of the qualitative study

- **Ethnography**: This research design involves researchers involving themselves in the intricate environment of the sample participant. It involves the researcher observing the participants and how they react to their environment first hand.

- **Narrative**: This research design has a very small sample size, evaluates a series of events to put together a timeline and assesses the broader impact of those events on the target participant’s life, career etcetera. This is well utilised when longitudinal information is required to assess the effect of something, for example illness.

- **Phenomenological**: This research design studies a phenomenon or event that has an impact on participants. Various inputs are utilised to identify emerging themes or constructs and are validated later by other respondents’ opinions. The motivations and opinions of the participants are the basis for the findings of the study, which is the essence of the effect of the event.

- **Grounded theory**: This research design method relies on interviews and existing data to build a theory. Coding techniques are used to build the theory and sample sizes are often larger in order to validate the theory.

- **Case study**: Multiple methods of data collection are employed to gain the greatest understanding of the entity being studied.

This study was qualitative in nature and employed a phenomenological approach whereby the researcher studies the effect that the phenomenon of restructuring had on the employees of the private security company. This was done via semi-structured interviews, where the participant was asked to report on their feelings and opinions regarding the phenomenon. Emerging themes were identified using constructs from which the measurement tool was adapted and those themes were used to evaluate what the essence of the effect of the restructuring process was on employees in the organisation (Bernard and Ryan, 2003). The researcher chose to make use of a qualitative approach due to the fact that only certain of the employees directly or actively participated in the restructuring process. Other functional areas of the company, although affected by the process, did not actively participate in the process.
3.2.2 Construction of questionnaire and semi-structured interviews

The measurement tool consisted of a questionnaire, which was used for the facilitation of semi-structured interviews. The six constructs utilised in the questionnaire were listed in Section 3.1.1. The questions were adapted from studies by Nober (2014), Sayed (2013) and Zweni (2004), in the field of restructuring in an organisation. The interview comprised of 21 questions. Attached (Appendix B) is a sample of the questionnaire used to conduct the semi-structured interviews. According to the Northern Illinois University’s Responsible Conduct of Research (2005) website, it is vital to collect data properly and systematically in order to ensure that the integrity of the study remains intact. Consequently, the researcher recorded the interviews electronically in order to maintain the integrity of the respondents’ answers. This also ensures that the collected data are trustworthy and reliable before analysis. The respondents consisted of six employees and the interviews lasted between 10 and 15 minutes each. The researcher later transcribed the recordings.

3.2.3 Population and sample of the study

A judgement sampling technique is used whereby the individual characteristics of the respondent are used as the basis for selection (Etikan et al., 2016:2). Purposive, non-random sampling is used because the sample size is small and a purposive sampling technique relies less on the size of the sample and more on the selection criteria of the respondent (Bell et al, 2015:186).

The population consisted out of 44 staff members who are full-time employees of the private security company. A sample of pool of employees was chosen by the researcher out of different functional departments within the company and based on whether that employee was part of the restructuring process at the time it happened. The researcher then conducted interviews and data saturation was achieved with six participants and the transcribed interviews are included in 3.4.2 below in order for the reader to gain insight into how data saturation was reached. The final sample consisted of two armed reaction officers, one sales consultant and three administrative staff members.
The decision to include employees in different functional departments, led to a more diverse group within the sample. This can be referred to as maximum deviation sampling where the sample is small and the researcher attempts to select participants from as wide a spectrum as possible (List, 2004).

3.2.4 Data collection methods of the study

Primary data were collected from the six participants through semi-structured interviews. Participants were informed of the voluntary nature of the involvement of the study and ensured of anonymity and confidentiality (Please see page 1 of Appendix B). Secondary data was obtained by performing an extensive literature review. There was very little literature on restructuring, specifically in the private security industry; however, extensive research has been done in the area of restructuring in general, as well as on the effect of restructuring on various facets of the employees’ character and environment. Resources to aid in the interpretation of the results were found in articles, publications, websites, books and academic journals, including but not limited to the following:

- Accredited journal articles in Ebscohost, Google Scholar as well as the North West University Library site
- Books and e-books from the NWU library
- Dissertations and theses on organisational behaviour and industrial psychology
- The literature was strengthened by published articles from qualitative approaches in business studies and other databases, for example Business Source Premier and Emerald Library.

Secondary data were used to create the measurement instrument by adapting questionnaires from three different studies on restructuring in business. Constructs were also extracted from the secondary data and later used to validate emerging themes. In order to reach the objectives of the study, the researcher collected primary data from participants and used secondary data to validate and interpret the findings of the study.
3.2.5 Qualitative data analysis techniques

The researcher adapted the following techniques from Farber (2006) in order to ensure proper analysis of the data:

- Identifying a research question
- Defining the research problem
- Understanding the research instrument
- Data collection through interviews and observations
- Data analysis through coding of rich data
- Writing the report
- Concluding remarks and suggestions.

The researcher then used the constructs identified in Chapter 2, to link the answer to the research question during the analysis. The researcher engaged the services of an expert researcher from the Faculty of Economic Sciences at North West University in order to aid in the analysis of the data. This was done to promote face and content reliability and increase reliability. The researcher is also of the belief that collaboration with an expert during the analysis stage, acted as a mechanism to reduce the Hawthorne Effect and ensure objectivity in the reporting stage (The Economist, 2008).

3.3 POPULATION AND SAMPLE DEMOGRAPHICS OF THE STUDY

This section serves to present the demographic information on the population as well as the sample respondents involved in the study. The aim of this chapter is to evaluate how the sample is represented demographically in terms of the population, as well as to assess if demographic attributes of respondents are a contributing factor to responses.

3.3.1 Demographics of the population

Table 3.1 contains demographical information regarding the population, obtained from the company’s Human Resource department. The sample was chosen from the demographic breakdown of the population observed in Table 2.
Table 3.1: Demographic breakdown of the population

<table>
<thead>
<tr>
<th>Gender</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>38</td>
<td>86.4%</td>
</tr>
<tr>
<td>Female</td>
<td>6</td>
<td>13.6%</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than Grade 12</td>
<td>32</td>
<td>72.7%</td>
</tr>
<tr>
<td>Grade 12</td>
<td>9</td>
<td>20.5%</td>
</tr>
<tr>
<td>Diploma</td>
<td>1</td>
<td>2.3%</td>
</tr>
<tr>
<td>Degree</td>
<td>2</td>
<td>4.5%</td>
</tr>
<tr>
<td>Post graduate</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income monthly (ZAR)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 000</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>5 001-8 000</td>
<td>20</td>
<td>45%</td>
</tr>
<tr>
<td>8 001-12 000</td>
<td>18</td>
<td>41%</td>
</tr>
<tr>
<td>12 001-16 000</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>16 001-25 000</td>
<td>4</td>
<td>9%</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>3</td>
<td>6.8%</td>
</tr>
<tr>
<td>26-30</td>
<td>4</td>
<td>9.1%</td>
</tr>
<tr>
<td>31-40</td>
<td>27</td>
<td>61.3%</td>
</tr>
<tr>
<td>41-50</td>
<td>7</td>
<td>16%</td>
</tr>
<tr>
<td>51+</td>
<td>3</td>
<td>6.8%</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Race</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>20</td>
<td>45.45%</td>
</tr>
</tbody>
</table>

Chapter 3: Results and discussion of the qualitative study
Chapter 3: Results and discussion of the qualitative study

The sample of six staff members was chosen out of the above population of 44 permanent staff members of the private security company. The following table represents the sample group with positions and abbreviations used for each respondent in this study.

Table 3.2 represents the abbreviations used for each respondent as well as their positions in the organisation.
Table 3.2: Abbreviation and position

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Abbreviation used</th>
<th>Position</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent 1</td>
<td>(R1)</td>
<td>Sales Consultant</td>
<td>Sales &amp; Marketing</td>
</tr>
<tr>
<td>Respondent 2</td>
<td>(R2)</td>
<td>Control Manager</td>
<td>Operations</td>
</tr>
<tr>
<td>Respondent 3</td>
<td>(R3)</td>
<td>Technical Co-ordinator</td>
<td>Technical</td>
</tr>
<tr>
<td>Respondent 4</td>
<td>(R4)</td>
<td>Administrator</td>
<td>Administration</td>
</tr>
<tr>
<td>Respondent 5</td>
<td>(R5)</td>
<td>Armed Reaction Supervisor</td>
<td>Operations</td>
</tr>
<tr>
<td>Respondent 6</td>
<td>(R6)</td>
<td>Armed Reaction Supervisor</td>
<td>Operations</td>
</tr>
</tbody>
</table>

3.3.2 Racial demographics of the sample selected by the researcher

Table 3.3 represents the racial demographics of the sample group.

Table 3.3: Racial demographics of the sample group

<table>
<thead>
<tr>
<th>Race</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>1</td>
<td>16.66</td>
</tr>
<tr>
<td>White</td>
<td>5</td>
<td>83.33</td>
</tr>
<tr>
<td>Coloured</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Indian</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6</td>
<td>100</td>
</tr>
</tbody>
</table>

The dominant race is White in the sample, with only one African respondent and no other race groups represented. When evaluating the population demographics provided by the organisation, the ratio of African to other races within the population is 52.27 percent : 47.73 percent, which indicates that the sample group may not be representative of the population group. The reason for the discrepancy between the company demographics versus the sample demographics, is the participation of the
chosen participants in the restructuring process. The participants were chosen according to their level of involvement in the restructuring process and the available participants were not selected based on race. During the interview with respondent 5, the researcher observed that although none of the questions represented financial remuneration as one of the considerations, the respondent placed great emphasis on the fact that part of feeling valued as an employee is that the employer takes cognisance of the financial and circumstantial suffering being experienced by staff of the organisation on a personal level. Respondent 5 showed an overwhelming eagerness to perform and grow in the company in terms of achieving personal goals and appeared to be extremely confident in his abilities and job secure. The majority of the respondents showed an inclination towards turnover intent, where they answered “maybe” to the question A15: Do you feel that another organisation would value your contribution more if you found alternative employment.

3.3.3 Gender demographics of the study sample

Table 3.4 represents the gender demographics of the sample group.

Table 3.4: Gender demographics of the sample group

<table>
<thead>
<tr>
<th>Gender</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>3</td>
<td>50%</td>
</tr>
<tr>
<td>Female</td>
<td>3</td>
<td>50%</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>100%</td>
</tr>
</tbody>
</table>

The gender ratio between male and female within the population is 86.4 percent : 13.6 percent. The ratio in the sample group was 50 percent : 50 percent, showing that the results may be skewed. The two female employees are predominantly only exposed to administrative activities and may not represent the majority of the group represented within the company, who are male armed reaction officers. The third female employee is a control room manager and thus does have some exposure to operational stress resulting from exposure to break-ins and crime related activities. For the purposes of this study, the ratio between men and women was deemed representative by the researcher due to the demographic split within the company.
being studied. No other significant differences were noted by the researcher that could be attributed to gender difference.

3.3.4 Level of education obtained by respondents

Table 3.5 represents the level of education observed within the sample group.
Table 3.5: Level of education in the sample group

<table>
<thead>
<tr>
<th>Education</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than Grade 12</td>
<td>2</td>
<td>33.33%</td>
</tr>
<tr>
<td>High school Grade 12</td>
<td>2</td>
<td>33.33%</td>
</tr>
<tr>
<td>Diploma</td>
<td>2</td>
<td>33.33%</td>
</tr>
<tr>
<td>Degree</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6</td>
<td>100%</td>
</tr>
</tbody>
</table>

Of the sample group, only one third had a Grade 12 certificate. The two respondents that had diplomas are required to have a security grading with PSIRA in order to perform armed reaction duties. This diploma is not an academic or trade diploma but rather a compliance diploma. One employee that has such a diploma has a Grade 12 certificate and one does not. The most notable difference in educational background is that the employees who did not have a Grade 12 were all involved in the operations, while the employees who had a Grade 12 were involved in administrative and sales positions. There were no significant differences in the responses measuring employee morale between more and less education levels of the respondents.

3.3.5 Age

Table 3.6 represents the age demographics of the sample group.

Table 3.6: Age demographics of the sample group

<table>
<thead>
<tr>
<th>Age</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;20&gt;30</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>&lt;30&gt;40</td>
<td>4</td>
<td>66.66%</td>
</tr>
<tr>
<td>&lt;40&gt;50</td>
<td>2</td>
<td>33.33%</td>
</tr>
<tr>
<td>&lt;50&gt;60</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6</td>
<td>100%</td>
</tr>
</tbody>
</table>

66 percent of the sample observed fell in between 40 - 50 age bracket compared to the population, which is 61.3 percent of the same age group. This indicates that the sample is fairly representative of the population in terms of age. No other notable
difference was noted in responses measuring employee morale in terms of the respondents’ age.

### 3.3.6 Position in the company

Table 3.7 represents the position within the company of the respondents.

**Table 3.7: Position of respondents within the company**

<table>
<thead>
<tr>
<th>Position</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>2</td>
<td>33.33%</td>
</tr>
<tr>
<td>Armed reaction</td>
<td>2</td>
<td>33.33%</td>
</tr>
<tr>
<td>Management</td>
<td>1</td>
<td>16.66%</td>
</tr>
<tr>
<td>Sales</td>
<td>1</td>
<td>16.66%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6</td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Respondent 1 was very positive about his role in the company and believed his contribution made a significant difference to the company’s success. This may be a result of a general propensity of sales staff to try to be positive and forward looking (Mackay, 2011). All the respondents reacted positively to their role and the restructuring overall and no further significant differences were noted by the researcher based on their role in the organisation.

### 3.4 DATA ANALYSIS

The objective of this section is to explain how the researcher interpreted the data in order to solve the research question. The study was qualitative in nature and the researcher obtained data by administering semi-structured interviews using a structured questionnaire adapted from Nober (2014), Sayed (2013) and Zweni (2004).

The researcher recorded and transcribed responses onto the questionnaires. Constructs identified by the researcher during the literature study then were populated with the data obtained from the interviews. The populated constructs then were used to draw up frequency tables in order to come to meaningful conclusions.
and recommendations regarding the effects of restructuring on employee morale at a private security company in Vanderbijlpark.

Responses were also discussed in depth in order to gain meaningful insight into the feelings and perceptions of the participants.

3.4.1 Questions asked during the semi-structured interviews

Question 1: In your opinion, has morale increased among employees after the restructuring process and if so how?

Question 2: Is there anything at the security company that makes you feel like you would rather not want to come to work?

Question 3: Do you feel that you would like to continue employment with this organisation for the foreseeable future?

Question 4: How much do you trust the new company model to implement changes that are for your own benefit?

Question 5: Do you believe that management communicated changes clearly to you during the restructuring process?

Question 6: Do you believe that management acted in your best interest during the restructuring process?

Question 7: Were you ever fearful that you could lose your job during the restructuring process?

Question 8: Do you believe that you are able to achieve your personal goals within the organisation?

Question 9: Do you understand and believe in the new processes and procedure that have been implemented in the company?

Question 10: Do you feel inspired to do your job to the best of your ability every day?
Question 11: How much do you believe that what you do forms a valuable contribution to the organisation?

Question 12: Do you believe that the company cares about you as a person?

Question 13: Do you feel employees, including yourself are committed to the organisational goals after the restructuring process

Question 14: Have you thought about looking for another job in the last six months

Question 15: Do you believe that another organisation may value your contribution more if you found alternative employment?

Question 16: How do you feel about your contribution to the organisation since the new management has taken over?

Question 17: Do you believe that the changes that have been made are positive for the employees of the security company?

Question 18: How easy have you found it to adapt to a new way of doing things at the security company?

Question 19: Age

Question 20: Level of education

Question 21: Position in the company

3.4.2 Transcribed results of the semi-structured interviews

This section describes the transcribed interviews that were conducted in the study. During the transcription stage, the researcher allocated codes ranging from R1 to R6 in order to maintain confidentiality. The researcher was of the opinion that the transcription would be valuable to the reader due to the small sample size.

Question 1: In your opinion, has morale increased among employees after the restructuring process and if so how?
R1: Yes. All negative elements that were present in the work place have been removed and all problems that are still being encountered are being handled properly. Everything is being sorted out.

R2: Yes I do because all the right people have been placed in the right positions in order to do the work that needs to be done.

R3: Yes I do because the right people are in the right positions to do the work.

R4: Yes because everything has started to fall into place and working out better, as it should work.

R5: Yes and I believe that more changes are still coming.

R6: No and yes. I believe that some of the employees have an increase in morale, but others not.

Question 2: Is there anything at the security company that makes you feel like you would rather not want to come to work?

R1: No. I personally love coming to work every day. It is my passion and nothing about my job makes me want to stay at home.

R2: No. I enjoy my job and the interaction that I have with my colleagues very much, so I enjoy coming to work.

R3: No, not at all. I enjoy working with the clients and the other staff members at the company.

R4: No. I have become friends with the other staff members and we get along well so I enjoy working with them. I also work with the clients and enjoy that. I like what I do as well so there is nothing that makes me not want to go.

R5: Not at all. My job is my passion, so I love coming to work.

R6: No. Although we are sometimes put in difficult situations, I still enjoy it and try my best every time I come to work.
Question 3: Do you feel that you would like to continue employment with this organisation for the foreseeable future?

R1: Yes, with the new management in control, there are much less problems than before. I believe that I want to grow as much as I can here. I don’t think I will just look for another job easily because I am loyal to the company.

R2: Yes, I have no intention of looking for another job. We have all been through a lot in the past year but I feel that my hard work is being rewarded because I was promoted.

R3: Yes for sure. I moved over from another company during the restructuring process and think it is the best decision that I have made in years. I am very happy.

R4: Yes because I enjoy what I do and enjoy the people that I work with. I am a very loyal person and would not look for another job easily.

R5: Yes because I am confident that I am a good worker and since the restructuring the right people have been put into place that recognise what I do as important.

R6: Yes, I have been with the company for years and watched many staff members come and go. I have no intention of leaving.

Question 4: How much do you trust the new company model to implement changes that are for your own benefit?

R1: I trust the company because when I experience a problem, it is addressed immediately. Management also goes to lengths to help me where they can. Although there are sometimes frustrations, the new management team always helps me.

R2: I trust them 100 percent to do everything in their power to implement a successful model. I think that the new model is for my own good. The more successful we are, the happier we are at work, so yes.

R3: Yes. I especially like how we are using new technology to improve our services. It makes my job easier and gives us an edge over other people.
R4: Yes, I trust that with all the new developments and changes, it will make our working environment much better for us in the future. It will also help us to do our work efficiently and effectively.

R5: More than anything I trust that the company has my best interest at heart. All the changes are for the better of the company and the staff. I am happy.

R6: I trust the company 100 percent in terms of the changes that have been made so far. Everything in this industry has been the same for years so it is nice to see that we are trying to do something different.

Question 5: Do you believe that management communicated changes clearly to you during the restructuring process?

R1: Yes. Everything was explained to me even though I am out on the road seeing clients most of the time. My manager did not change, but other departments that were restructured are running smoothly now.

R2: Yes. It was unnerving at first but everything worked out for the better and now we can move forward and look to the future.

R3: Yes they did and we knew what and why they were doing things so it was not that bad.

R4: Yes they did. I was scared in the beginning because I had been through a restructuring process where I was let go at my previous company. But because they were so open with us, I quickly settled into my new position now I love what I do.

R5: No. I think that the admin staff and managers knew what was going on but they didn’t tell the reaction teams enough about the process. I suppose it is because we are out most of the time and work shifts.

R6: Yes I knew about it. Our manager was demoted which was a shock. But it turns out that it was a better choice.

Question 6: Do you believe that management acted in your best interest during the restructuring process?
R1: Yes because it was difficult to work with people that did not necessarily know what they were doing. Now that the right people are in the right places, it is easier for me to make sales.

R2: Yes I do because I was promoted to manager and now I can oversee that everyone does what they should in the control room. I feel empowered.

R3: Yes I do. I was brought in as part of the restructuring process and witnessed how the company changed for the better.

R4: Yes I do because I think that they put the people into positions where they are comfortable and can perform better at their jobs. I was moved from finances to administration and HR and now I am much less stressed.

R5: Yes I do because people who were not performing were demoted or let go. That means that we can do our jobs effectively.

R6: Yes I do because people were put onto jobs where they are able to perform better. My position stayed the same but there were many changes made.

Question 7: Were you ever fearful that you could lose your job during the restructuring process?

R1: In the beginning I felt a bit scared and felt that everything was bad at work. But, the process was actually over quite quickly and the company is growing nicely now once everything settled.

R2: No I never felt that I was going to be let go because I know the quality of work that I do. I was so happy when I was promoted because it means they can see that I perform well.

R3: No, because I had just been brought in from another company. But it did make me ensure that I performed well.

R4: No because I know it was for my best interest because they spoke to all of us.

R5: No. I know that I am a loyal employee and I always do my very best.
R6: No because I have been with the company for many years and I knew that the company would not let their loyal employees go so easily.

Question 8: Do you believe that you are able to reach your personal goals within the organisation?

R1: Yes. When I talk to management, they always look what they can do to assist me to make enough sales. They allow me to be independent and give me discretion when it comes to discounts and promotions.

R2: Yes I do because I have been promoted already and believe that with time and experience I will grow where the company grows.

R3: Yes I do. I think that we will be able to grow as a company, which means there will be other opportunities for me. I also think that because the director is a woman, there may be more opportunities for women.

R4: Yes I do. As long as we are doing well as a company, there will always be opportunity.

R5: Yes I think that there are often opportunities that I can take up. I have recently been promoted to shift leader, although it wasn’t part of the restructuring process, so that shows you!

R6: Yes I do. I think that the willingness to restructure shows that the new management sees opportunities to promote staff. I have been a shift leader for years with nowhere to go really. So I am excited to see what happens in the future.

Question 9: Do you understand and believe in the new processes and procedure that have been implemented in the company?

R1: Yes I understand and also understand that certain changes were needed to ensure that the company survived.

R2: Yes changes had to be made to improve the service for the sake of staff and clients. All changes were explained to me.
R3: Yes I understand. I have also been in a restructuring process at another company as well before.

R4: Yes I understand. It was stressful at first but we got settled in soon enough.

R5: Yes I understand what changes were made and why. But I think it should have been communicated to the armed reaction better.

R6: I don’t understand all of it. Because I am a Armed Reaction Supervisor, we are often excluded from meetings. I know why they did it but do not understand everything they implemented.

Question 10: Do you feel inspired to do your job to the best of your ability every day?

R1: Yes I challenge myself to do better and better each day. I love my job.

R2: Yes I do. I am a meticulous person so I am good at the job I do and make sure it is done properly.

R3: Yes definitely. I believe in customer satisfaction and to meet our targets each month.

R4: Yes I do because I get to work with people and I know how to do my job well so it makes me feel good.

R5: Yes I do. When we are able to stop a burglary or arrest someone, it makes me feel proud of my team and my company.

R6: Yes I do. I have been doing this job for years so I am confident in what I do and I am proud of where I work so I always want to do my best.

Question 11: How much do you believe that what you do forms a valuable contribution to the organisation?

R1: I believe that my customer service skills attract and keep a lot of clients so I believe that I am valuable to the company’
R2: Yes I believe that I make a big difference through training staff properly and disciplining where necessary.

R3: I believe that I make a big difference in my department because I am very focussed on customer service.

R4: I believe that everyone in the company has an important role to play, so yes.

R5: Most of the time I feel like I do. There are sometimes when I feel that our work goes unnoticed.

R6: I believe that our armed reaction teams form 100 percent of the contribution because we are the ones that deliver the service.

Question 12: Do you believe that the company cares about you as a person?

R1: Yes, they are always sympathetic to my personal needs and have even borrowed me money in the past.

R2: Yes they do. They helped me to buy a car when I needed one. They are always there when I need them.

R3: Yes I do. They always understand when I need to take off for my children or household duties. I think it helps that the Managing Director is a woman, so she understands that families often need us to leave work at short notice.

R4: Yes I do. That is why they are restructuring, they help us so that we can help them to make a success out of the business.

R5: Yes, they always listen when I need help and are willing to help me with a sxtra few rands when I need it in an emergency.

R6: Yes I do. Although I am a private person and very seldom ask for help, I know that if I need them, they will be there.

Question 13: Do you feel employees, including yourself are committed to the organisational goals after the restructuring process?
R1: Yes I do. I have always cared about the company and do my best to make sure that everything we do is successful. Although sometimes we make mistakes, I think we are moving in the right direction.

R2: Yes I do. Employees that work under me are starting to feel more at ease with the new way of doing things. I am fully committed and love the way things have changes.

R3: Yes I think that the way things are now, people are more committed because they work better together.

R4: Myself-yes, but I think some people are struggling to get there. I believe that they will see the bigger picture eventually.

R5: I do, but I don’t think others do yet. Maybe in time.

R6: Me yes, some of the other employees don’t though.

Question 14: Have you thought about looking for another job in the last six months?

R1: No, but because we didn’t get a raise this year, I am waiting to see if we get one this year otherwise I might be forced to. Things are getting more and more expensive every day.

R2: No, I am loyal to my company.

R3: No, not at all. I am very happy here!

R4: No, I have no need to because I enjoy my work.

R5: No not at all, I like what I do and am a loyal employee.

R6: No. I have been here for years and have no intention of going anywhere.

Question 15: Do you believe that another organisation may value your contribution more if you found alternative employment?

R1: Well I hope so because I am a hard worker, but my company does recognise when I do well and my manager does take me for a beer when I reach my target.
R2: No I think my company values me more because it shows in the way I am treated.

R3: No I think this company values my work more than my previous security company which was much bigger.

R4: At the moment I am very happy where I am so I am not bothered even thinking about alternatives. I think my company values me just fine.

R5: Maybe, I am not sure. As I said, sometimes I feel that we go unnoticed.

R6: Yes and no. I think we probably could be valued more. I sometimes feel that we are looked down upon.

Question 16: How do you feel about your contribution to the organisation since the new management has taken over?

R1: Management also does their best to make sure we feel happy. I don’t have to be baby sat and can carry on with my work so I feel good.

R2: I feel positive because I am able to do my job better because I am empowered to make it better.’

R3: I feel that I make a difference to the staff under me as well as the clients. So I feel very positive.

R4: I feel positive and I think that if everyone has a positive mindset then we can make a success and a difference.

R5: Yes I do because they are able to do their jobs easier now with the right people supporting them.

R6: I feel positive and think that most, but not all of the staff also feel positive.

Question 17: Do you believe that the changes that have been made are positive for the employees of the security company?
R1: Yes because there is more control over what they do and I think they needed that.

R2: Yes I do because in the end, what makes a success of the company will flow down to the employees hopefully.

R3: Yes I do. I think that there is more support so less stress and more work gets done.

R4: Yes I do think so because everyone is comfortable in their position and is able to perform better now.

R5: Yes I think it is positive because we can control the way service is delivered better and be more successful.

R6: Yes I am positive that it is because I think that staff was complacent and now they are on their toes again.

Question 18: How easy have you found it to adapt to a new way of doing things at the security company?

R1: I found it easy. I also give my own ideas for improvement and management always considers it when making decision. It wasn’t too difficult to adapt at all.

R2: I found it very easy because I naturally take the lead so I found it easy to move into a manager’s position.

R3: I adapted easily as I am familiar with this type of work. The people here really work together to achieve what is expected of them.

R4: Easily because I feel we work as a team in the admin department and help each other where we can. Before it felt as though the people were working against each other.

R5: Most of the cases we judge before we know the strategies of management so I think everyone must be patient. Not everyone understands, but I do.
R6: I found it easy to adapt. I quite like that things have changed. I still don’t understand everything but I am excited for the future.

3.5 ANALYSIS OF THE RESPONSES

This section serves to explain how the researcher analysed the responses of the participants. The sample consists of six respondents chosen according to a purposive sampling method according to the level of involvement at the time of the restructuring process. The researcher analysed the results by making use of constructs identified during the literature review section of the study. Each question was transcribed by the researcher and analysed in order to identify emerging themes between the employee’s responses. The following are the constructs used by the researcher in order to analyse the data and the number of the question to which they apply.

Constructs identified during the literature review of the study were evaluated through questions provided on the measurement instrument. These constructs were then discussed in each sub-category under the participants’ responses.

The following is a breakdown of the questions according to the constructs:

Questions 1 – 3:    EMPLOYEE MORALE
Questions 4 – 6:    EMPLOYEE TRUST
Questions 7 – 9:    EMPLOYEE JOB SECURITY
Questions 10 – 12:  EMPLOYEE SELF ESTEEM
Questions 13 – 15:  EMPLOYEE TURNOVER INTENT
Questions 16 – 18:  EMPLOYEE ATTITUDES

3.6 INTERPRETATION OF QUESTIONS ASKED IN THE INTERVIEWS

This section provides an interpretation of the results according to the identified constructs. It provides a picture of the overall feelings of the participants regarding
their feelings and opinions of the restructuring process and indicates how employee morale has been affected.

3.6.1 Question 1: In your opinion, has morale increased among employees after the restructuring process and if so how?

The Business Dictionary (2017) describes employee morale as “[t]he way that an employee responds to both intrinsic and extrinsic emotional and physical stimuli which has been found to affect the level at which employees perform at work”.

Most of the respondents reacted positively to the fact that the right people have been placed in the right positions. They also alluded to the fact that this change has had a positive impact on the operations of the business. The restructuring appears to have improved the level at which the employees perform through placing them in positions in which they feel they can excel. According to Luthans (1992), utilising areas of an employees’ strength makes an employee feel empowered to do well and increase operational efficiency.

It can be noted that the office staff in particular are very positive about the changes and it appears that they are more comfortable in the positions in which they have been placed. Respondent 6 stated that in his opinion, not all of the employees have experienced an increase in morale and this may point to a sample bias considering that the respondent’s themselves perceived an increase in morale.

3.6.2 Question 2: Is there anything at the security company that makes you feel like you would rather not want to come to work?

The purpose of this question was to assess how the atmosphere between staff at work is affecting the employees’ attitudes towards their work. By asking whether the employee had a hindrance to the want to go to work, the researcher attempted to measure the employees’ morale and attitude towards their positions. According to John Schaefer in an article published on the American Management Society’s website, low morale in the company usually stems from a feeling that the employee is just going through the motions and that they are not appreciated. Feeling like this may make an employee reluctant to come to work, indicated low morale.
All the respondents answered no to this question, followed by a positive statement about why they enjoy their positions. This is a good indication that the morale and atmosphere at work and between the staff has improved. The external stimuli of the restructuring process has ended and the employees are settling into their new roles.

3.6.3 Question 3: Do you feel that you would like to continue employment with this organisation for the foreseeable future?

By assessing whether an employee has the intention to start seeking alternative employment, the researcher attempted to gain insight into how comfortable an employee is in their position in the restructured company. When discomfort is felt, employees tend to seek a place where comfort is restored, which is why they tend to start looking for alternative employment (Ongori, 2007).

All the respondents answered in the affirmative. Respondent 2 and 5 confirmed that they are feel that management recognises their contribution and thus they did not intend to leave the company. Robbins (2003) alludes to the fact that this indicates that recognition is a contributing factor in the comfort felt by employees and thus a contributor to encouraging morale within the organisation.

3.6.4 Question 4: How much do you trust the new company model to implement changes that are for your own benefit?

In assessing the employee’s trust in the company, the researcher attempted to evaluate whether the remaining employees had confidence in the new model. According to Paige (2001), employees generally feel a sense of mistrust as they may have intended on staying with the organisation for a long time. However, the respondents in this study all reacted positively to the question, indicating that they felt that they could trust the company to act in their best interests. There was resounding consensus between the employees that they trust the company fully in the implementation of the new model.
3.6.5 Question 5: Do you believe that management communicated changes clearly to you during the restructuring process?

According to the responses, the respondents that were involved in activities within the administrative offices were fairly happy with the level of communication in terms of the restructuring process. One of the respondents who worked shifts on a reaction team was not satisfied that the restructuring process had been communicated properly to the shift workers. This indicated that management had not focussed enough on communicating to the reaction teams, possibly because of the difficulty arising from the awkward working hours.

3.6.6 Question 6: Do you believe that management acted in your best interest during the restructuring process?

With this question, the researcher attempted to assess the impact of the restructuring process on the overall level of trust in the organisation. The responses confirmed that employees understood that the aim of the restructuring process was to increase operational efficiency by employing human resources in the best possible positions. This indicates that the respondents displayed a high level of trust in the motives behind the restructuring process.

3.6.7 Question 7: Were you ever fearful that you could lose your job during the restructuring process?

This question measured job security during the restructuring process. Respondent 2, 3 and 5 all mentioned their own performance, displaying an internal locus of control and their perceived connection between good performance and job security.

Respondent 6 referred to tenure as a reason for feeling job secure, alluding to the perception that long service should lead to higher job security; this despite that many restructuring methods involve forced retirement as a strategy (Nober, 2014:20).
3.6.8 Question 8: Do you believe that you are able to achieve your personal goals within the organisation?

In an attempt to measure employee job security and how the employee envisions his/her future with the company, the researcher asked this question. All the respondents answered in the affirmative, indicating that they were all confident that there will be ample opportunity for personal growth in the company.

Respondents 2, 3 and 4 linked their personal success to the success of the organisation, showing the perception of a positive link between personal growth and employee loyalty. Respondent 1 referred to his independence as well as the support received by management to reach targets, indicating a level of trust in management.

3.6.9 Question 9: Do you understand and believe in the new processes and procedures that have been implemented in the company?

This question attempted to measure if the respondents’ job security had been affected through lack of effective communication regarding the restructuring process. Respondents 1 through 4 all understood the intricacies surrounding the restructuring process. However, respondents 5 and 6 both felt that the armed reaction teams were not communicated with effectively enough. This confirms the responses observed in Question 5, where it appeared that management had failed to communicate effectively with staff members who worked shifts. This confirms that although staff members who worked normal hours in the administrative building were communicated to effectively, staff members who were not as easily accessible to management were not communicated to effectively.

3.6.10 Question 10: Do you feel inspired to do your job to the best of your ability every day?

The researcher attempted to measure how an employee’s feeling of inspiration to perform work activities are influenced by the restructuring process. This is an indication of how an employee believes in their abilities to do their work effectively.

All six respondents confirmed that they feel inspired to perform work activities. Respondents 1 and 2 both concluded that they love their job and that is why they are
inspired. Respondents 2, 4 and 6 confirmed their competence in their abilities is the source of their inspiration. Respondent 3 enjoys making targets and respondents 3 and 4 both refer to clients as a source of inspiration. Respondents 5 and 6 refer to their competence to perform armed reaction activities and pride in their work.

Overall, it appeared to the researcher that the respondents felt inspired to perform their work-related activities through various intrinsic and extrinsic factors. This indicates that the employees feel that there is enough value in the service they deliver to continue to do so in a motivated manner. This points to self-esteem and belief in one's self-worth related to work activities.

3.6.11 Question 11: How much do you believe that what you do forms a valuable contribution to the organisation?

The researcher attempted to measure how the respondents believe their activities affect the service of the organisation, indicating the level of self-esteem held by the employees.

Respondents 1 and 3, who both work with attracting and retaining clients of the company, indicated that they believed that their customer service skills held particular significance in their respective positions. Respondent 2 believes she contributes significantly through training and developing staff. However, respondent 5 felt that their service sometimes went unnoticed. Respondent 6 is under the impression that the armed reaction contributes 100 percent of the organisations' services, also indicating the disconnection felt between the administrative staff versus the reaction teams. Respondent 4 indicated that she thought that all employees were valuable to the organisation.

3.6.12 Question 12: Do you believe that the company cares about you as a person?

The researcher attempted to discover how employees believed the organisation cared about their personal needs and problems. This will indicate how an employee feels that the organisation values their efforts and loyalty.
Respondents 1, 2 and 5 all alluded to being helped financially in the past by the organisation. They appreciated that the organisation sympathised with their situational problems and attempted to help them. Respondent 3 referred to the MD empathising with household and motherly duties because she is a woman, indicating that she feels that the organisation understands that she has responsibilities outside of the workplace. Respondent 4 believes that the restructuring process is helping the staff to be more efficient, pointing to trust in the model and the management of the organisation.

3.6.13 Question 13: Do you feel employees, including yourself are committed to the organisational goals after the restructuring process

The researcher attempted to assess whether employees were committed to the organisations goals when attempting to measure the employees’ intention to remain at the organisation.

Opinions in this regard were split between the respondents. Respondents 1, 2 and 3 are fully committed and believe that other employees are also committed to the goals of the organisation. Respondents 3, 4 and 5, however, all believed that although they were personally committed to organisational goals, other staff members were not. They also indicated that employees might need time to grasp the changes made.

This may be an indication that some employees in the organisation may not be committed to organisational goals, which may lead to the intention to move to another organisation in the future.

3.6.14 Question 14: Have you thought about looking for another job in the last six months

This question speaks directly to turnover intent and the researcher attempted to measure whether the respondents had an intention to seek alternative employment.

All the respondents answered no to this question. Respondent 1 mentioned remuneration and the fact that during the restructuring process, no annual increase was awarded. This indicates that this employee places great emphasis on monetary
remuneration and would intend to seek alternative employment if no annual increase was awarded in the next financial year.

Respondents 2 and 5 alluded to loyalty as a reason for their answers, while respondents 3 and 4 mentioned enjoyment in their work, indicating job-satisfaction. Respondent 6 mentioned that he has been working for the organisation for many years and because of his tenure, has no intention of leaving. Overall turnover intention was low between the respondents.

3.6.15 Question 15: Do you believe that another organisation may value your contribution more if you found alternative employment?

Respondent 1 admitted that he hopes another organisation will value him more, which speaks positively of his self esteem and his self worth. However, he also mentioned that his manager valued his work and showed appreciation where deemed necessary. Respondents 2 and 3 confirmed that they believed that the organisation values their contribution. Respondent 4's response indicated that she has no intention of considering whether another organisation would value her more, showing her level of loyalty and lack of turnover intent.

Respondents 4 and 5, both armed reaction officers, indicated that they feel under-valued, go unnoticed and are looked down upon. This is in line with the identified trend in the responses that the armed reaction teams are somewhat disjointed from the rest of the staff members.

3.6.16 Question 16: How do you feel about your contribution to the organisation since the new management has taken over?

This question attempted to identify the state of the attitudes of the respondents in the study towards the organisation. The respondents all reported to feel positive about the organisational changes since the new management has taken over.

Respondent 1 refers to independence and autonomy gained with the changes. Respondent 2 refers to feeling empowered to perform her duties. Respondent 3 feels that she makes a difference to clients as well as subordinates. Respondent 6 feels that not all the staff is positive in the reaction teams.
Overall, respondents are exhibiting a positive attitude towards the organisation in light of the changes resulting from restructuring. It appears that employees have embraced the restructuring as a positive occurrence that has resulted in changes for the better of the staff, clients and organisation.

3.6.17 Question 17: Do you believe that the changes that have been made are positive for the employees of the security company?

The question was aimed at assessing whether attitudes of the employees towards the changes were positive or negative. All the respondents again answered in the affirmative, indicating that the employees have an overall positive attitude towards the changes that have been made.

Respondents 1, 5 and 6 refer to control over staff as a way of increasing operational efficiency. Respondent 2 believes that organisational success will flow down to employees. Respondent 3 refers to more support provided, resulting in less stress of staff. Respondent 4 refers to the level an employee is able to operate at when comfortable in a position, as a positive factor.

3.6.18 Question 18: How easy have you found it to adapt to a new way of doing things at the security company?

The respondents found it easy to adapt to the changes with an overall positive attitude towards the new culture.

Respondents 1 and 2 found it easy because they felt their opinion was valued. Respondent 4 found it easier to work as a team after the changes were made. Respondent 5 believed that the other reaction team members did not understand the broader strategies of management. Respondent 6 indicated that he still does not understand everything; however, he displayed a positive outlook for the future.

The reaction team respondents again displayed less of an understanding of the change process and less positive attitudes towards the changes made, indicating that the communication between the shift workers and management was inadequate.
3.7 ETHICAL TREATMENT OF INFORMATION PROVIDED BY RESPONDENTS

It is important to note that information provided by respondents is to be handled with care to ensure that all participants are treated equitably. Participants are entitled to the ethical treatment of the information that they provide with regards to confidentiality, anonymity and the voluntary nature of the involvement in the study. All these factors must be considered during the research design phase (Akaranga & Makau, 2016:6).

In order to ensure that participants were treated in an ethical manner, informed consent was obtained from all participants by the researcher at the time of the interview. Attached as page 1 of Appendix B, is a sample of the informed consent provided to the respondents.

The Managing Director of the private security company obtained permission to conduct the study with company employees during working hours. Attached as Appendix A is the permission letter obtained. The North West University Ethics Committee approved this study.

3.8 SUMMARY

This section documented the responses obtained from respondents during semi-structured interviews. The respondent sample consisted of six employees, employed full-time at a private security company and the reporting of the data was done according to the qualitative approach. The reason that these six participants were utilised is due to the fact that they were closely involved in the restructuring process. Data was collected from a pool of respondents that were involved in the restructuring process and data saturation was obtained at the sixth participant.

The information recorded during the interviews was transcribed by the researcher and used to populate constructs identified by the researcher that were relevant to the research question and objective of the study. The information was analysed by the researcher in order to interpret how restructuring affected the employees involved in the study.
The measuring instrument was adapted from questionnaires developed in previous studies and were identified during the literature review to ensure the reliability of the instrument. The questionnaires from which the instrument was adapted were used in similar studies measuring facets of employee morale and were found to be reliable and valid for the purposes of their respective studies. The responses were evaluated collectively in order to determine how the restructuring affected the group as well as on an individual basis.

In the next chapter, conclusions and recommendations will be drawn from the findings during the analysis conducted in this chapter.
CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

4.1  INTRODUCTION

The purpose of the final chapter in the qualitative study is to conclude the study and to provide practical recommendations with regards to conducting a restructuring process in the future. Furthermore, the chapter serves to provide suggestions on how to improve employee morale after a restructuring process in order for the organisation to achieve operational efficiency.

This chapter also provides concluding remarks deducted from the results of the study discussed in Chapter 3. It also discusses recommendations the researcher identified from the study that may assist the organisation to improve employee morale.

A discussion regarding the evaluation of primary and secondary objectives was provided. Finally, the researcher makes suggestions for future research in the field of employee morale and restructuring processes.

4.2  CONCLUSIONS DRAWN FROM THE DATA ANALYSIS

The conclusions provided were drawn from an analysis of the data collected from the qualitative study. This section provides more information on the demographics of the sample. It also summarises the data collection and analysis sections, as well as the limitations and the implications of the research study.

4.2.1  Answering the research question

After analysis of the study, the researcher is satisfied that the research question has been answered and that the objectives of the study have been met. This is that the study through interviewing staff members within a private security company, the researcher was able to evaluate whether a restructuring process had impacted employee morale within the company. The researcher conducted an extensive literature review on the private security industry in South Africa as well as internationally, corporate restructuring and the factors influencing employee morale.
The researcher is satisfied that the literature review provided adequate explanations of the above topics. Information regarding the town where the organisation is located, as well as surrounding areas have been provided in order to provide a clear overview of the demographic and economic climate in which the organisation operates.

Interviews were conducted with six staff members of a private security company in Gauteng, South Africa. The interviews were transcribed word-for-word by the researcher. The data collected were analysed and interpreted in order to meet the objectives of the study. Below is a detailed explanation of how each research objective was met.

4.2.1.1 Primary objective

The primary objective was to understand whether a restructuring process affects employee morale in a private security company. Drowley (2013) emphasises that during a restructuring or take-over process, management should take cognisance of the strategy it employs in order to ensure that it considers the employees’ experience and culture. If management attempts to mitigate future problems through open communication and clear timeous conveyance of the reasons for the restructuring, employees are more likely to adopt an attitude of trust towards management and its intended outcomes (Zweni, 2004:89).

The researcher identified empirical constructs measuring employee morale and adapted questionnaires created by Nober (2014), Sayed (2013) and Zweni (2004) in order to measure the morale in this study. The following six constructs were identified as attributes that measure employee morale:

- Employee morale
- Employee trust
- Employee job security
- Employee self esteem
- Employee turnover intent
- Employee attitudes.
After administering the interviews, the results of the study revealed that the sample had experienced stress during the restructuring process, but soon settled into their new positions when the reasons for the restructuring were communicated clearly to them by management. A further observation that the researcher deducted from the interviews was that the employees in the sample did not feel job insecure and, therefore, had no reason to feel threatened by the restructuring process. Although they did not fear losing their jobs, there is stress associated with having to learn to perform new duties that may not have formed part of their previous positions (Nober, 2014:33).

The reaction team members who were part of the sample indicated that they felt undervalued, which speaks to a lack of job satisfaction and self esteem. It was found that management had not communicated the reasons for the restructuring process as clearly to the reaction teams as they did to the administrative staff. This could possibly be due to the fact that the reaction teams work shifts on a three-day rotational basis and as such were not as readily available to top management for the purpose of communication. This anomaly speaks to the correlation between communication and embracing the change that the employee is experiencing (Nober, 2014:33).

Respondents were found to be confident in their ability to perform their duties effectively, indicating that they are confidant and have an adequate self esteem within the boundaries of their work obligations. It was deduced that the employees had an overall good attitude towards the new management model of the organisation and even the two reaction officers who did not fully understand the restructuring process responded positively to their feelings about management and the future of the organisation.

The respondents all answered positively to the questions posed on employee morale, however, there was concern raised that not all the employees in the organisation had experienced an increase in employee morale. Concern was also raised that not all employees understood the restructuring process properly. Despite this observation, the consensus within the sample was that employee morale had indeed increased following the initial restructuring process.
Only one respondent showed turnover intent related to an annual increase, which was not awarded during the restructuring process and the rest of the respondents showed a high level of loyalty to the organisation. The respondents reacted positively when asked if they trusted the organisation to act in their best interest and most referred to the willingness of the organisation to empathise with financial and personal problems being experienced by the employees.

In order to investigate further, the effects of restructuring on employee morale, the researcher underwent an extensive literature review in order to determine what personal and professional attributes of the employee were affected. In order to reach the primary objective, various secondary objectives were evaluated, as outlined below.

4.2.1.2 Secondary objectives

To conduct a literature review of the importance of a restructuring process on employee morale: In order to reach the primary objective, an extensive literature review was conducted to determine the effect of restructuring on employee morale. It was determined during the literature review that various aspects of an employee’s being are impacted by a restructuring process. The researcher identified constructs out of the literature review that were used in the qualitative study to determine the effects of restructuring on the employees’ morale.

To examine the effects of a restructuring process on employee emotional well-being: According to Terry & Callan (1997), a restructuring process is a shocking and emotional experience that has the ability to affect employees on both a professional as well as a personal level. As such, it is vital that management develops a sound restructuring strategy that takes all aspects of employees’ well-being into account. Drowley (2013) finds it is important to note that the restructuring process will create uncertainty for the staff of an organisation and thus have an impact on work performance. Strategic management should communicate in an empathetic way and ensure that employee emotional well-being is a consideration at all times.

To evaluate the attitudes of employees after a restructuring process: According to James (2012), negative attitudes towards the work environment, colleagues and
management could play a role in an employee’s job security and, ultimately, organisational success. It is vital for management to engage in open communication with employees in order to ensure that attitudes remain positive and do not influence job security to the point where an employee intends to search for alternative employment.

**To identify the role a restructuring process plays on the short term organisational objectives:** According to Sayed (2013), a restructuring process has an impact on work effort. More specifically, employees with high job insecurity in a time of restructuring tended to adjust their work effort in line with their motivation to work. He based his conclusion on a study by Brockner *et al.* (1985), where it was found that employees with a high need to work performed better in situations where the employees were job insecure; whereas, employees with a low need to work decreased work effort when job insecure. In contrast, James (2012) claimed that a restructuring process has a negative impact on an employee’s job security, which in turn causes the employee to lose faith in their future with the organisation, which then affects the ability to work effectively. In both studies, however, restructuring undoubtedly had some effect on the way that employees perform in the workplace.

**4.2.2 Demographics of the sample**

The section below provides an overview of the sample group’s demographical information and provides more insight on how this may have influenced the results observed by the researcher. The sample consisted of six employees of the private security company.

**4.2.2.1 Age**

Four of the respondents fell in the <30>40 (66.66%) year old category and two of the respondents fell in the <40>50 (33.33%) year old category. This is deviated slightly from the population demographics obtained by the organisation, which are 61.3 percent and 16 percent respectively.
4.2.2.2 Level of education

Three respondents had less than a Grade 12 (50%) and three respondents had a Grade 12 certificate (50%). This deviates substantially from the population statistics, which show that 72.7 percent of the employees have less than a Grade 12 certificate. This could be because the researcher chose a purposive sampling technique in order to include representative groups within the organisation of employees from each group who had been part of the restructuring process.

4.2.2.3 Position in the company

Two armed reaction officers (33.33%), two administration staff members (33.33%), one manager (16.66%) and one sales consultant (16.66%) made up the sample group. The researcher attempted to choose a sample that was representative of the organisation as far as possible from operations, administration, sales and management.

4.2.2.4 Race

The sample consisted of five white employees (83.33%) and one African employee (16.66%). This deviates substantially from the population statistics where 45.45 percent of the employees at the organisation are African 52.27 percent are white and 2.27 percent coloured. This is once again due to the purposive sampling technique employed by the researcher. This could lead to a sample bias and will be considered in the limitations section of this chapter.

4.2.2.5 Gender

Three male respondents and three female respondents formed the sample group. Due to the nature of the security business, 86.4 percent of employees at the organisation are male and 13.6 percent are female. The researcher found it important to include a representative group from all functional departments in the organisation and, therefore, found it necessary to include a manager and administrative staff in the sample, three of whom were females. The gender dominance within the population is purely due to the nature of the organisation’s operations and the researcher found no reason why gender should cause sample
bias issues when investigating the impact of restructuring on employee morale, since both male and female employees had been exposed to the effects of the restructuring process.

4.2.3 Data collection methods

Data were collected via semi-structured interviews in order to obtain a comprehensive understanding of the effects that a restructuring process had on employees of a private security organisation undergoing a restructuring process. A purposive sampling technique was employed by the researcher in order to ensure that all functional departments within the organisation were represented by employees who were present throughout the restructuring process.

In order to ensure reliability the measurement tool was a questionnaire adapted from academic studies on restructuring conducted by Nober (2014), Sayed (2013) and Zweni (2004). The interviews were conducted by the researcher in person and transcribed word-for-word in order to ensure data accuracy.

Emerging themes were identified by the researcher in terms of the six constructs identified in the literature review portion of the study and the quantity of respondents was found to be sufficient by the researcher to reach data saturation.

4.2.4 Analysis of data

The researcher transcribed the interviews in order to analyse the data obtained. During the transcription process, the researcher identified emerging themes in order to develop a comprehensive understanding of the effect of the restructuring process on the morale of the employees of the organisation.

4.2.5 Implications of the research study

This study adds to the extensive studies that have been performed in the area of change management and restructuring in business. However, after an extensive literature review, the researcher found no studies that were specific to a restructuring process within the private security industry.
The results of this study indicate that the employees of the private security company reacted positively to the restructuring process and embraced the change with an overall positive impact on employee morale. The study also found that there is a direct correlation between the level of communication between top management and employees in terms of how the employees react to and understand the process.

4.2.6 Limitations of the study

The respondents of the study consisted of six full-time employees of a private security company who were part of the restructuring process. The respondents were chosen through a purposive sampling technique by the researcher to be representative of each functional department of the organisation. This resulted in a possible sample bias where a large portion of the organisation, being the armed reaction officers, only represented a 33.33 percent of the sample. Although this was not representative of the population statistics, the researcher found it more important to represent all departments in the company until data saturation was reached, than to include a large majority from the outset.

The following were also identified as limitations:

- It was time-consuming to evaluate the individual data of each respondent.
- Due to the work relationship between the researcher and the participants, it was difficult to maintain anonymity with regards to the reaction of the participants.
- The interpretation by the researcher had a risk of biasness due to inductive reasoning techniques and personal experiences. (Barbour, 2001:1115).
- The study is limited to the geographical location of Vanderbijlpark and a specific private security company; findings may be different in another location and organisation. This means that caution should be exercised when generalising the findings.
- Because qualitative research involves the feelings and perceptions of people within a specific company, it cannot be generalised to another company.
4.3 RECOMMENDATIONS BASED OF THE FINDINGS OF THE STUDY

The primary objective of this study was to evaluate the effect, if any, of a restructuring process on the employees of a private security company in the Vaal Triangle. The results indicate that the acceptance and understanding of the restructuring process was closely related to the amount of communication offered by top management on the reasons and structure of the process. The researcher identified the following insights during the study:

- There is a close relation between the level of communication from top management and the way that employees react to a restructuring process.
- Effective communication strategy formulation and implementation assists employees to embrace the change during a restructuring process rather than resist it.
- Only one third of the respondents had a Grade 12 certificate and further education could improve their understanding of the strategic objectives of a restructuring process.
- Employees value being involved in the process and informed of the reasons why restructuring is happening.
- Job security is central to employee morale and well-being and directly influences work performance of employees during a restructuring process (Baehr & Renck, 1958:158).
- Job satisfaction and job security are linked directly to how an employee experiences a restructuring process.
- A large portion of the company, being the armed response officers, responses indicate that they feel segregated from the rest of the employees due to being out on the road working shifts.

Based on the above insights, the researcher made the following recommendations while considering the findings of the study.

- **Communication strategy**

Since the acceptance of the restructuring process will directly affect how an employee embraces the new direction that the company is moving in, it is important
to develop and implement an effective communications strategy to ensure that all employees are aware of changes that are being made as well as the long-term objectives of why the changes are being implemented. If top management effectively communicates to employees, the employees will be less uncertain of expectations and experience less job insecurity and stress.

- **Participative management**

  Top management should consider engaging in a participative management style to involve employees in the decision making process when changes are necessary. Employees are often aware of ground level issues that top management may be unaware of and may be able to contribute valuable insight into how to solve such issues. Employees are also more likely to buy-in to strategic initiatives if they have been involved in the planning stage from the outset.

- **Educational development of staff**

  Management should focus on educating employees in order to ensure that talent is developed from within the workforce. It was identified by the researcher that only one third of the respondents had a Grade 12 certificate. According to Kanjere and Khoza (2014), internal factors under the control of the employer can mitigate external factors in the workplace to increase employee job-satisfaction. Ensuring that employees receive training and education will not only strengthen the strategic initiatives of the company, but will also ensure that employees are rewarded and promoted for hard work.

- **Improving internal factors that increase employee motivation**

  Management should focus on what it can control in order to ensure employees remain motivated at work (Kanjere and Khoza, 2014). Therefore, the organisation could look at what motivates different employees and adjust the work environment accordingly. According to Arnolds et al. (2010), employees are motivated either by job security and monetary remuneration or by recognition and monetary remuneration. Rewards and recognition programmes easily can be implemented to satisfy the latter, while the former could be ensured with regular communication...
between managers and employees. Ensuring that employees are remunerated fairly for their effort will also keep turnover intent down and ensure employees are motivated to perform their duties (Gorey, A. 2011).

- **Team building activities across functional departments in the organisation**

Promote inclusiveness between departments by arranging team-building activities that include the employees who work shifts. This will ensure that employees do not lose morale due to feeling segregated from the rest of the team. According to Gorham (2017), team-building activities lead to team accountability and, therefore, employees may perform better in their roles because they feel responsible towards the team.

4.4 **RECOMMENDATIONS FOR FUTURE STUDIES IN THE FIELD**

The study was limited to a small to medium sized enterprise in the Vaal Triangle and no further research was found on change management processes within other South African security companies. The study could be extended to include other aspects of human resource practices within the security industry in South Africa. In light of the recent take-over by Fidelity of ADT South Africa, it may be valuable to extend the scope of the study to include take-overs and mergers within the industry. The literature review also revealed a high employee turnover in the security industry and there appears to be a gap in the research as to how to mitigate this risk in terms of operational continuity.

The researcher makes the following suggestions for future studies:

- The effect of communication on the buy-in of employees in the security industry
- The effect of mergers/acquisitions on the employees of security companies in South Africa
- Corporate spin-offs in the security industry in South Africa
- The effect of employee turn-over in the private security industry in South Africa on operational efficiency.
4.5 CRITICAL EVALUATION OF THE STUDY

4.5.1 Discussion of the effectiveness of the study in answering the research objectives

This section discusses the effectiveness of the study in answering the research objectives set out in Chapter 1 of the study. The primary and secondary objectives are as follows:

- The primary objective of this study was to understand whether the restructuring of a private security company affects employee morale – This objective was achieved through the process of transcribing semi-structured interviews and comprehensively analysing the responses observed in the results section in Chapter 3 of the study.
- To conduct a literature review of the importance of a restructuring process on employee morale – This objective was achieved in Chapter 2 with a comprehensive literature review of restructuring in business, international views, South African views, a review of the private security industry and a comprehensive overview of the geographical location in which the company operates.
- To examine the effects of a restructuring process on employee emotional well-being – Using a measurement instrument adapted from previous studies enabled the researcher to evaluate an employee’s emotional response to the restructuring process, which is comprehensively documented in Chapter 3 of the study.
- To evaluate the attitudes of employees after a restructuring process - Using a measurement instrument adapted from previous studies enabled the researcher to evaluate an employee’s attitude after the restructuring process, which is comprehensively documented in Chapter 3 of the study.

4.5.2 Significant insights identified during of the study

This study was undertaken in partial fulfilment of a Master of Business Administration over the duration of one year. The primary objective of this research was to evaluate the effect of a restructuring process on the morale of employees of a private security.
company. After an extensive literature review, as documented in Chapter 2, the researcher found no previous studies of this kind in the private security industry in South Africa. Since it was proven in Chapter 2 that it is a growing industry in South Africa (Kontos, 2004), more research in this field would be required to understand the way that employees' human resource management operates in this industry.

4.6 SUMMARY

The aim of this research was to evaluate the effect of a restructuring process on employee morale of a private security company in the Vaal Triangle. The qualitative research conducted in this study sought to draw rich data from employees through the use of semi-structured interviews with permanent employees of the private security company. The study investigated employee morale through the use of constructs identified during the literature review, which measured attributes of employees that are affected by a restructuring process. The empirical findings of the study showed that employees responded positively to the restructuring process if top management communicated reasons and strategic objectives effectively to them.

The study also revealed that job security is of paramount importance to an employee’s well-being in terms of personal as well as professional aspects of the employee’s life. It found that when job secure, employees are more likely to embrace change and accept the new strategic direction of the organisation.

The research also revealed that ineffective communication to the operational department is a perceived short coming of the organisation and an effective communication strategy should be formulated and implemented in order to ensure that all functional departments understand the restructuring process.

Overall, employees of the organisation reacted positively to the restructuring process and do not intend to seek alternative employment in the near future.
REFERENCES

Acts see South Africa.


Denis, D. & Kruse, T. 1999. Managerial discipline and corporate restructuring following performance declines. West Lafayette, USA: Krannert Graduate School of Management, Purdue University.


References


Sayed, Z. 2013. The impact of downsizing on the remaining employees in the organisation. University of the Western Cape.


Dear Rescom employee

PERMISSION TO CONDUCT RESEARCH

I’m currently enrolled as an MBA student at the North-West University (NWU). I intend to collect data for my research study relating to the impact of a restructuring process on employee morale at a private security company. The title of my proposed dissertation is:

THE IMPACT OF A RESTRUCTURING PROCESS ON EMPLOYEE MORALE AT A PRIVATE SECURITY COMPANY

I hereby request you to participate in completing a questionnaire on your experiences as an employee at a security company that is undergoing a restructuring process. Completion of the questionnaire will take approximately 20-30 minutes. Ethical clearance for this study was obtained from the NWU, Research Ethics Committee (WorkWell), and the number for this study is EMSPBS 16/11/25-01.

I pledge to maintain professional and research ethical codes, which implies that:

- You will only be asked to complete this one questionnaire for the research project.
- Your participation in this research remains voluntary and anonymously, and you may at any time withdraw from this research.
- Your personal information and feedback will at all times be treated as confidential.
- Your participation in this questionnaire will not interfere with your academic studies.
• Should you be interested in the research findings, the researcher could provide the research findings to you.

I plan to conduct this research study between May 2017 and July 2017. The research will be conducted at the Rescom Security Systems offices.

_________________________________
Olivia Vaughan

MBA Candidate – North-West University

Student number 12661163

Office: (016) 932 3068

Mobile: 079 218 5543
The impact of a restructuring process on employee morale at a private security company

Dear participant

The purpose of this questionnaire is to assess the effect of a restructuring process on employee morale for the purpose of the completion of a mini-dissertation in a Master of Business Administration degree. Please take a few minutes to assist by completing the attached questionnaire. The questionnaire should take approximately 15 minutes to complete. The data collected will remain confidential and will be presented in statistical format. The data collected is solely for research purposes.

Your assistance in the completion of this questionnaire is highly appreciated.

Agreement/ Acknowledgement

I, ………. …………………………………. (Full name), have read and acknowledge this informed consent. I fully understand the parameters of my participation and agree to partake in this research. I agree to have my answers recorded using a recording device and acknowledge such to be purely for research purposes

Signature: ………. …………………………………. Date

……………….
# SECTION A:

Please answer the following questions using your own words:

<table>
<thead>
<tr>
<th>C1</th>
<th>EMPLOYEE MORALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>In your opinion, has morale increased among employees after the restructuring process and if so how?</td>
</tr>
</tbody>
</table>

| A2 | Is there anything at the security company that makes you feel like you would rather not want to come to work? |

| A3 | Do you feel that you would like to continue employment with this organization for the foreseeable future? |

<table>
<thead>
<tr>
<th>C2</th>
<th>EMPLOYEE TRUST</th>
</tr>
</thead>
<tbody>
<tr>
<td>A4</td>
<td>How much do you trust the new company model to implement changes that are for your own benefit?</td>
</tr>
</tbody>
</table>

<p>| A5 | Do you believe that management communicated changes clearly to you during the restructuring process? |</p>
<table>
<thead>
<tr>
<th>Q</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>A6</td>
<td>Do you believe that management acted in your best interest during the restructuring process?</td>
</tr>
<tr>
<td>C3</td>
<td>EMPLOYEE JOB SECURITY</td>
</tr>
<tr>
<td>A7</td>
<td>Were you ever fearful that you could lose your job during the restructuring process?</td>
</tr>
<tr>
<td>A8</td>
<td>Do you believe that you are able to achieve your personal goals within the organization?</td>
</tr>
<tr>
<td>A9</td>
<td>Do you understand and believe in the new processes and procedure that have been implemented in the company?</td>
</tr>
<tr>
<td>C4</td>
<td>EMPLOYEE SELF ESTEEM</td>
</tr>
<tr>
<td>A10</td>
<td>Do you feel inspired to do your job to the best of your ability every day?</td>
</tr>
<tr>
<td>A11</td>
<td>How much do you believe that what you do forms a valuable contribution to the organisation?</td>
</tr>
<tr>
<td>A12</td>
<td>Do you believe that the company cares about you as a person?</td>
</tr>
<tr>
<td>C5</td>
<td>EMPLOYEE TURNOVER INTENT</td>
</tr>
<tr>
<td>A13</td>
<td>Do you feel employees, including yourself are committed to the organisational goals after the restructuring process</td>
</tr>
<tr>
<td>-----</td>
<td>------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>A14</td>
<td>Have you thought about looking for another job in the last six months</td>
</tr>
<tr>
<td>A15</td>
<td>Do you believe that another organisation may value your contribution more if you found alternative employment?</td>
</tr>
<tr>
<td>C6</td>
<td>EMPLOYEE ATTITUDES</td>
</tr>
<tr>
<td>A16</td>
<td>How do you feel about your contribution to the organisation since the new management has taken over?</td>
</tr>
<tr>
<td>A17</td>
<td>Do you believe that the changes that have been made are positive for the employees of the security company?</td>
</tr>
<tr>
<td>A18</td>
<td>How easy have you found it to adapt to a new way of doing things at the security company?</td>
</tr>
</tbody>
</table>

**Section B: Employee demographics**

<table>
<thead>
<tr>
<th>D1</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>A19</td>
<td></td>
</tr>
<tr>
<td>D2</td>
<td>Level of education</td>
</tr>
<tr>
<td>----</td>
<td>--------------------</td>
</tr>
<tr>
<td>D3</td>
<td>Position in company</td>
</tr>
<tr>
<td>D3</td>
<td>Race</td>
</tr>
<tr>
<td>D3</td>
<td>Gender</td>
</tr>
</tbody>
</table>

Thank you very much for your valuable contribution!