



**EMPLOYEES' PERCEPTIONS OF THE EFFECTS OF
RETRENCHMENT ON JOB STRESS AND ORGANISATIONAL
COMMITMENT IN A MINING COMPANY**

by

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DECLARATION

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

Signed.....

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STATEMENT 1

This dissertation is being submitted in fulfilment of the requirements for the degree of Magister Technologiae: Labour Relations Management.

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The dissertation is the result of my own independent work/ investigation, except otherwise stated. Other sources are acknowledged by giving explicit references. A bibliography is appended.

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DEDICATION

This research study is dedicated to my parents

Douglas Seteni and Funeka Seteni

My two siblings: Sivuyile Seteni and Sibusiso Seteni

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Firstly, I would like to thank Almighty God for being my guide and strength to complete this degree. I truly believe that through Him, all things are possible.

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ABSTRACT

In the decade before 2005, South African organisations have had to cope with an ever-increasing rate of local and global changes. There have been considerable and ongoing socio-political changes, resulting from new Government regulations. Most organisations have experienced some type of downturn, whether due to external business factors or poor internal performance. A typical response to organisational decline is retrenchment. Retrenchment is attributed to cyclical downturns, market losses or other economic factors, which oblige the employer to reduce the labour force numbers.

Though there are so many ways of responding to organisational failure, this study focused only on retrenchment. A number of psychologists and human sciences researchers have studied the results of job loss due to retrenchment. Retrenchment brings loss of skills, loss of morale and commitment, as well as physical and mental health degradation, including stress that results in employees withdrawing physically and emotionally.

The main purpose of this study was to outline the employees' perceptions of the effects of retrenchment on job stress and organisational commitment in a mining company. The research methodology used in this study is a combination of a literature review and an empirical study. The probability sampling technique, which entails using simple random sampling, was used to select the sample of the study. The primary data were collected using a questionnaire. The measuring instrument contained 43 items. The measuring instrument was pilot-tested with 50 respondents three weeks before the main survey; the questionnaire was self-administered to the participants. For the main survey, data from 294 respondents were collected and analysed. Participants in the study involved surface employees, including management, administrators, engineers and artisans.

Data were analysed with the Statistical Package for Social Sciences (SPSS) version 23.0. The Cronbach's alpha coefficients of the various sections of the measuring instrument were computed to establish construct validity. Content validity was ascertained by pre-testing the questionnaire with the employees in the mine in question. Correlations were used to establish convergent validity of the constructs. Convergent validity was assessed to measure the degree of linear association of variables using Pearson's correlation coefficient. Discriminant validity was achieved by using regression analysis to show items loaded onto different factors in various sections which had more than one factor.

Analysis was done using descriptive statistics on the demographic information of respondents. The results were also interpreted through correlation and regression analysis. The results showed

that the effects of retrenchment did not have a negative impact on job stress (time stress and anxiety). This may be due to the mine in question planning and consulting with the employees prior to the retrenchment process. The results also showed that job stress (time stress and anxiety) is negatively associated with organisational commitment. Subsequent to these findings, it is recommended that employees (survivors) be updated on their future in the company in question. This could be done through regular workshops and counselling of employees.

In order to motivate and engage employees, and thereby contribute to employee commitment, it was also recommended that organisations create open, supportive and fair organisational and team cultures, and ensure jobs are clearly aligned with organisational goals and have appropriate levels of autonomy, support and career development. Given that job satisfaction plays a huge role in organisational commitment, it was further recommended that managers need to actively improve their organisation's job satisfaction to employees in order to achieve a higher level of organisational commitment.

The study concludes by recommending that communication between employees and management should take place on a regular basis which can serve as a fundamental tool to retrenchment in the following manner:

- Survivors will feel more committed to the organisation when the basis of retrenchment addresses the circumstances in the external environment, rather than the enrichment of shareholders or top management.
- Communicating a clear vision of how retrenchment will benefit stakeholders, increases commitment since survivors can see a clear future for the organisation.
- When survivors are treated with dignity and respect, they will feel more committed to the organisation because they feel appreciated.

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LIST OF ACRONYMS

BCEA	Basic Conditions of Employment Act
CDT	Cognitive Dissonance Theory
HRM	Human Resource Management
LRA	Labour Relations Act
NUM	National Union of Mine Workers
PGMs	Platinum Group Metals
QES	Quarterly Employment Statistics
QLFS	Quarterly Labour Force Survey
SHRM	Society for Human Resource Management
SPSS	Statistical Package for Social Sciences
SSA	Statistics South Africa
TB	Tuberculosis
UASA	United Association of South Africa
UIF	Unemployment Insurance Fund

CHAPTER 1

INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 INTRODUCTION

In the decade before 2005, South African organisations have had to cope with an ever-increasing rate of local and global changes. There have been considerable and ongoing socio-political changes resulting from new Government regulations (Vermeulen 2005:40). Most organisations have experienced some type of downturn, whether due to external business factors or poor internal performance. A typical response to organisational decline is retrenchment (Mabaso 2008:10). Retrenchment is attributed to cyclical downturns, market losses or other economic factors, which oblige the employer to reduce the labour force (Gribble & Miller 2009:3).

When faced with declining performance, some business leaders respond through moves such as aggressive marketing and new product development. Other market leaders respond by focusing on extensive cost cutting, including laying off employees and selling of assets (Barker, Liang, Musteen & Vincent 2011:926). Other common practices include downsizing, rightsizing, and reengineering where establishment depletion can be achieved through natural attrition, cessation of hiring, redundancy and retrenchment (Vermeulen 2005:40). However, as noted by Barker, McKinley and Mone (1998:115), not all organisations respond to decline with extensive retrenchment. For example, retrenchment may be less prevalent in firms attempting turnaround strategies that involve a high level of strategic change.

Though there are so many ways of responding to organisational failure, this study will only focus on retrenchment. Retrenchment is often used as a necessary means of cutting costs to remain profitable during difficult times. Companies feel compelled to retrench because being “lean and mean” is believed to strengthen competitiveness (Winter 2007:6-7). Employers may dismiss employees who, for example, are perceived as performing poorly, have difficulties and have not fitted into the culture of the organisation (Winter 2007:13-14).

A number of psychologists and human sciences researchers have studied the results of job loss due to retrenchment (Vermeulen 2005:40). Psychology has provided the basis for understanding effects such as how the perceived stigma of retrenchment can affect the retrenched. Previous investigations have been conducted on other psychological effects such as loss of identity and self-esteem, and how those who lose their jobs involuntarily manifest anger (Gribble & Miller 2009:3).

Retrenchment brings loss of skills, loss of morale and commitment, as well as physical and mental health degradation, including stress that results from employees withdrawing physically and emotionally (Baguma & Matagi 2002:9, West 2000:8).

Stress in general, and work stress in particular, is said to cause employees in all types of businesses and industries fatigue, depression and tension which is psychological and physiological in nature (Ahmed, Ahmed, Akbar & Usman 2011:202). Stress is defined as an individual's response to a challenging event that places demands on the individual, an environmental characteristic which poses a threat to the individual and as a realisation by the individual that they are unable to deal adequately with the demands placed upon them (Judge, Odendaal, Robbins & Roodt 2009:500). Job stress results in a response when employees are presented with work demands and pressures that are not matched with their knowledge and abilities which challenge their ability (Bisschoff, Botha & Hamid 2015:142). After retrenchment survivors are often under stress from greater workloads and having to work longer hours (Judge *et al.* 2009:500).

Organisational commitment is defined as an individual's psychological attachment to the organisations (Kipkebut 2010:3). Commitment has a number of antecedents, and antecedents to affective commitment include employee comfort and opportunity for self-expression. If self-expression is an antecedent to affective commitment and personalisation is a form of self-expression, then personalisation is associated with commitment, more specifically with affective commitment (Bajpai & Sharma 2010:8). Hult (2004:10) defines organisational commitment as the degree of identification with and effort put into a particular work organisation, including the acceptance of the organisation's goals and values as one's own. The intention is to measure to what extent the employee-organisation relationship is characterised by loyalty, and to what degree the employee is prepared to continue the employment even if faced with attractive alternatives. There is a need to understand a link between individuals and organisations in terms of conceptual framework of organisational commitment. Organisational commitment is widely described in the management and behavioural sciences' literature as a key factor in the relationship between individuals and organisations (Bajpai & Sharma 2010:8).

The study is located within the cognitive dissonance theory, which was propounded by Festinger in 1957. Cognitive dissonance theory is the unpleasant feeling of discomfort that is associated with simultaneously holding two conflicting or contrasting ideas, cognitions, beliefs or values. The state of cognitive dissonance is said to bring on board a state of disequilibrium (Maunganidze, Mupezeni & Pfebeni 2013:294). The cognitive dissonance theory is related to retrenchment in the sense that employees will start demanding to know why they were included and why others were

not included on the retrenchment list. They could therefore seek clarification regarding the criteria used to compile the retrenchment list. The social environment becomes very tense as some to-be-retrenched employees approach the human resource department seeking a reversal of the decision (Maunganidze *et al.* 2013:296).

There has been immense interest in the effects of retrenchment for those people who remain employed in the organisation, who are commonly known as ‘survivors’. The concern for the survivors appears to be driven by the organisational need to establish the expected advances in organisational performance as a result of the retrenchment. Survivors have been shown to have decreased trust, increased stress, and anxiety about job loss (Gribble & Miller 2009:4).

Organisations should provide career counselling for affected employees as well as for those who retain their jobs (Appelbaum, Audet, Augustinas, Jacob, Lopes, Manolopoulos, Molson & Steed 2003:77). The latter are extremely important, as they are left to cope with the aftermath of dismissed colleagues. In order to manage the downsizing process efficiently, employee involvement must be ensured from the very beginning, a communications strategy must be developed to create trust, support programmes must be provided to assist affected employees and those retained to adapt change, and Human Resource Management (HRM) strategies must be aligned with business strategies (Kotshoba 2005:20).

1.2 PROBLEM STATEMENT

The process of downsizing increases the burden upon those who remain, that is, the survivors, thereby placing a premium on commitment. A prolonged period of downsizing creates a climate of intensified work regimes and a breakdown in the traditional career ladder, resulting in commitment based on fear rather than loyalty to the organisation (Ndlovu & Parumasur 2005:15).

In a report conducted by Society for Human Resource Management (SHRM) (Ngambi 2011:20) on perceptions of employees regarding retrenchment, 43 percent of the respondents believe employees’ perceptions of their job security are neither insecure nor secure as a result of the layoffs across the nation. It is interesting to note that 35 percent indicated that employees are insecure and 21 percent indicated employees are secure. This neutral response (43 percent) may be one that indicates a lack of direct knowledge by human resource professionals as to how employees may really feel about job security.

Ndlovu and Parumasur (2005:18) state that survivors of a retrenchment exercise are still committed to the organisational goals, even after the transformation process. The authors further

state that employees who survive a downsizing feel anything but relief. Downsizing particularly depresses commitment where survivors had a close personal or working relationship with the victims, and where survivors perceive that the exercise was unfair (Ndlovu & Parumasur 2005:18). From this statement, it is evident that retrenchment negatively affects the performance of the survivors. This should be of concern to organisations, given that those who survived downsizing may have just had their world turned upside down (Akanni & Ayinde 2012:31). It is, therefore, important to find out what the survivors really feel and identify ways of how to improve the performance of these employees. If this is achieved, employees will tend to have a high-level degree of trust, and will feel at ease.

For the purpose of this study, the following research questions will be addressed:

- Is there a relationship between the effects of retrenchment and job stress (time stress)?
- Is there a relationship between the effects of retrenchment and job stress (anxiety)?
- Is there a relationship between job stress (time stress) and organisational commitment?
- Is there a relationship between job stress (anxiety) and organisational commitment?
- Are there ways to improve the performance of survivors?

1.3 HYPOTHESES

Retrenchment has a negative effect on job stress in a sense that survivors often experience negative feelings including job insecurity, unfairness, depression, anxiety or fatigue, reduced risk taking and motivation, distrust and betrayal, lack of reciprocal commitment, dissatisfaction with planning and communication, lack of strategic direction and a sense of permanent change (Bujang & Sani 2010:4). Retrenchment leads to depression, which culminates in a burnout syndrome (Aucamp 2001:14). This is because survivors feel that their jobs are at risk, and some have lowered self-esteem (Bujang & Sani 2010:9). The burnout syndrome is described as incapacity to cope with emotional work-related stress (Carlogea, Ciulcu, Marian, Nica, Sirbu & Stanescu 2011:7). It is evident that retrenchment will have a substantial impact on the workers involved. The process can affect those employees who are left behind and also managers who deal with the retrenchment, especially if it is badly handled or creates unnecessary conflict (Good Practice Note 2005:2). Based on these assertions, the following hypotheses are formulated:

Ho1: There is a negative relationship between the effects of retrenchment and job stress (time stress).

The set of shared reactions and behaviours of people who have survived an adverse event has been termed the survivor syndrome (Ndlovu & Parumasur 2005:15). Those who remain are often stuck with an increased workload. The result is a group of unhappy, overworked employees, some of whom have to do tasks for which they have not been trained (Balazs & Kets de Vries 1995:5). Retrenchment can result in psychological trauma experienced by the survivors, reduced employee commitment and lower performance among employees due to job insecurity (Ndlovu & Parumasur 2005:15). The negative effects of retrenchment found on employees are anxiety, mental tension and depression (Tripathi 2014:936). Other factors hindering employee performance after retrenchment are lack of motivation, lack of tools, poor transport, lack of job security and training (Baguma & Matagi 2002:5).

Based on the above assertions, the following hypothesis is formulated:

Ho2: There is a negative relationship between the effects of retrenchment and job stress (anxiety).

Stress at work is a well-known factor for low motivation and morale, decrease in performance, high turnover and sick-leave, accidents, low job satisfaction, low quality products and services, poor internal communication and conflicts (Nikolaou & Vakola 2005:161). Interpersonal conflict is likely to occur in the organisation due to lower levels of employees' commitment, greater intentions to leave the organisation and increased experiences of psychological distress (Jacobs 2012:7). Nikolaou and Vakola (2005:165) reported that stress directly affects organisational commitment as well as physical health and psychological well-being.

Based on the above assertions, the following hypothesis is formulated:

Ho3: There is a negative relationship between job stress (time stress) and organisational commitment.

During organisational change, employees are often reluctant to commit because they typically view it as intrusive and disruptive of the routines and social relationships formerly relied upon to complete important work tasks (Seo, Shin & Taylor 2012:727). As a result, employees will be filled with worry and anxiety about their future (Ukandu & Ukpere 2012:2636). Hill, Lorinkova, Seo, Taylor, Tesluk and Zhang (2012:124) also state that employees frequently mention that thinking about the effects the change might bring to their jobs and careers elicits feelings of high negative effect, such as anxiety, stress and anger. Employees with anxiety often lose interest in previously valued social roles, and the feeling of engagement in work might fade (Falkum, Innstrand & Langballe 2011:3).

Based on the above assertions, the following hypothesis is formulated:

H04: There is a negative relationship between job stress (anxiety) and organisational commitment.

Figure 1.1 presents the summary of the research model.

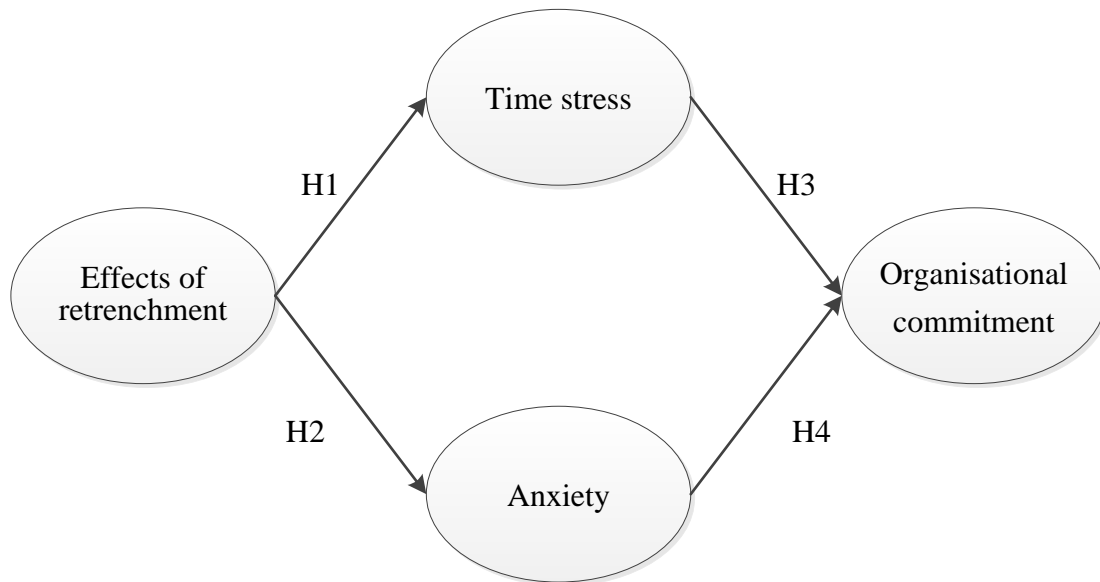


Figure 1.1: Theoretical model

1.4 OBJECTIVES OF THE STUDY

1.4.1 Primary objective

The primary objective of this research study is to determine employees' perceptions of the effects of retrenchment on job stress and organisational commitment at a mining company in South Africa.

1.4.2 Theoretical objectives

- To review literature on retrenchment, its causes and effects.
- To conduct a literature synthesis on job stress (time stress).
- To conduct a literature review on job stress (anxiety).
- To conduct a literature review on employee commitment.

1.4.3 Empirical objectives

- To assess employees' perceptions of the effects of retrenchment.

- To identify the relationship between the effects of retrenchment and job stress (time stress).
- To identify the relationship between the effects of retrenchment and job stress (anxiety).
- To identify the relationship between job stress (time stress) and organisational commitment.
- To identify the relationship between job stress (anxiety) and organisational commitment.

1.5 SIGNIFICANCE OF THE STUDY

The South African mining industry has been faced with an enormous number of retrenchments. Retrenchment has a negative impact on the country's economy, as it results in unemployment and poverty. When a company faces a production decline, it tends to retrench its employees. The rationale for undertaking this study is to assess employees' perceptions regarding retrenchment; to examine the additional issues so that the study may shed some light on the problem of retrenchment in terms of the influence it has on individuals, more specifically the survivors. The researcher also hopes that the study will provide possible solutions to the problems pertaining to retrenchment and may help guide the employer in planning, organising and implementing a successful retrenchment plan. The results will, therefore, help mining companies assist the retained employees to deal with the sense of fear of retrenchment.

1.6 RESEARCH METHODOLOGY

1.6.1 Literature review

Jesson, Lazey and Matheson (2011:9) define literature review as a written product; the format varies depending on the purpose of the review. A variety of sources will be consulted during the literature review process. This will include peer-reviewed journal articles, books and Internet searches.

1.6.2 The empirical study

1.6.2.1 Target population

Kumar (2011:398) defines the target population as the bigger group, such as families living in an area, and people belonging to an organisation about whom you want to find out about through your research endeavour. This research will be restricted to the production workers of a mining company. For the purpose of this study, the target population will be N=5000 permanent employees and managers who are currently employed at a mining company in South Africa.

1.6.2.2 Sampling technique

Sampling consists of selecting some part of a population to observe so that one may estimate something about the whole population (Thompson 2012:1). A probability sampling technique, simple random sampling, will be used in this study and is defined by Babbie (2013:209) as a type of probability sampling in which the units composing a population are assigned numbers. A set of random numbers is then generalised and the units having those numbers are included in the sample.

1.6.2.3 Sample frame and sample size

The database from the HR division of the company will be used as the sample frame. A sample size of 400 was deemed sufficient to conduct the study.

1.6.2.4 Method of data collection

This study is situated within the functionalist paradigm. The functionalist paradigm assumes that the social world is composed of familiar empirical facts that exist separately from the research, and it reflects the attempt to apply models and methods of the natural sciences to the study of human behaviour (Asante, Mike & Yin 2008:74). A positivist quantitative research design will be used within this study. According to Muijs (2011:1), quantitative research is explaining phenomena by collecting numerical data that are analysed using mathematically based methods. Therefore, a survey method will be used to determine appropriate data through distributing questionnaires among employees.

1.6.2.5 Measuring instrument

Data will be gathered through existing questionnaires used in past studies. The value of a questionnaire is that it tends to be more reliable because it is anonymous, it encourages greater honesty (though, of course, dishonesty and falsification might not be able to be discovered in a questionnaire), it is more economical than an interview in terms of time and money and there is the possibility that it can be mailed (Cohen, Manion & Morrison 2007:158). The questionnaire will consist of five sections. Section A will solicit demographic information from respondents including gender, age, job title and employment history. Section B will focus on employee perceptions of retrenchment. Section C will focus on effects of retrenchment. Section D will focus on job stress. Section E will focus on employees' organisational commitment. The questionnaire will be adopted from Baguma and Matagi (2002), Chinomona and Dhurup (2015), Etuk, Inyang and Williams (2014), Decotiis and Parker (1983) and Kiriago and Nyaberi (2013) for sections B,

C, D and E. Closed-ended questions, which are more efficient and less time consuming for respondents, will be used.

In this study, a five-point Likert type scale will be used for section B, C, D and E. A pilot study will be conducted. The value of a pilot study is to test the research approach to identify potential problems that may affect the quality and validity of the results (Chakrabarti & Lucienne 2009:114). Pre-testing will be conducted to check for suitability of questions and whether the questions measure the relevant constructs in the study.

1.7 STATISTICAL ANALYSIS

In order to reach the research objectives, the collected questionnaires will be submitted for statistical analysis to a statistician. The Statistical Package for Social Sciences (SPSS), version 23.0 for Windows will be used to analyse the data (Bridgmon & Martin 2012). Descriptive analysis will be carried out on the data collected. Correlations and regression analysis will be conducted to examine the nature of the relationships among the constructs used in the study.

1.8 RELIABILITY AND VALIDITY

The requirements for internal reliability and validity will be applied during the research. Maree (2010:215) defines reliability as the extent to which a measuring instrument is repeatable and consistent. Internal consistency will be checked by using Cronbach's alpha. Cronbach's alpha values ranges from zero to one, and in the social sciences, values at or above 0.7 are desirable (Andrew, McEvoy & Pederson 2011:202).

Validity refers to the degree to which a test or instrument measures what it purports to measure (Nelson, Silverman & Thomas 2011:193). The following types of validity will be examined: content, construct, convergent and discriminant validities. These types of validity will be achieved by ensuring that the instrument actually measures what it is intended to measure (Maree 2010:217).

1.9 ETHICAL CONSIDERATIONS

Ethics refers to the branch of philosophy that deals with how a person ought to live, with the idea of the good, and with the concepts such as right and wrong (Fieser & Pojman 2012:1). It is the study of what should be done (Kerridge, Lowe & MacPhee 2005:1). The following ethical issues, that are relevant for a study, will be adhered to:

- Permission was obtained from the management of the company in writing.

- Participation in the study will be voluntary. Respondents will not be forced to participate in the study.
- Personal data of respondents will be processed fairly and lawfully and used only for the purpose of the study.
- Personal responses from individuals will not be ascribed to any individual. All data will be computed in aggregate and not be linked to any respondent.
- The questionnaire will not contain the names of respondents— anonymity of respondents will be maintained throughout the study.
- Personal data shall be adequate, relevant and not excessive in relation to the purpose of the study for which they are processed.
- Professional competence in the data collection and analysis will be maintained.
- Independent objectivity in the interpretation of the survey findings will be upheld.

1.10 CHAPTER CLASSIFICATION

Chapter 1: Introduction and background to the study

This chapter will comprise the background and scope of the study. The chapter will also highlight the problem statement and research. In addition, it will reveal an outline of the research methodology, statistical analysis, ethics, as well as validity and reliability within the study.

Chapter 2: Retrenchments, job stress and organisational commitment

This chapter will describe the concept of retrenchment and how it influences job stress and organisational commitment at a mining company. The causes of retrenchment will also be discussed.

Chapter 3: Research and design method

The design and method of research used in the study will be covered in this chapter, including sampling techniques, methods of data collection, the pilot study and data analysis. In addition, reliability and validity issues will be discussed.

Chapter 4: Results and findings

This chapter will elucidate the analysis, interpretation and evaluation of the research findings.

Chapter 5: Conclusion and recommendations

This chapter will provide an overview of the study. Limitations and the implications for further research will be highlighted and concluding remarks and recommendations will be presented.

CHAPTER 2

RETRENCHMENT, JOB STRESS, ANXIETY AND ORGANISATIONAL COMMITMENT

2.1 INTRODUCTION

The previous chapter presented the introduction, background, the problem statement and the scope of the study. *Inter alia*, the chapter provided an exposition of the objectives, a contextual literature review of the study and the basic design of the study.

This chapter explores retrenchment and the theory that guides the study. Retrenchment policies and processes, the level of retrenchment within the South African mining industry and its causes are discussed. Mining disasters are also highlighted. The effect of retrenchment on job stress, anxiety and organisational commitment is also elaborated.

Retrenchment is defined by Vermeulen (2005:40) as dismissal of employees based on organisational requirements rather than on the individuals' abilities or behaviours. Retrenchment connotes a deliberate action by an enterprise or industry to reduce its staff to a lower number, level or percentage (Adesina 2015:59). Retrenchment refers to the dismissal of employees for reasons connected with economic downturns, technology, unstable political situations, globalisation and structural requirements (Nel & Ngirande 2012:4371, Arnold 2013:15). Retrenchment consists of cost cutting and, if essential, asset reductions. It is sometimes referred to as downsizing (Mutonga 2011:2). It also includes sub-strategies such as quitting difficult markets, deleting unprofitable product lines, selling assets, outsourcing non-core activities and downsizing (Mbwale 2010:64).

The Labour Relations Act 66 of 1995 (LRA) (2015:205) defines retrenchment as dismissal based on operational requirements. These requirements are based on the economic, technological, structural or similar needs of an employer (Botha 2003:225). Requirements based on an employer's economic needs include financial problems because of the economy or changing markets. Requirements based on an employer's technological needs relate to the employer's use of new machinery, techniques or computers and making employees redundant. Requirements based on an employer's structural needs relate to the employer's restructuring of jobs, functions, manufacturing methods or sequences and making positions redundant. Many of the terms used, such as downsizing, restructuring and retrenchment are terms of art which are not statutorily defined and about which there is often considerable confusion (Winter 2007:5). Downsizing is a

management tool which refers to the process of reducing the number of employees on the operating payroll by way of terminations, retirements or spin-offs (Mutonga 2011:2). Restructuring is the act of reorganising the legal, ownership, operational or other structures of a company for the purpose of making it more profitable and better organised for its present needs (Musa, Odera, Okaka & Riany 2012:199). While each term may have its own connotation, they do share a common meaning, which is suggestive of a deliberate decision to reduce the workforce with the intention to improve organisational performance (Winter 2007:6). Retrenchment, downsizing and restructuring are all terms used to describe companies trying to reduce expenditure and gain or regain a competitive edge (Versfeld 2009:7).

Maheskumar (2009:30) claims that human resources are the most important assets of modern organisations. No organisation can think of viability and effectiveness without the efficient utilisation of human resources, which is a very tough task in the present age of technological advancement, knowledge explosion, sociological changes and increased government intervention in business and industry. However, Ukpere's (2011:21) view that an employee is the most vital resource within the organisation who should be developed through education and training, has become *passé*, because it would be unwise to train a person who would be retrenched sooner or later, as market forces dictate, since profit is all that matters within a global economy, no matter how it is achieved. For that reason, in today's corporate world, retrenchment has become a fact of life (Mabaso 2008:4). Therefore, the primary objective of retrenchment is to stabilise the firm's financial condition, which is fundamental to successful turnaround (Pearce & Robbins 2008:122).

The retrenchment process affects a variety of stakeholders. These stakeholders are the retrenching organisation, the victims, the survivors and the implementers or persons responsible for the implementation act (Winter 2007:6). However, this study will only focus on the survivors. Survivors are referred to as those employees who are not retrenched and who remain in the organisation (Versfeld 2009:7).

Bajracharya and Petro (2012:743) found that the retrenchment crisis could improve the surviving employees' attachment to the organisation and could increase their performance. The remaining employees might feel that the process was fair because they got to keep their jobs, and such a feeling creates a sense of guilt towards the organisation. This in turn drives them to work harder and convey a positive reaction to job security (Bajracharya & Petro 2012:743). However, Winter (2007:15) found that instead of feeling relieved that their jobs were secure, those who survived were demoralised about their own future.

Retrenchment may be received positively by the shareholders of a business (Mohamed 2012:12) and reducing the number of workers may seem to be the most obvious way to cut costs, but retrenchment in itself is very costly (Oundo 2009:5). The hidden costs of this strategy are enormous and more often than not, underestimated. In fact, they often eliminate all of the anticipated benefits. Unfortunately, massive downsizing very often seems to generate more problems than it solves, and only rarely does it achieve its original financial objectives (Munjuri 2011:57). Retrenchment has effects that extend beyond those who lose jobs (Okibo 2012:139). The costs include administrative and legal costs, severance payments, low morale and lower productivity among remaining workers (Oundo 2009:5). Other consequences of downsizing include skills imbalances, increased use of overtime, and increase in work backlogs, lowered morale and lowered productivity of the remaining workforce (Cook & Mitchell 2009:33).

The psychological damage that retrenchments cause to surviving employees is too ghastly to contemplate (Cawe 2006:21). The studied effects of retrenchment on survivors include productivity, organisational commitment, attitudes towards co-workers, perceived job security and perceived job content (Jiang & Klein 2000:37). To the employees, retrenchment is a threat, as it impacts on them negatively. It is logical that when a threat confronts an organisation, a major concern would be the enhancement of controls and coordination of organisational action (Oundo 2009:3). Employees of a business facing retrenchment feel threatened and may be panic stricken (Mohamed 2012:12). Retrenchment impacts on workers' job security and may be a reminder to the survivors that job security is a thing of the past (Okibo 2012:139).

Employees usually have their own fears and uncertainties towards the transformation or restructuring process, whereas management sees it as a way of making the organisation flexible in the era of deregulation and global competition (Chikosi 2013:13). Dladla (1999:16) is also of the view that survivors suffer as much as those who have been retrenched. They have to come up with strategies to heal and cope with the situation they now find themselves in. In this case, it is evident that failure to manage retrenchment may have negative influence on the loyalty and attitudes of the survivors (Munjuri 2011:60). It is therefore important for the companies to understand that retrenchment can cause a number of serious problems such as lowered morale due to fear of losing jobs which inevitably results in decreased productivity and quality (Oundo 2009:5).

2.2 THEORETICAL FRAMEWORK

Theory is viewed as concepts, a conceptual scheme, a frame of reference or perspective (Warshay 1981:29). It is a supposition or a system of ideas intended to explain something, especially one based on general principles independent of the things to be explained (Cairns & Sears 2010:5-6).

Aligned with the above, the Cognitive Dissonance Theory (CDT) as postulated by Festinger (1957) is used in this study to explain the impact of retrenchment on employee morale and organisational commitment. Within the CDT, dissonance and consonance are relations among cognitions that relate to opinions, beliefs, knowledge of the environment and knowledge of one's own actions (Festinger, Riecken & Schachter 1956:25-26). If these opinions and knowledge of the environment are incongruent with one's belief, psychological discomfort (dissonance) may arise, which results in changing behaviours (Camgoz & Metin 2011:131).

Cosgrove and Whitaker (2013:4) also state that the basic principle continues to be that individuals experience cognitive dissonance when their behaviour is inconsistent with their ethical beliefs, or when they are trying to hold incompatible thoughts. Individuals experiencing cognitive dissonance have a desire to reduce their feelings of discomfort by attempting to reconcile their conflicting beliefs and behaviours, or their incompatible thought, especially if the dissonance is esteem-related (for example, if it is related to how one sees oneself professionally). Any form of inconsistency is uncomfortable and individuals will attempt to reduce dissonance, and hence, the discomfort. They will seek a stable state in which there is a minimum of dissonance (Judge, Odendaal, Robbins & Roodt 2009:73).

Dissonance arises after a choice has been made. The magnitude of the post-decision dissonance depends on the importance of the decision, relative attractiveness of the unchosen alternative and the degree of cognitive overlap of the alternatives. In other words, if the decision is important, unchosen alternatives are attractive and the degree of overlap is low, the post-decision dissonance is stronger (Camgoz & Metin 2011:132). In order to reduce post-decision dissonance, an individual may change or revoke the decision, change the attractiveness of the alternatives (for example, by magnifying the importance of a chosen alternative and minimising attractiveness of unchosen alternative) or establish cognitive overlap (for example, by creating similarities among chosen and unchosen alternatives) (Camgoz & Metin 2011:132).

2.3 THEORIES OF RETRENCHMENT

2.3.1 Equity theory

Equity theory was first introduced by Adams (1963) and is the only theory of motivation that includes a social component. It discusses the social comparisons that people make when they compare their inputs (for example, effort exerted, time spent, training received) with the outputs (for example, pay and recognition) they receive (Bagraim, Cunningham, Landman, Potgieter & Viedge 2011:100). Equity theory had its origin in the discipline of psychology. This theory states

that employees assess their inputs and outcomes and judge fairness by comparing them to the inputs and outcomes of others (Chinomona, Chinomona & Joubert 2013:3).

Three categories of equity exist. The first category includes any other employee who holds a similar job (this includes colleagues, friends, neighbours and professional associates). The employee will receive information from other employees, by word of mouth, the newspapers, professional magazines and trade unions. The second category is the system within the organisation where the employee works, including its pay policies, and the efficiency of its administration. An organisation may have set certain precedents in terms of pay for performance. If the employee does not receive the same reward he or she will perceive inequity and act accordingly. The third category is the employee. The employee may compare the ratio of their inputs to their experience in past jobs (Bagraim *et al.* 2011:101).

2.3.2 Decision theory

The Decision theory is concerned with the problem of making decisions. An attempt is made to combine the sample information with other relevant aspects of the problem in order to make the best decision (Berger 2012:1). The decision theory argues that the way the leader makes decisions is as important as what he or she decides (Judge *et al.* 2009:301). Decision makers act so as to maximise the expected value of their gain, no matter whether the fluctuations faced are risky or uncertain (Bewley 2003:80).

2.3.3 Attribution theory

The Attribution theory is concerned with how individuals interpret events and how this relates to their thinking and behaviour. It considers how the average person constructs the meaning of an event based on their motives to find a cause and their knowledge of the environment. Thus, the theory basically looks at how people make sense of their world, that is, the assumptions they make about the behaviours of others and of themselves (Ayinde 2011:5).

2.3.4 Contingency theory

The Contingency theory expounded by Kast and Rosenzweig (1985) views organisations as consisting of a series of interdependent sub-systems, each of which has a function to perform within the context of the organisation as a whole. The human sub-system embraces the people in the organisation, their leadership and their motivation. Contingency theory assumes that each of the sub-systems is open to a range of variation. Each should be designed so that it is matched with the others and corresponds to the environment with which it is faced. It additionally rests upon the

open systems view that regards the organisation as dependent upon the wider environment. The organisation and environment are seen as being in a state of mutual influence and interdependence. The economic performance of a firm decides whether it survives or not, and this is determined in turn by the way the organisation manages its relationship with the environment (Munjuri 2011:60).

2.3.5 Humanistic theory

The Humanistic approach to psychology is particularly interested in understanding the self. It is based on seeking to understand the self, concepts about how one values oneself and how these evaluations are formed (Gribble & Miller 2009:3). Some key concepts in the humanistic school support the knowledge of the effects of retrenchment. These include the psychological underpinnings of identity and self-esteem formation and the understanding of self-concept (Gribble & Miller 2009:4).

2.3.6 Neo Liberalism theory

Neo-Liberalism is a theory of globalisation associated with well-known economists like Milton Friedman and Williams Easterly. This theory commemorates the new liberal global economic market and trade, and also limits government involvement in, and control over the market and trade hence encouraging global capitalism. The theory supports retrenchment as a means of cost reduction in order to keep organisation afloat (Etuk, Inyang & Williams 2014:13).

2.4 LEGAL FRAMEWORK

The following section will explain the Labour Relations Act (LRA) 66 of 1995, which is a guideline for organisations to follow when implementing retrenchment processes in South Africa.

2.4.1 Labour Relations Act 66 of 1995

Retrenchment or lay-offs is a particularly sensitive issue because, usually, the employee is completely blameless. This is why the law places an enormous duty on the employer who decides that retrenchment is necessary (Arnold 2013:33).

The employer's reasons for retrenchment, such as falling demand, and the need for more effective manpower utilisation, are not acceptable. Nonetheless, if there is no alternative, the employer must consult with the union and employee representatives and they will eventually accept the inevitability of retrenchment (Winter 2007:20). Section 189 of the LRA 66 of 1995 stipulates that, when an employer is considering dismissing one or more employees based on operational

requirements, the employer must consult with the identified parties in the collective agreement, the registered trade union, workplace forum or employees' representatives (Winter 2007:23). Behar and Hodge (2007:4) also state that South African organisations intending to retrench for operational reasons must consult with the employees or their representatives in carrying out the process, providing for example, the reasons for the proposed dismissal, the alternative to be considered and possible future assistance to those retrenched. In this instance, it is clear that consultation is an essential step.

According to section 189 of the LRA, when an employer considers retrenching, they must disclose in writing to the other consulting party relevant information pertaining to the possible retrenchments, including but not limited to:

- The reasons for the proposed dismissals
- Alternatives that the employer considered before proposing the dismissals and the reasons why those alternatives were rejected
- The number of employees likely to be effected and their job categories
- The proposed method for selecting which employees to dismiss
- The time when, or the period during which, the dismissals are likely to take effect
- The severance pay proposed
- Any assistance that the employer proposes to offer the employees likely to be dismissed.

In terms of the LRA, the employer must give the other parties the opportunity to make representations and the onus is on management to seriously consider and respond to such representations. The other parties must also attempt to reach consensus on appropriate measures in order to:

- avoid dismissals
- minimise the number of dismissals
- change the timing of the dismissals
- mitigate the adverse effects of dismissals
- decide on the severance pay

2.4.2 Selection criteria

Munjuri (2011:58) is of the view that the criteria for retrenchment must not be on grounds of race or sex. It must not be because of the employee's proposed or actual union membership or activities or because of union non-membership. Such aspects as skills and qualifications, standards of work, aptitude and attendance and disciplinary record may be considered for selecting alongside the traditional factor of length of employment. Oundo (2009:4-5) is also of the view that the decision to retrench should not be biased to the workers and appropriate benefits for those affected must be guaranteed. It should be carried out in compliance with the law and the decision should best serve the future requirements of the company. It must be carried out in a fair manner taking into consideration the employee's level of experience and capability to do the job.

One should not be selected for retrenchment because of age, gender, physical disability or pregnancy. If it so occurs, this could be considered as unfair dismissal (Chukwubuzo & Obodokwe 2014:51). Appelbaum and Labib (1994:66) also state that the criterion used in selecting employees to be terminated must be perceived by all employees to be clear, appropriate, and fair.

2.4.2.1 Procedures for employers with more than 50 employees

Section 189A of the LRA imposes further procedures for employers with more than 50 employees. The table below shows when these procedures apply

Table 2.1: Selection criterion

Applicability of special procedures	
Workforce size	Number of proposed dismissals
50 to 200	10
201 to 300	20
301 to 400	30
401 to 500	40
501	50

Source: Botha (2003:244)

If more than 50 workers are to be retrenched, then that number must be added to the number of workers retrenched in the previous 12 months. The total number must be equal to or more than the relevant number shown in the table above (Venter 2014:16).

Haltiwanger and Singh (1999:31) divided the method of employment reduction into four basic categories, namely; voluntary, involuntary-hard, involuntary-soft, and the removal of ghost workers. Voluntary employment reduction refers to programmes in which employment reductions are achieved through workers who quit voluntarily, for example, early retirements. Involuntary-hard employment reduction refers to layoffs; involuntary-soft employment reduction refers to employment reductions generated by strict enforcement of rules such as persuasive retirement, and ghost workers refer to workers who do not exist on the payroll, although someone is collecting the pay cheque.

Chukwubuzo and Obodokwe (2014:51) also revealed the following commonly used methods in retrenchments:

- Last-in, first-out (employees with the shortest length of service are selected first)
- Asking for volunteers (self-selection)
- Disciplinary records
- Staff appraisal markings, skills, qualifications and experience

If the employer uses the last-in, first-out method, they must make sure it is not discriminating, for example, if only young people are made redundant (Chukwubuzo & Obodokwe 2014:51).

2.4.3 Retrenchment pay

In the case of compensation, social security and social justice require payment of severance compensations when employment contracts are terminated for non-disciplinary reasons such as retrenchment and closure (Sarveswaran 2011:1). Section 189 of the LRA provides that consultation on the amount of retrenchment pay must take place between the employer and the body representing employees, but at the same time the Basic Conditions of Employment Act 75 of 1997 (as amended) (1997:19), specifies a lower limit of one week's pay for every year of service. In terms of section 41(2) of the BCEA, an employer is required to pay severance pay equal to at least one week's remuneration for each completed year of service. The entitlement to severance pay falls away if an employee unreasonably refuses the employer's offer of alternative employment with the same employer or any other employer (Winter 2007:24).

Based on the above assertions, it is therefore significant for organisations, whether a union presence exists or not, to have a retrenchment policy or procedure before retrenchment takes place than to initiate solutions when the reality of retrenchment has to be faced (Bendix 2010:423).

2.5 EMPLOYEE PERCEPTIONS OF RETRENCHMENT

It has been assumed that even after reducing the number of employees, organisations have not been able to reap the benefits (Arnold 2013:36). Work effort of survivors is influenced by their reactions and primarily perceptions of job insecurity. The survivors' perceptions depend on two factors, namely, perceived threat and perceived control. Perceived threat is the estimated likelihood of further retrenchment and possible job loss. Perceived control is the survivors' belief that they or their employer can take some action to assist them in neutralising the negative effects of job loss (Versfeld 2009:19). The way in which a company manages its layoff impacts on the survivors' perceptions of fairness (Jacobs & van Dierendonck 2012:97). Survivors' perception of the fairness of the termination decisions and the fairness of the retrenchment process will have an effect on their levels of productivity and the quality of their job performance. They are more committed to the organisation, if they perceive that the victims were satisfactorily compensated and fairly treated (Arnold 2013:19).

Mellahi and Wilkinson (2006:8) state that an increase in the level of workforce reduction increases remaining employees' perceptions of uncertainty and anxiety about job security, which creates a psychological environment in which risk aversion becomes a dominant behaviour. Perceptions of job insecurity have detrimental consequences for employee attitudes, increase in job dissatisfaction, and an increase in negative health outcomes (Buitendach & De Witte 2005:27). Appelbaum and Labib (1994:66-67) also claim that survivors are usually not informed or are misinformed about many issues such as their place in the newly structured organisation, expected performance standards, the key people in existing networks either leaving or changing extra work demands, the value of their expertise to the new organisation and the existence or lack of opportunities for advancement. These are further compounded by financial and job insecurities.

In unionised environments, retrenchment may be related to increased grievances, higher absenteeism rates, workplace conflict and poorer supervisor-union member relations. In fact, survivors are looking for signals such as the following: were departing employees treated fairly, and with dignity and respect? Why should I stay? What new opportunities will be available to me if I choose to do so? Is there a new business strategy to help us do a better job of competing in the marketplace? (Cascio 2005:45).

In a study by Burgoyne, Shaffakat and Sim (2012:11-12), the researchers revealed that the survivors were in a better situation than those who lost their jobs. Employees, when asked about their reaction to the organisational changes, spoke at length about being quite acceptable of the change initiatives introduced by the organisation. They did not perceive these actions to be unfair

maybe because of the effective communication maintained by the organisation. In other words, survivors can react positively or negatively to the layoffs depending on the perceived fairness of the organisational policies (Jiang & Klein 2000:38). It is thus pertinent to give importance to the survivors' work behaviour. Understanding how survivors react to retrenchment will contribute enormously towards smoothing the post-retrenchment phase (Arnold 2013:36).

2.6 RETRENCHMENT IN THE MINING INDUSTRY

Mining is one of South Africa's vital industries and contributes largely to the country's labour force. Profits from the mining industry have historically supported the development of the country's infrastructure and other programmes. This sector continues to be essential to the growth of the country to this day (Mballo Brief 2012:1). Other benefits it contributes to include fixed investment, employment opportunities, secondary industries, gross capital formation and foreign exchange earnings (Granville 2001:9).

The mining industry is responsible for more than half of the country's export earnings; however, it has been under particularly severe strain (Van Zyl 2010:16). This is due to mining industries having been subjected to increasing cost pressures due to the fluctuating price of oil, labour costs that are increasing and capital expenditures to ensure longer mining life. The balancing act of companies to try and match greater flexibility has become increasingly difficult in order to survive in the competitive environment (Jacobs 2012:2). Mbale (2010:17) is also of the view that, in order to maintain a leading position in what has become a highly competitive business and to be ready to meet increasing demand for precious minerals, mining industries are continuously searching for new deposits. Using technology, the mining industry is ever becoming challenged and because of scarce natural resources, more experienced staff and advanced technology remain an additional challenge to the environmental surveys and explorations. Performance decline is therefore a threat at hand and an integral part of organisational reality.

Franz Stehring, the United Association of South Africa's (UASA) Divisional Manager responsible for the mining sector states that calculations show that each day of zero production means losses of approximately R6 million per day, which directly affects profits. Quantifying the potential loss to the three main mining houses over the period of one year, means that the mining sector stands to lose a whopping R3.24 billion, approximately, per annum (Labour Dynamics 2012:1). In this instance, when a downturn looms, the first reaction of mining companies to reduce costs is to retrench workers. This is related to a downturn that occurred in 2009, when several mining companies retrenched workers (Van Zyl 2010:17). The National Union of Mine Workers (NUM) (2008:5) states that they do not know where the retrenchment comes from. It is one of the many

killers of the membership and is continuing to devastate a great many families. It further states that it is also destroying their leadership.

To outline the extent of retrenchment in the mining industry, the South African gold mining industry has been in decline since mid-1980. The gold mining industry is of particular importance to policymakers as it has lost two thirds of its labour force since the mid 1980s (Behar & Hodge 2007:2). This is supported by Mbalo Brief (2012:4) who state that South Africa's mining production (extraction) has been in decline over the years. A preliminary Statistics South Africa (SSA) report from November 2012 states that, with the exception of an increase of 4.6 % in 2010, there has been a year-on-year decline in mining production over the past 5 years (Leon 2013:1). Mining production decreased by 4.7% year-on-year in January 2015. The main contributors to the 4.7% decrease are gold (contributing -4.3 percentage points) and Platinum Group Metals (contributing -2.3 percentage points). Iron ore was a significant contributor (contributing 1.8 percentage points) (Statistics South Africa 2015:2). Statistics South Africa's Quarterly Labour Force Survey (QLFS) for the third quarter of 2012 (from July to September) revealed a loss of 8000 jobs overall in the mining industry (Leon 2013:2). Furthermore, the March 2015 Quarterly Employment Statistics (QES) survey revealed a loss of 3 000 jobs in the mining industry (Statistics South Africa 2015:1).

2.7 MINING DISASTERS

2.7.1 Marikana Massacre

On 16th August 2012 South Africa was thrown into chaos as police opened fire with live ammunition on a crowd of striking mine workers at Lonmin's Marikana platinum mine, killing 34 people (Harvey 2013:1). This has become known as the Marikana Massacre. The workers protested in support of a demand for R12 500 per month. It is unclear whether this was gross or net pay (different workers had different versions), but it was up to triple the net salaries paid to ordinary workers. Their action was unprotected (that is, they could be dismissed for not following processes set out in the LRA), and it was led by an independent strike committee, not a union (Alexander 2013:605-607).

South Africa's economy bore the curse of its incredible mineral wealth. The huge reserves of gold, diamonds, coal, platinum and other precious resources gave rise to a small club of giant conglomerates that had a powerful hold over the state and influenced the way the entire country developed. The result was an economy dominated by these and closely related industries, which was highly capital intensive, and left 30% of the working population without jobs (Reddy 2014:1).

2.7.2 Accidents and health problems

Ackerman (2013:4) revealed in his study that South African mines are likely to close down and retrench workers due to safety risks of working with badly maintained mining equipment. Workers in the South African mines are exposed to hazardous working and living conditions. Underground working conditions are arduous if not brutal. Rock face temperatures are up to 55 degrees Celsius, humidity levels are high and poor control of exposure to dust, coupled with poor health surveillance systems, give rise to a high incidence of dust related-disease(Cairncross, Kisting, Liefferink & Van Wyk 2013:2-4). Exposure to silica dust (also known as crystalline silica or quartz dust) causes a broad spectrum of diseases including silicosis, lung diseases and immune-related diseases (Nelson 2012:6).

A large number of mine workers are found to have silicosis. Silicosis as defined by Nelson (2012:6) is a pneumoconiosis caused by inhalation of crystalline silica dust, characterised by nodules of fibrosis, predominantly in the upper lobes of the lungs. Silicosis increases the risk of tuberculosis (TB). Silica exposure is associated with TB even in the absence of silicosis and the increased risk is life-long. The risks include disability, death and retrenchment (Cairncross *et al.* 2013:4-6).

2.7.3 Illegal/Criminal mining

In South Africa, illegal mining remains a concern at many mining operations. In addition to significant safety and health risks for employees and for the illegal miners, there is a substantial associated cost in terms of destroyed assets and infrastructure, security and loss of skills if employees are involved. Ultimately, this impacts on investment and job creation (Harmony 2012:54). Illegal mining has a negative effect on the environment, it causes damage to the existing infrastructure and it hinders growth, which then results in the shutting down of mines(Mostert & Steenkamp 2012:2).

2.8 REASONS FOR RETRENCHMENT

Haltiwanger and Singh (1999:23) state that reasons underlying downsizing vary considerably across industry sectors. These reasons often include general business or industry downturn, efforts to improve efficiency, technological changes and automation, competitive pressures (including foreign competition) and the deregulation of previously regulated industries, and the belief that the best staff is a lean staff (Bomela 2007:6). For some sectors, it is a general move towards a more market economy, for others, it is an attempt to reduce a bloated bureaucracy, for others it is

sparked by a fiscal crisis necessitating a severe cutback in government spending, and finally for some it is a combination of all of these (Haltiwanger & Singh 1999:23).

The statement above is supported by Mohamed (2012:9) who states that, whether a business is large or small, employee retrenchment may be used in order to achieve any of the following objectives: to make the business survive a downturn, to improve on productivity, to be competitive in the global market and to improve operating profits by reducing the number of employees. Crafford, Fourie and Williams (2003:99) revealed the following reasons for retrenchment: rethinking strategy, by operationalising and using different economic models, introducing technology to support productivity and performance, using knowledge workers and new organisational structures which are dependent on the labour market. Ochieno (2013:409) also revealed the following factors influencing retrenchment and they include globalisation, deregulation, mergers and acquisitions, technological change and increasing costs.

Retrenchment is also necessary as it is an opportunity of discovering, articulating and realising potential at all times and at all structural levels (Chikosi 2013:12). Munjuri (2011:61) provided empirical evidence that declines in sale; declines in profits, greater responsiveness to customer needs and increased international competition were the main downsizing forces for firms in his survey. However, Balazs and Kets de Vries (1995:3) claim that the major factor contributing towards retrenchment has to be the increasing popularity of global benchmarking. These authors state that finding one's overhead costs are inadequate compared to not only domestic but also international competitors has been turned into a convincing argument to take large numbers of employees off the payroll.

Based on the above assertions, the reasons for retrenchment are classified into six categories, namely: globalisation, economic downturn, technological innovations, cost cutting, organisational decline, and privatisation.

2.8.1 Globalisation

Globalisation is defined as the process of increasing interconnection between societies such that events in one part of the world have effects on people and societies far away (Adekalu, Ajede, Genty & Oludeyi 2013:53). The Oxford Advanced Learner's Dictionary (2010:636) defines globalisation as a process by which an organisation starts operating worldwide.

The marketplace for many organisations has expanded from within a region to within a nation to the entire globe. In the past, economies were relatively isolated, with minimal impacts on national

and regional economies. With globalisation, a decline in one part of the world affects other world markets (Ochieno 2013:409). The new era of capitalism is characterised by stiff international competition and state deregulation of industry. It is for this reason that companies use retrenchment in a bid to achieve structural simplicity and flexibility as well as to respond to heightened financial demands (Clegg, Pullen & Rhodes 2010:1). The globalisation of economic, social, cultural, technological and political activities has compelled companies throughout the world to undergo massive and transformational changes in order to remain competitive (Coetzee, Mdletye & Ukpere 2013:501).

Oparanma (2010:69) is also of the view that increases in global competition, liberalisation of markets combined with shifts in consumer demands and greater efficiency are forcing companies to cut out wasteful and unproductive activities and concentrate resources in their area of core competence so as to achieve a sustainable competitive advantage. Oundo (2009:13) also states that companies retrench in an attempt to remain competitive in an ever-increasing global market place.

It is therefore clear that globalisation is a fundamental force that cannot be denied, as it affords obvious benefits to a large number of people. However, conversely, it threatens life, in a broader sense (Ukpere 2011:19; Jacobs 2012:2). The authors state that the impact of globalisation, legal standards and the rising competition between businesses influences the workplace and changes working conditions for individuals.

2.8.2 Economic downturn

Organisations are facing tough times in the current economic environment. Some are struggling for survival; others are trying to capture the opportunity to leverage their processes, technologies, or market positions and to expand where others cannot (Hoadley, Laughton, Purcell, Rodgers & Ruleman 2009:79). Economic conditions create extremely tough and challenging environments for organisations in which to manage their workforces (Prabhu 2012:471). Rees and Rumbles (2011:70) also state that economic pressures and uncertain times provide opportunities for senior managers to take harder decisions when making changes in the organisation.

The economic downturn includes cost reductions by restructuring the organisation and workforce, leading to the forced retrenchment of employees in order to facilitate productivity improvements (Jacobs 2012:5). During an economic downturn, firms implement layoffs and other forms of retrenchment, clearly believing that these measures will help them perform better in the long run (Mabaso 2008:8).

Retrenchment is one of the effective ways to maintain core competence when enterprises are facing economic difficulties (Chang, Jiang & Lin 2012:125). This point is in line with Oundo (2009:2) who affirms that slow economic growth is one of the reasons that necessitate retrenchment because of global financial crises, which results in the relocation of production to low-wage countries (Hanson, Rydell & Wigblad 2012:3). Gandolfi (2013:1105) also states that retrenchment has been adopted for more than three decades. In the 1980s and the early 1990s it was implemented primarily by organisations experiencing economic challenges. However, since the mid-1990s, it became a leading strategy of choice for a multitude of companies around the world (Gandolfi 2013:1105). Imam, Khan and Qureshi (2011:8643) are also of the view that it is a highly undesirable choice for any organisation and has been practiced widely in organisations especially in recession or restructuring periods.

Recession is defined in the field of formal neoclassical micro-economics to be a reduction in terms of gross domestic products of a country for two or more clearly defined periods (Joseph & Oluseye 2011:441). Recession always comes with bad news such as retrenchment/layoff and the people who stay in organisations have to face greater responsibility because jobs are usually shared and enlarged (Imam *et al.* 2011:8642). Hellgren and Sverke (2002:25) also affirm that periods of economic recession lead to extensive organisational closure with unemployment and growing insecurity in its wake. Other consequences of economic recession around the globe are credit crunch, currency dislocations, and reduction in wages, unemployment, and falling demand (Joseph & Oluseye 2011:442).

In summary, retrenchment strategies appear to be the most common approach adopted by businesses to deal with economic crisis conditions, especially in the short-term, cutting operating costs and the selling of non-core assets (Machuki, Murerwa & Ndung'u 2014:144).

2.8.3 Technological innovations

Another reason for the continued introduction of retrenchment practices is the administrative impact of the revolutionary transformation in information and communication technology. New technologies have paved the way for less labour intensive production and have also restricted the unemployment alternatives of less skilled workers (Hellgren & Sverke 2002:25). Changes in these technologies have led to a growing redundancy of the traditional, go-between role of middle management—a group of people previously preoccupied with collecting, analysing, and transmitting information up and down the hierarchy (Balazs & Kets de Vries 1995:3).

Technological innovations within the global economy have increased the pace of retrenchments (Ukpere 2011:21). As technology advances, the skills needed to keep pace with the hardware and software also changes (Ochieno 2013:409). Oundo (2009:2) is also of the view that technological innovations and advancement result in heightened productivity and fewer workers are required.

MacDonald and Parent (2012:2) revealed that the increment in manpower and technology costs leads to retrenchment. The shifting technologies transform markets, uses and users, opening up new applications and modifying others. Transforming technologies also open markets to new entrants who introduce new capabilities that further challenge existing technologies and firms. Baumol, Blinder and Wolfe (2005:166) also affirm that technological change favours smaller enterprises and accelerated innovation leads to more labour markets merging. Technology convergence and heightened competition often lead to industrial consolidation as well, which can result in the intentional reduction of personnel (Smith 2011:1) which enables production by fewer people (Mutonga 2011:11).

Companies reduce jobs even in environments in which demand is robust, seeking increased operating efficiencies, for example, technological changes provide opportunities to substitute capital for labour, or to organise work in new ways (Agar & Beduk 2013:161). Visagie (2010:1) is also of the view that organisations need to change in order to survive and to be effective in the ever-changing technological environment.

2.8.4 Cost cutting

In today's increasingly globalised market, organisations find the pressure to remain cost-effective, a much more difficult challenge than in the past. In order to try to offset the uncertain market conditions for monetary exchange values, organisations are under pressure to keep production and operating costs to a minimum (Appelbaum & Labib 1994:61). A belief in the market-driven economy has changed government policies and many countries have resulted in relaxations of employment legislation. In other words, organisations increase their gains or decrease their costs, by reducing the number of employees (Hellgren & Sverke 2002:25). Cost cutting comprises streamlining all operations in order to achieve synergies by eliminating duplicate and redundant functions. It is for that reason that it results in a larger number of positions being eliminated. The new organisation is then expected to operate well and to achieve the planned objectives of the new organisation (Appelbaum & Labib 1994:61).

Foreign competition forces domestic firms to become more efficient by becoming smaller (Baumol *et al.* 2005:166). When faced with financial pressure necessitating the need to impose

spending cuts, public organisations can essentially choose between two sets of actions: firstly, denying or delaying the cuts, secondly, implementing actual cuts (Liiv, Raudla & Savi 2013:5). Cost cutting consists of cutting costs like the severance package, out-of-placement benefit, and pension funds (Adesina 2015:63).

Konukman, Schneider and Stier (2010:171) also state that during financially distressed times, cost cutting within organisations takes on many forms, including hiring freezes, layoffs (including no rehiring) and the reduction and/or elimination of programmes, activities, and offerings. It tends to be a reactionary and defensive mechanism used when an organisation is faced with financial difficulties (Bomela 2007:6). Ferreira, Gonzalez, Marques and Pinheiro da Cruz (2011:175) are also of the view that cost cutting measures are recurrently used to turnaround firms in distress.

Versfeld (2009:7) established that organisations experience a reduction in sales and therefore, reduce fixed cost to ensure survival of the organisation and found that the major contributor to fixed cost is pay cost and therefore a reduction of fixed cost can lead to a reduction in the number of employees. This is supported by Chan (2013:39) who states that cost reduction is the major reason leading to workforce reduction, and that most companies retrench in order to reduce labour cost under the economic recession so as to be more competitive in respective industries. It is seen as a short-term measure to increase productivity, the value of the companies' shares and profitability by reducing the number of employees per unit (Munjuri 2011:57).

Oundo (2009:2) also states that when going through tough times and faced with rising debts, companies retrench employees in an attempt to cut costs. The expectation is that reduction in costs will lead to a positive impact on the bottom line (Munjuri 2011:60). Thus, cost cutting measures are implemented to improve profitability and competitiveness of firms (Gandolfi 2013:1105).

2.8.5 Organizational decline

Organisational decline is characterised by substantial losses over time and can be either a gradual process or a sudden, unexpected disruption. Substantial organisational decline leads to a crisis when the survival of the firm is threatened (Cater & Schwab 2008:32). Organisational decline also includes cuts that are driven by reductions in the demand for labour following on decreased demand for a company's products or services (Agar & Beduk 2013:161). Mohamed (2012:9) is also of the view that organisational decline is caused by the reduced demand for the organisation's products or services resulting in financial losses and even bankruptcy.

Organisations characterised as mature or in decline stages are more likely to retrench (Gove 2004:161). Firms experiencing negative trends of performance typically resort to retrenchment as their most prominent turnaround strategy (Manimala & Panicker 2011:7). Declining firms with extremely poor performance will more likely face the situation of extremely constricted internal resources and therefore will be more likely to retrench (Barker & Mone 1994:398). In this case, retrenchment occurs on the basis of a quick fix to delay closure or bankruptcy. Thus, it is seen as a way of postponing the inevitable.

Within the economic perspective, scholars assume that retrenchment is caused by a search for productivity and efficiency, whether in response to organisational decline or as a means to enhance corporate profitability under non-decline conditions (McKinley, Rust & Zhao 2000:228). In these situations, retrenchment is seen as a means to achieve turnaround. However, in recent years it has also become common for organisations to use retrenchment as a performance improvement strategy, even in the absence of organisational decline (McKinley *et al.* 2000:230).

2.8.6 Privatisation

The world today is changing at an unprecedented rate and the environment within which organisations operate is characterised by instability resulting from *inter alia*, deregulations and privatisation (Agboola & Salawu 2011:235). Privatisation takes place when organisations transfer ownership and operations from government to private businesses (Ochieno 2013:409).

According to Agamy (2011:17), privatisation is assumed to be another cause of retrenchment. The author states that one of the main goals of the privatisation theory is to increase the production level by enhancing the performance of workers. However, this does not exist in all privatisation cases, as the new owners of the privatised company retain only some of the government employees and dismiss the rest (Agamy 2011:17). In this case, private entrepreneurs therefore look for opportunities to reduce employee numbers and sometimes even close or sell off operations (Ochieno 2013:409).

2.9 JOB STRESS, ANXIETY AND ORGANISATIONAL COMMITMENT

Regardless of the reasons and methods of retrenchment, it is likely that organisational outcomes will never be purely financial. When implementing such procedures, an organisation might achieve its goal of increased efficiency and the overall reduction of cost, but alongside the outcomes, survivors at both organisational and individual levels may feel the adverse effects.

These may include increased levels of workplace stress (job stress), anxiety and reduced organisational commitment (Arnold 2013:30; Barth, Bryson & Olsen 2013:990).

Job stress refers to the effect of stressful conditions in the workplace (Kwan, Wu, Yim & Zhang 2012:181). Job-related stress is an uncomfortable feeling experienced by an individual who is required to change their desired behaviour as a result of opportunities, constraints or demands related to important work objectives (Bagraim *et al.* 2011:232-233). Ahmed *et al.* (2011:203) defines work stress as any characteristic of the job environment which poses a threat to the individual, either due to excessive demands or insufficient supplies to meet his/her needs.

Anxiety, as defined by Jensen, Messersmith and Patel (2013:1703), is an emotional state of perceived apprehension and increased arousal and role overload, or when the expectations of work exceed the available time, resources, or personal capability of the employee. Anxiety is a sense of imbalance, resulting from feeling uneasy, tense, worried or apprehensive about what might happen (Bucker, Buyens, Furrer & Poutsma 2014:2073). Patel (2014:142) defines anxiety as a feeling of fear, worry and uneasiness, usually generalised and unfocused as an overreaction to a situation that is only subjectively seen as threatening. It is best viewed as a consequence of job stress (Decotiis & Parker 1983:164).

Organisational commitment on the other hand is the relative strength of an individual's identification with and involvement in a particular organisation. It is characterised by strong acceptance or a belief in an organisation's goals and values, willingness to exert effort on behalf of the organisation and a strong desire to maintain membership of the organisation (Maguire 2002:4). Adekola (2012:4) defines organisational commitment as a strong belief in and acceptance of the organisation's goals and values, a willingness to exert considerable effort on behalf of the organisation and a definite desire to maintain organisational membership. In other words organisational commitment is about feeling part of the wider company (Cawe 2006:11).

2.9.1 Job stress

Work is clearly a very important part of a person's life, in many ways defining who we are as people (Willis 2009:2). Change and job insecurity are stressful for employees (Bagraim *et al.* 2011:235). Retrenchment increases job security concerns as well as assuming additional workloads, which result in job stress (Bisschoff, Botha & Hamid 2015:145). So it should not surprise anyone if there is considerable distress associated with being laidoff, often leading to lowered confidence and self-esteem (Willis 2009:2). This trauma may also lead to depression, loss of trust in the employer, and may consequently lead to impaired job performance (Lalla 2009:27).

Many firms underestimate the emotional damage that survivors suffer by watching others lose their jobs. In fact, a great deal of research shows that survivors often suffer from heightened levels of stress, burnout, uncertainty about their own roles in the new organisation, and an overall sense of betrayal (Khan 2010:161, Cascio 2005:45, Jiang & Klein 2000:36). Those who are dismissed are usually offered counselling services; those who remain are left with anxiety, distress and a diminished corporation (Munjuri 2011:58). Stress is often evident in negative workplace attitudes which may reflect the morale and coping levels of employees (Bagraim *et al.* 2011:248). Ahmed *et al.* (2011:202) also affirm that employees that stay in the organisation experience work-related stress due to role conflict and role ambiguity. Role conflict occurs when employees are faced with incompatible and inconsistent demands which cannot be reconciled and when there is increased performance pressure for the employees (Ahmed *et al.* 2011:202; Khan, Khan, Khan, Yasir & Yusoff 2014:104). Role ambiguity is created when role is not very clear as to what to do, what not to do, who to report to and what targets are to be achieved. Employees have to work longer hours and feel overloaded in their role which also means that they take their work home and then another conflict arises that is generally known as work-life conflict or work-family conflict (Ahmed *et al.* 2011:202). Work-family conflict is defined as a form of inter-role conflict in which the role pressures from the work and family domains are mutually incompatible in some respect that is, participation in the work (family) role is made more difficult by virtue of participation in the family (work) role (Colombo & Ghislieri 2008:38). Retrenchment causes increased workloads or additional and new tasks for the individuals who remain. Greater demands in terms of time and job demands lead to more stress in general for the employees (Jacobs 2012:82). For this reason, retrenching organisations are likely to perform poorly, because they have often been successful at participating and preparing for the leavers who are to be released but fail to prepare for the low productivity experienced by the survivors (Kurebwa 2011:265). These survivors experience many different emotions which may impact on the company (Lalla 2009:28).

Retrenchment indisputably has traumatic effects on the employees who manage to survive (Vermeulen 2005:40). Maunganidze, Mupezeni and Pfebene (2013:293 & 297) state that retrenchment results in physical, emotional and mental health degradation of the remaining staff. Although they would have survived the chop, they are made aware that they could not be with the organisation for as long as they may want, some events beyond their control may force them to prematurely part ways with their organisation. This is because they are given no assurance that their own jobs will be safe in the future (Wandera 2012:239). Frequently, employees are being told there is no job security and no chance of promotion and their job is not safe from being eliminated (Aucamp 2001:22).

Reactions to such pronouncements may include distrust resulting from implied but later broken promises, vulnerability or sense of powerlessness in respect to seeking to redress the situation (Maguire 2002:4). Survivors experience feelings of loss of control over the situation, and the uncertainty caused by the possible loss of their own jobs causes severe stress (Kurebwa 2011:265). In this context, retained employees will change their attitude towards the organisation, thinking that they will also be retrenched (Maunganidze *et al.* 2013:297). These affirmations are also supported by Chikosi (2013:25), who maintains that retrenchment can significantly contribute towards attitude changes among employees, which in turn affects employees' loyalty, productivity and motivation either positively or negatively. Thus, it is not uncommon for the survivors to wonder or worry about the possibility of the future occurrence and continuity of such exercises (Oparanma 2010:70).

Mohamed (2012:239) asserts that retrenchment has an impact on the morale of those employees who remain after retrenchment as it causes a survivor syndrome due to lack of sufficient information. Survivor syndrome is used to describe the impact on the emotions and behaviours of employees who remain in organisations where large scale retrenchments have recently occurred (Lalla 2009:28). It includes decreased levels of employee involvement, work productivity and confidence (Munjuri 2011:62). Hanson *et al.* (2012:3) linked the survivor syndrome with negative performance outcomes, decreased employee efforts and adaptability, increased propensity to leave, increased resistance to change, loss of trust, increasing conflicts, lack of teamwork and lack of leadership. Some of the survivor symptoms of this syndrome are lower motivation, reduced loyalty to the organisations, higher stress levels, lower trust and increased scepticism about the organisation and feelings of guilt (Lalla 2009:28).

Figure 2.1 demonstrates a model of organisational stress. There are a number of organisational and non-work stressors that lead to unique, individual stress responses. This response is moderated by a variety of factors, most notably the personality of the individual. Unmanaged stress has negative consequences for the individual as well as the organisation. Specific individual and organisational stress management strategies can be used as interventions to improve coping skills and to eliminate or reduce stress levels.

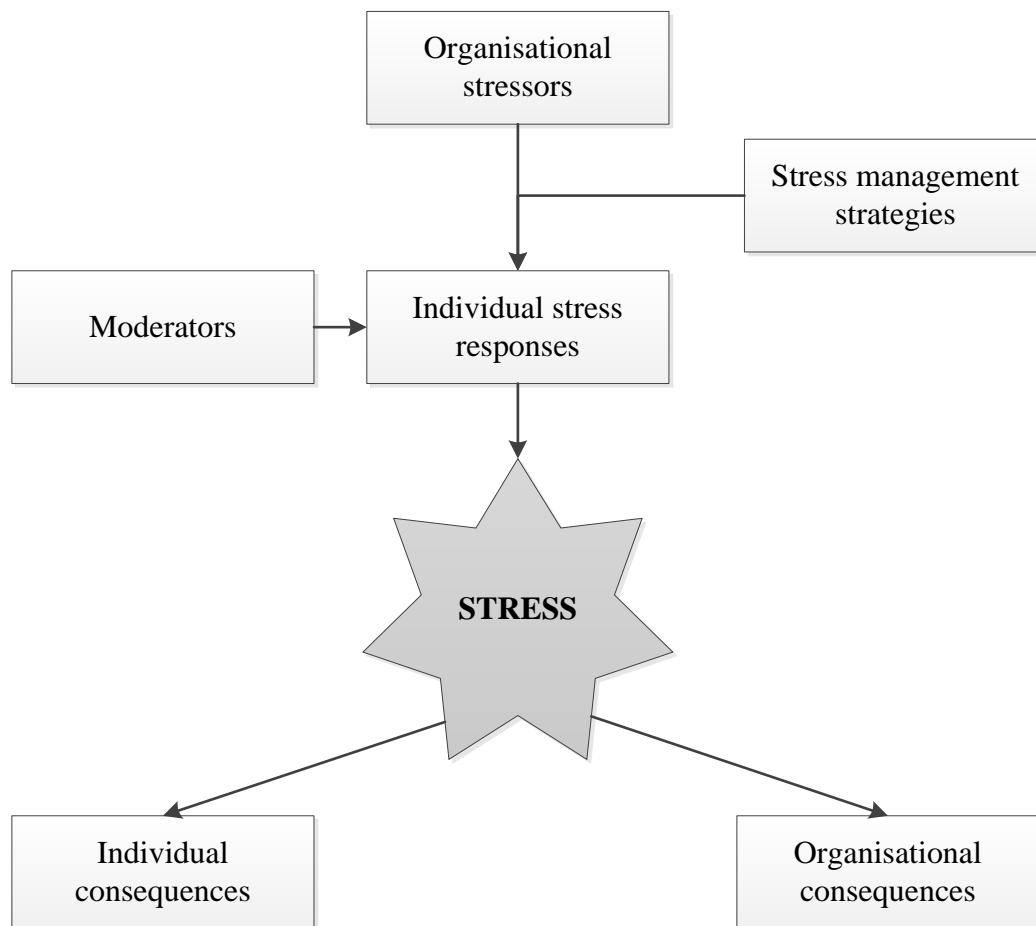


Figure 2.1: Model of organisational stress

Source: Bagraim *et al.* (2011:234)

2.9.2 Anxiety

Remaining employees experience feelings of anxiety when they have perceptions of the probability of being retrenched in the future (Hareli & Tzafrir 2006:8). Barth, Bryson and Olsen (2013:990) also state that job anxiety may increase when workers are concerned about their ability to perform under new work routines or if changes lead to the threat of job loss and thus job insecurity. The level of employee anxiety may reach the highest level once retrenchment becomes a reality (Benin 2011:29).

Retrenchment results in depression, anxiety, low self-esteem and strained personal relations (Mariappanadar 2016:918). Retrenchment leaves the survivors facing extra work demands and anxiety (Bagraim *et al.* 2011:235). Lambersky (2014:18) provided empirical evidence that employees experience anxiety when they feel that they work too much, too long and too intensely. They feel pressure from within the work environment and feel pressure from the outside to give. However, Adetula, Balogun and Olowodunoye (2013:11) claim that job demands such as time

pressure are not negative but when these demands are beyond employees' capability or adaptive capability, employees might feel uncomfortable.

Anxiety also derives from uncertainty, which is defined by Brugnach, Hoekstra and van den Hoek (2012:86) as a situation of inadequate information. The anxiety theory explains that anxiety sets in because retrenchment usually involves a large-scale organisational change with substantial uncertainty, which drives people to predict its possible negative impact on their job (Benin 2011:31). These are emotional states that do not have a clear and focused object but rather involve generalised feelings about the situation (Hareli & Tzafrir 2006:4). Therefore, there is certainly a critical need for human resource professionals to understand a great deal more about depression and anxiety as it relates to retrenchment (Corduff 2009:1).

2.9.3 Organisational commitment

There are three separate dimensions to organisational commitment: affective commitment, continuance commitment and normative commitment (Judge *et al.* 2009:74). Allen and Meyer (1997:1) have identified three dimensions of this construct, namely affective, normative and calculative commitment (Chinomona *et al.* 2013:2). Kamau (2015:1) also conceptualised organisational commitment into three components, including normative commitment, affective commitment and continuance commitment.

Affective commitment pertains to the employees who are part of the organisation because they want to be; hence, one would expect them to be present at work and motivated to perform to the best of their ability (Candela, Carver & Gutierrez 2012:3). Affective commitment is the emotional attachment to the organisation and a belief in its values (Judge *et al.* 2009:74). O'Driscoll and Randall (1999:198-199) also describe affective commitment as an attitude that centres on emotional identification with the values and goals of the organisation.

Normative commitment reflects an employee's feeling of obligation to continue working with the organisation because they believe it is right to be loyal to, and to continue staying in the organisation (Kamau 2015:2). It develops on the basis of a particular kind of investment that the organisation makes in the employee, specifically investments that seem difficult for employees to reciprocate (Basson, Coetzee & Dockell 2006:21). Allen, Irving and Meyer (1998:32) define normative commitment as feelings of obligation to remain with the organisation.

Continuance commitment is also referred to as calculative or instrument commitment (Chinomona *et al.* 2013:4). Continuance commitment involves recognition of the costs associated with leaving

the organisation (Allen *et al.* 1998:32). It is based either on the material benefits to be gained from remaining with that particular company or the anticipated costs and drawbacks of leaving (O'Driscoll & Randall 1999:199). It develops when an individual recognises that he or she stands to lose investments, and/or perceives that there are no alternatives other than to pursue a course of action relevant to a particular target (Basson *et al.* 2006:21).

Although all three forms of commitment presumably increase the likelihood that employees will remain with the organisation, the motive for remaining differs (desire, need, and obligation, respectively) and can have implications for employees' work-related behaviour (Allen *et al.* 1998:32). However, affective commitment is more important to organisational performance than continuance or normative commitment (Choudhary & Lamba 2013:413). This is supported by Judge *et al.* (2009:75) who state that affective commitment seems more strongly related to organisational outcomes such as performance and turnover than the other commitment dimensions. Buitendach and De Witte (2005:29) also revealed that the measurement of affective organisational commitment is more reliable than the measurement of the other components. It consistently explains more variance in outcome variables than the other two components.

Yucel (2012:45-46) is of the view that the strong sense of normative commitment of employees correlates positively to work behaviours such as job performance, work attendance and organisational citizenship. The author further states that they may not display the same enthusiasm or involvement as employees with affective commitment, however, they may have an important impact on the way in which the work is accomplished.

Employees' commitment in the workplace is an important objective of human resource managers and practitioners (Ajila, Akanni & Ayinde 2012:65). The high levels of effort exerted by employees with high levels of organisational commitment lead to higher levels of performance and effectiveness at both the individual and the organisational level (Adekola 2012:3). Cawe (2006:11) is of the view that committed workers become positive ambassadors for their companies. Yet it has recently become a contentious issue in most of the organisations, especially in the event of organisational change such as downsizing, restructuring and retrenchment (Ajila *et al.* 2012:65). According to Akanni and Ayinde (2012:34) several studies have confirmed that retrenchment negatively influences organisational commitment of survivors.

Survivors hold second thoughts regarding how worthy the firm is of their commitment. Thus, they have been shown to respond with lower levels of commitment and higher job insecurity (Ferreira *et al.* 2011:176-177). Workers who become less committed to an organisation, especially after the major shakeup, tend to envisage what probably lies ahead of them. Consequently, they tend to

start to evaluate their skills and experience in terms of their marketability outside of the organisation, rather than by the implication for their current or future jobs in the organisation (Akanni & Ayinde 2012:29). Workers who are aware of their employability-orientation are more inclined to recognise and anticipate opportunities for other careers, inside or outside of the company. These individuals show less devotion to the organisation and as a result the organisation is less loyal to them (Jacobs 2012:6). A decrease in levels of organisational commitment also leads to increased levels of absenteeism and higher turnover rates, further hampering the success of the change initiative (Steyn & Visagie 2011:99). This may spell doom for such organisations since organisational health depends on the continued commitment of the individuals remaining with the organisation after layoffs have occurred (Akanni & Ayinde 2012:31).

Survivors may also experience survivor envy in response to increased workloads, reduced incentives and pressure to take on new tasks and roles. That is, those who are retained may see themselves as worse off than those who left (Clarke 2007:77). Hellgren and Sverke (2002:26) are of the view that organisations are likely to change the survivors' employment contracts by employing workers on the basis of short or fixed-term contracts rather than on the basis of implicit long-term contracts. This in turn results in decreased organisational commitment for the reasons that surviving employees have to do more with fewer resources and their work load increases. Oundo (2009:11) also revealed that after the reduction in workforce, fewer employees remain to do the same amount of work and this affects what gets done and how it is done.

2.10 THE INFLUENCE OF JOB STRESS, ANXIETY AND ORGANISATIONAL COMMITMENT ON EMPLOYEES

Haque and Nasir (1996:49) assert that for about fifteen years, management analysts have been deeply concerned regarding the negative effects of job stress on job performance and the physical well-being of their employees, as it adversely affects the overall effectiveness of the organisation. Haque and Nasir further state that stress is not bad up to a moderate level because it enhances the motivation and performance. Yet excessive stress and its persistence over a long period of time can threaten one's ability to cope with the environment. Nagar (2012:44) is also of the view that an employee experiencing high levels of stress may be unable to function effectively in their job.

Ahmed *et al.* (2011:205) states that organisational commitment is one of the most important job-related outcomes that is attitudinal in nature. Increased levels of stress and burnout may have significant implications for organisational performance such as reduced job satisfaction and lowered organisational commitment (Nagar 2012:43). Ahmed *et al.* affirm that there is a negative relationship between work stress and organisational commitment, which means the higher the

work stress, the lower the level of organisational commitment. Haque and Nasir (1996-49) are also of the view that job stress is highly associated with job dissatisfaction, absenteeism, turnover, low productivity, lack of motivation and decreased commitment.

Employees experiencing increased psychological distress usually channel their anxiety through various coping strategies which may lead to detrimental outcomes for the organisation (Lange 2012:2). Apodaca, Godbey, Gorman, McIntyre, Meriac, Overstreet and Park (2012:161) assert that anxiety is part of an underlying motivational system that governs human behaviour. More anxious individuals are expected to take more caution in their decisions and in subsequent behaviours that they exhibit in general. Apodaca *et al.* (2012:161) further state that a more anxious individual is expected to perceive situations as more threatening when compared to a less anxious person.

Organisational commitment is generally assumed to reduce abandonment behaviours, which include tardiness and turnover (Coetzee, Ferreira, Lumley & Tladinyane 2011:105). It is considered as the driving force behind an organisation's performance (Kumar, Pak & Rose 2009:57). Choudhary and Lamba (2013:412) state that organisational commitment involves an active relationship with the organisation, such that individuals are willing to give something of themselves in order to contribute to the organisation's well-being. Employees who are committed to their organisation may be more willing to participate in extra-role activities, such as being creative or innovative, which often guarantee an organisation's competitiveness in the market (Coetzee *et al.* 2011:105).

Employees are regarded as committed to an organisation if they willingly continue their association with the organisation and devote considerable effort to achieving organisational goals. The high levels of effort exerted by employees with high levels of organisational commitment lead to higher levels of performance and effectiveness at both the individual and the organisational level (Bajpai & Sharma 2010:9). Committed employees are willing to go beyond the minimum requirements of their duties and are more likely to remain with the organisation than uncommitted employees (Yucel 2012:45). They usually have good attendance records, demonstrate a willingness to adhere to company policies and have lower turnover rates which is directly related to employees' retention (Choudhary & Lamba 2013:413). Because of their positive attitudes, committed employees are less distressed by occupational stressors and therefore they perceive less stress (Judge *et al.* 2009:504). For this reason, job stress is negatively related to organisational commitment.

2.11 CONCLUSION

This study is initiated by explaining the concept of retrenchment and highlighting the causes of retrenchment. The theory that guides the study was discussed. A level of retrenchment in the mining industry is highlighted, as well as the mining disasters. The effects of retrenchment on job stress, anxiety and organisational commitment are also discussed. There seem to be a number of reasons that compel companies to consider retrenching employees. Some of the reasons are internal, for example organisational decline, efforts to improve efficiency, cost cutting and technological innovations, and some are external and they include global benchmarking and economic pressures.

Literature also suggests that retrenchment has negative effects on job stress, anxiety and organisational commitment of the remaining employees, which also impacts on the performance of employees and damages the relationship between the employee and the employer. South African mines are more likely to retrench workers compared to other industries. Even though this industry contributes to the South African economy, it seems to have financial problems.

In the next chapter the methodology used in the study will be discussed, as well as sampling techniques, methods of data collection and data analysis. Reliability and validity issues are explained.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

The literature review on retrenchment and the theory that guides the study was undertaken in the previous chapter. Retrenchment policies and processes, the level of retrenchment within the South African mining industry, as well as its causes were discussed. Mining disasters were alluded to. In addition, the effect of retrenchment on job stress, anxiety and organisational commitment was discussed.

This chapter provides an overview of the research design and methodology used in the study, including sampling techniques, methods of data collection, the pilot study and data analysis. In addition reliability and validity issues are discussed.

3.2 TYPES OF RESEARCH DESIGN

A research design is a general strategy, approach or framework for solving a research problem. It provides the overall structure for the procedures that a researcher follows, the data the researcher collects and the analyses the researcher conducts (Van Zyl 2010:37).

Four (4) types of research exist namely, exploratory, descriptive, analytical and predictive research. These designs are illustrated in Table 3.1.

Table 3.1: Different types of research design

Exploratory	Descriptive	Analytical	Predictive
<p>Exploratory research is undertaken when few or no previous studies exist.</p> <p>The aim is to look for patterns, hypotheses or ideas that can be tested and will form the basis for further research. Typical research techniques would include case studies, observation and previous related studies and data.</p>	<p>Descriptive research can be used to identify and classify the elements or characteristics of the subject, for example, number of days lost because of industrial action. Qualitative techniques are most often used to collect, analyse and summarise data.</p>	<p>Analytical research often extends the descriptive approach to suggest or explain why or how something is happening, for example, underlying causes of industrial action. An important feature of this type of research is in locating and identifying the different factors (or variables involved).</p>	<p>The aim of predictive research is to speculate intelligently on future possibilities, based on close analysis of available evidence of cause and effect, for example, predicting when and where future industrial action might take place.</p>

Source: Neville (2007:2)

3.2.1 Exploratory research

According to Dane (2010:81) exploratory research is an attempt to determine whether or not a phenomenon exists. Its principal purpose is to shed light on the nature of a situation and to identify whether a researcher needs to conduct additional research. It is useful in understanding a participant's thought processes and provides insights into attitudes and perceptions (Neelankavil 2015:104). Mangolela (2014:26-27) affirms that an exploratory design aims to gain insight into a situation, phenomenon or a person. Van Dyk (2004:7) is of the view that the main aim of exploratory research is to identify the boundaries of the environment in which the problems, opportunities or situations of interest are likely to reside and to identify the salient factors or variables that might be found and be of relevance to the research.

3.2.2 Descriptive research

Descriptive research is research that describes phenomena as they exist (Mabaso 2008:27). In a descriptive study, the researcher comes up with findings that answer the questions of who, what, where, when, or how much? (Kamau 2015:21). A descriptive survey describes the state of affairs

of an occurrence as it exists (Wawira 2013:23). The purpose of a descriptive study is to provide a picture of a phenomenon as it naturally occurs. This may, indeed, be purely descriptive (for example, the level and nature of crime among 16-21 year olds). But it may also comprise a normative study, comparing the data against some standard (for example, comparing drug use against legal standards of drug classification to gauge the seriousness of crime) (Gray2014:36).

3.2.3 Analytical research

Analytical research is sometimes referred to as explanatory or confirmatory research (Van Dyk2004:9; Verma 2016:2). In explorative research the focus is on discovering the hidden relationships. In confirmatory studies some of the facts are either confirmed or denied on the basis of hypothesis testing (Verma 2016:2). The researcher has to use facts or information that is already available and analyse these to make a critical evaluation of the material (Kothari 2004:3). The main aim of analytical research is to identify any causal links between the factors or variables that pertain to the research problem (Van Dyk 2004:9).

3.2.4 Predictive research

Predictive research involves measuring relationships between two or more variables and appropriate questions will include any question that fits the general form: is X related to Y? or can X be used to predict Y? (Dane 2010:97). Predictive research forecasts the likelihood that particular phenomena will occur in given circumstances (Andrew, McEvoy & Pederson 2011:8). Lester and Lochmiller (2016:1) state that predictive research anticipates what “could be” given particular changes or alternatives. The goal is to estimate a future value of a dependent variable (Johnson & Vogt 2015:1). This study made use of descriptive, analytical, and predictive research designs, and these are reported in Chapter 4, Section 4.3 and 4.6.

3.3 RESEARCH APPROACHES

Lee (1992:88) identified two modes of research approaches, namely, quantitative and qualitative. The author further states that these approaches serve research purposes in different ways and have different effects. Andrew, Mcevoy and Pederson (2011:7) provide a model for the two modes of research approaches. The model is presented in Figure 3.1.

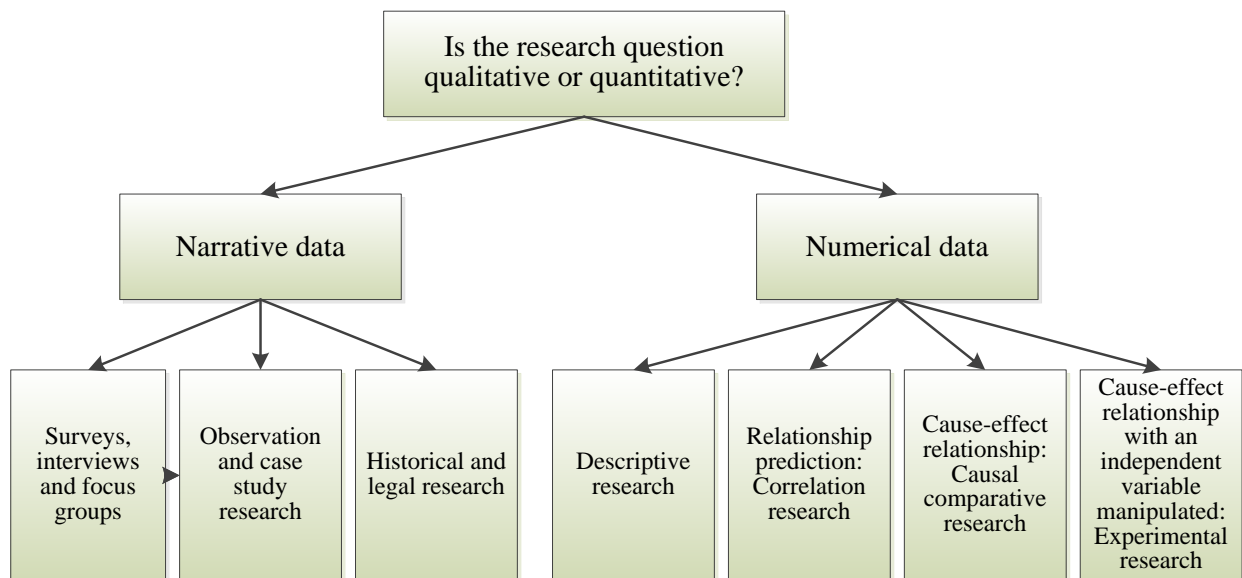


Figure 3.1: Types of research approaches

Source: Andrew, Mcevoy and Pederson (2011:7)

Qualitative research is any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification, and instead, it is research that produces findings arrived at from real-world settings where the phenomenon of interest unfold naturally (Golafshani 2003:600). Qualitative research provides an overview of the broad range of non-numerical measurement approaches (Trochim 2002:12). Jacobs (2014:56-57) claims that quantitative research lends insight into what happened, or how often things happen. Bahari (2010:18) also defines quantitative research as one in which the researcher primarily uses post positivist claims for developing knowledge, for example, cause and effect thinking, reduction to specific variables and hypotheses and questions, the use of measurements and observations and the test of theories.

Table 3.2 shows the differences between these two research approaches.

3.3.1 Difference between qualitative and quantitative research approaches

Table 3.2: Difference between qualitative and quantitative research approaches

QUANTITATIVE VERSUS QUALITATIVE RESEARCH		
ASPECT	QUANTITATIVE	QUALITATIVE
Reality	Truth exists, behaviour is governed by rules and laws and is discoverable	Reality is a social construction, there are no truths to be discovered
Representation	Mathematical or verbal description of quantitative results	Linguistic, symbolic
Domain knowledge and theory	Used to construct hypotheses, theory-driven, deductive	Data-driven, previous knowledge can bias results, inductive
Intellectual bases	Mathematics, statistics, logic, physical sciences	Linguistics, philosophy, anthropology, literature
Level of inquiry	Reductionist, atomistic	Holistic
Role of investigator	Objective, dualistic	Subjective, interactive
Role of subjects/participants	Subjects: naive to experimental hypotheses and are acted upon, deception is an ethical issue	Participants: involved in research, are fully informed, and can be involved in analysis and results
Generalisation	A sample is used to generalise to population, deductive	Applicability is more important than generalisation, inductive
Bias	Problematic, must be reduced	Accepted and acknowledged
Validity	Involves minimizing alternative explanations	Involves effect on audience and social utility, uses triangulation
Reliability	Involves measurements without error, seeks quantitative results that reflect true score	Not relevant

Source: Heppner, Kivlighan & Wampold (2008:8)

The study adopted a quantitative research approach. According to Arnold (2013:60) quantitative research is objective in nature and implies the measurement of constructs in a precise, pragmatic

and controlled approach. The main objective of a quantitative research requires testing a hypothesis to predict future trends (Zhang 2013:84). The researcher used a quantitative method because, with quantitative research, the statistical findings from the sample can be used to describe a larger population, which increases the significance of the study and its results (Haberfeld, King & Lieberman 2009:27). Quantitative research generally is replicable and hence has a high reliability (Karkukly 2011:61).

3.4 THE SAMPLING DESIGN PROCEDURE

According to Delice (2010:2012) the steps in Figure 3.2 should be followed for good sampling. These steps are discussed further below:

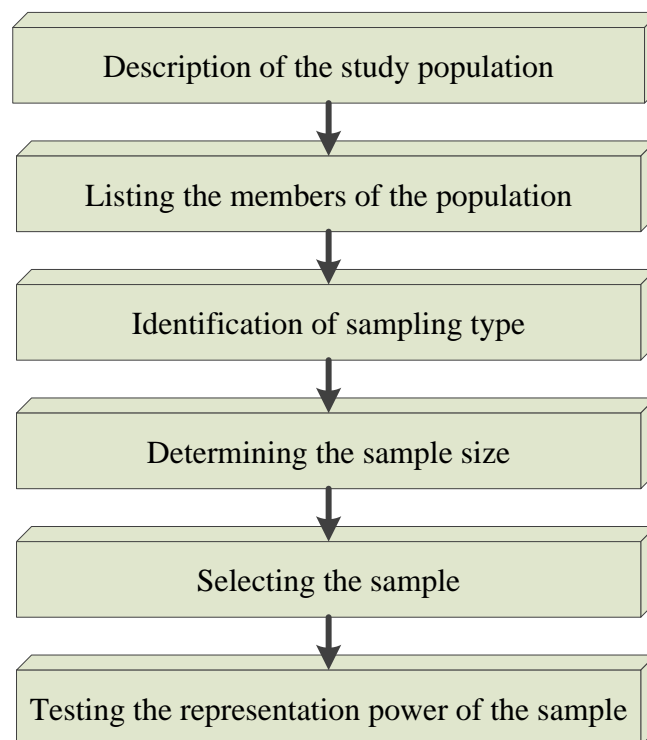


Figure 3.2: The sampling process

Source: Delice (2010:2012)

3.4.1 The target population

Mathieson (2014:1) defines target population as the group to which study results will be generalised. Nober (2014:58) provides a closely related definition of target population by stating that it is a group of people, or groups of individuals which a researcher wishes to investigate. Vigaro (2013:44) defines target population as any group that is part of a research study.

The population group for this study was restricted to male and female surface employees of the mine who had experienced a retrenchment exercise carried out within the organisation, and who are currently employed (survivors). Currently 5000 employees meet the criteria described above and will form the target population.

3.4.2 The sample and sampling frame

A sample comprises elements or a subset of the population considered for actual inclusion in the study (Depot, de Vos, Fouche & Strydom 2011:223-224). Collins and Onwuegbuzi (2007:281) define sampling as the process of selecting a portion, piece or segment that is representative of a whole. The study sample comprised employees in management positions, administrators, engineers, safety officers and supervisors. A sample frame is the process of selecting units (for example, people, organisations) from a population of interest so that by studying the sample the researcher may fairly generalise results back to the population from which they were chosen (Trochim 2002:19).

The list of managers, administrators, engineers, safety officers and supervisors was made from the data obtained from the human resource departments of the mining company.

3.4.3 The sampling method

Two types of sampling methods can be used to recruit participants to a study namely, random sampling (sometimes called probability sampling) and non-random sampling (sometimes called non-probability sampling) (Sedgwick 2013:1).

Probability sampling involves some form of random selection of the population members. Each population member has a known and typically equal probability of being selected (Sedgwick 2013:1). Probability sampling is further classified as simple random sampling, systematic sampling, stratified sampling, cluster sampling or multistage sampling (Qeadan 2015:2). Non-probability sampling is when subjective methods are used to decide which elements are included in the sample. Non-probability samples are those in which the probability that a subject is selected is unknown and results in selection bias in the study. They include the most commonly used convenience/purposive sampling, quota sampling, and snowball sampling (Acharya, Nigam, Prakash & Saxena 2013:332).

A probability sampling method was used for the study. In probability sampling, the researcher has a significant measure of control over who is selected and on the selection methods for choosing them (Neville 2007:31). Creswell (2009:217) is of the view that quantitative data often involves

random sampling, so that each individual has an equal probability of being selected, and the sample can be generalised to the larger population. Another advantage is that the gathering of data is less time and cost consuming, while it is also convenient (Vigaro 2013:45). Simple random sampling was used to select the sample for this study. In simple random sampling, every individual in the sampling frame (that is, desired population) has an equal and independent chance of being chosen for the study (Collins & Onwuegbuzi 2007:285). A number was assigned to each participant and a random selection of 400 employees was made. Where a selected respondent was not available, the next available respondent on the list was selected.

3.4.4 Sample size

Eng (2003:310-311) asserts that sample size is important primarily because of its effect on statistical power. Statistical power is the probability that a statistical test will indicate a significant difference when there truly is one. The author further states that in descriptive studies, sample size is important because it affects how precise the observed means or proportions are expected to be. According to Gerrish and Lathlean (2015:180), a quantitative research report should outline the required sample size and the way in which it is calculated. Sekaran (2003:1) is of the view that any sample that is larger than thirty (30), but less than 500 can be considered appropriate for most research projects. Delice (2010:2008) also maintains that a decision on a research design in accordance with the research aims would have an impact on the size of the sample and presents the following criteria in determining sample size in relation to the research method:

- If the research has a relational survey design, the sample size should not be less than 30.
- Causal-comparative and experimental studies require more than 50 samples.
- In survey research, 100 samples should be identified for each major sub-group in the population and between 20-50 samples for each minor sub-group.

In determining the sample size for this study, the researcher was guided by previous studies undertaken on retrenchment. A total of 400 were deemed sufficient to conduct the study. Table 3.3 presents various sample sizes for different studies on retrenchment that are in line with the sample size of this study.

Table 3.3: Determining the sample size

Year	Authors	Title of study	Sample size
2004	Busenitz, L.W., Johnson, R.A & Morrow, J.L.	The effects of cost and asset retrenchment on a firm performance: the overlooked role of a firm's competitive environment.	439
2005	Nikolaou, I & Vakola, M.	Attitudes towards organisational change: what is the role of employees' stress and commitment?	292
2009	Mutemeri, N., O'Reilly, C. & Sellick, N.	Data collection on recent, current and planned retrenchments in the mining sector: a report compiled for the Human Resource Development committee of the minerals and mining development and the mining qualification authority.	130
2014	Etuk, G.R., Inyang, I.B & Williams, W.D.	Assessment of survivors' perceptions of crisis and retrenchments in the Nigeria Banking Sector.	280
2015	Stoll, J.D.	Mindscape discrepancy: structure, agency, and attribution in the light of job loss.	371
2015	Adesina, O.B.	Retrenchment exercise on educational institutions and government parastatals in Ogun-State, Nigeria.	1000

Source: Busenitz, Johnson & Morrow (2004:197); Nikolaou & Vakola (2005:164); Mutemeri, O'Reilly & Sellick (2009:4); Etuk *et al.* (2014:14); Stoll (2015:3) and Adesina (2015:63)

3.5 THE QUESTIONNAIRE AND DATA COLLECTION

The questionnaire will comprise five sections:

SECTION A: This section solicits demographic information of candidates such as:

- age
- gender
- education level
- job position
- working experience

SECTION B: This section consists of questions on employees' perceptions of retrenchment and the effects of retrenchment.

SECTION C: This section comprises questions on the effects of retrenchment.

SECTION D: This section comprises questions on job stress.

SECTION E: Section E contains questions on organisational commitment.

Questions for Section B: employee perceptions of retrenchment were adapted from Etuk, Inyang and Williams (2014:17). Section C: effects of retrenchment was adapted from Baguma and Matagi (2002:16&17) and Kiriago & Nyaberi (2013:20). Section D: job stress was adapted from Decotiis and Parker (1983:132). Section E: organisational commitment was adapted from Jaros (2007:23-25).

Section A of the questionnaire consists of five dichotomous and multiple-choice questionnaires. Sections B, C, D, and E consist of five-point Likert type scale questions, with 1 denoting strongly disagree to 5 denoting strongly agree.

3.5.1 Data collection method

According to Mkubukeli and Tengeh (2015:20), the data collection approach is primarily influenced by the type of questions the study seeks to address. Bahari (2010:18) identified two data collection methods usually used in quantitative research, namely, experiments and surveys (questionnaires).

The data collection method for this study made use of previously developed questionnaires. The questionnaire was hand delivered by the researcher to all the participants one month following the pilot testing. The questionnaires were hand delivered by the researcher for the reason that self-administered questionnaires are easily distributed to a large number of people and they often allow anonymity (Jolley & Mitchell 2012:286).

3.6 PRE-TESTING

The main purpose of a pre-test is to test the feasibility of the research tool (Mangolela 2014:30). Pre-testing can be used in developing new materials, reusing existing materials and developing messages and concepts (Allensworth & Fertman 2010:221). Pre-testing is done in an attempt to minimise low response rates caused by misunderstandings and ambiguity and to detect problems with the design and formatting of questions (Faux 2010:105).

3.7 PILOT TESTING THE QUESTIONNAIRE

A pilot study is a means of checking whether the survey can be administered and provides accurate data (Corgan 2007:116). Pilot testing is a procedure of testing that invariably enhances the quality of research (Tripodi & Tripodi 2007:69). Pilot testing helps researchers identify ambiguities in the instructions, clarify the wording of questions and it alerts researchers to omissions (Anderson & Arsenault 2005:190). Pilot testing reveals common errors and difficulties encountered by respondents and questionnaire administrators. Should substantial changes be required after the first pilot test, the questionnaire should be re-tested after the revisions have been made (Ekinci 2015:128).

Pilot testing was done with 50 respondents to test the reliability of the questionnaire. Respondents for pilot testing were managers, administrators, engineers, safety officers and supervisors who would not form part of the main survey. The results of the pilot study are reported in Chapter 4, Section 4.2.

3.8 DATA PREPARATION

After data have been collected and before they are analysed, the researcher must examine them to ensure their validity (Hair, Money, Page, Samouel & Wolfinbarger 2015:295). There are many ways to analyse data, but all of these cannot be applied in all cases. If data have been collected in a certain way, using certain instruments, then any analysis will be limited by those constraints (Bradley 2013:302). The typical tasks are editing, dealing with missing data, coding transformation and entering data (Hair *et al.* 2015:295). Stages in preparing data for analysis are shown below in Figure 3.3.

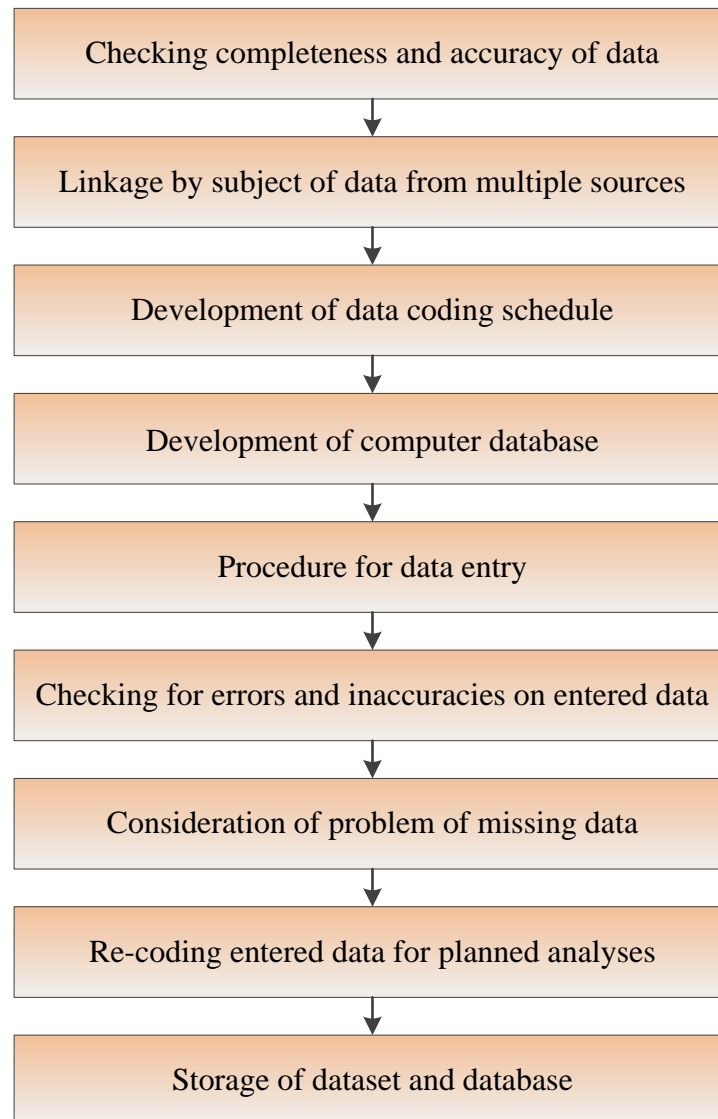


Figure 3.3: Stages in preparing data for analysis

Source: Macfarlane and Silman (2002:146)

3.8.1 Editing

Editing refers to the elimination of errors in the raw data (Stead & Struwig 2001:150). Editing involves checking copy to see that every aspect of the content is correct and that the message is clear, concise and complete (Pagel 2011:248). The primary purpose of editing is to eliminate errors, changing words, rewriting parts of the document in the raw data and to place the data into categories to facilitate their tabulation and interpretation (Stead & Struwig 2001:150; Pagel 2011:248). In the course of the editing process, explicit codes are assigned to the various categories of non-substantive responses, in accordance with the principle that the set of categories for each variable be mutually exclusive and collectively exhaustive-that is, designed in such a way that

each case is assigned one and only one code on each variable (Treiman 2014:78). The data were edited to identify omissions, ambiguities and respondents mistakes.

3.8.2 Coding

According to Punch (2009:176), coding is the process of putting tags, names or labels against pieces of data. Coding is the name given to the procedure whereby complex descriptions are broken into simpler meanings and are allocated a code, usually a number. Closed-ended questions are usually pre-coded (Bradley 2013:314). Diggins (2010:231) states that coding converts raw data into symbols, usually numbers that are entered into a computer and tabulated. Allocating symbols means that data can be converted into a computer-readable form. In quantitative research, codes are commonly created prior to data collection (Benaquisto 2013:3). The coding of the data for the study was undertaken by the statistician.

3.9 STATISTICAL ANALYSIS

The different types of analysis used in this study are discussed below.

3.9.1 Descriptive statistics

The study was descriptive in nature. Several statistics such as the mean, standard deviation, coefficient of variation, skewness, kurtosis and percentiles are used to describe the characteristics of the dataset (Verma 2016:2). Descriptive statistics are used to organise and describe the characteristics of a collection of data. Trochim (2002:14) is of the view that descriptive statistics are used to describe the basic features of the data in a study. They provide simple summaries about the sample and the measures. Together with simple graphics analysis, they form the basis of virtually every quantitative analysis of data. With descriptive statistics the researcher is simply describing what the data shows. In this study, three descriptive statistical concepts were used to detect patterns in the research data. The concepts are further discussed below.

3.9.1.1 Mean

A mean provides an estimate of the centre in terms of averages. The simplest average is the arithmetic average and in the common terminology, mean refers to this arithmetic average (Murthy & Rao 2007:53). The mean value can be calculated in the usual way from a knowledge of the probabilities of the given quantity as a sum (or integral for continuous variables) over all possible values, weighted by their probabilities (Mathieu & Scott 2000:32). Means for this study are reported in Chapter 4, Section 4.4.

3.9.1.2 Standard deviation

Standard deviation as defined by Wachs (2009:1) as a statistic that describes the amount of variation in a measured process characteristic; specifically it computes how much an individual measurement should be expected to deviate from the mean on average. Standard deviation is a measure used to determine the average distance that each score deviates from (Privitera 2011:115). Jain and Khan (2007:7) also define standard deviation as the square root of the mean of the squared deviation, where deviation is the difference between an outcome and the expected mean value of all outcomes. Standard deviations were reported in Chapter 4, Section 4.4.

3.9.2 Correlation analysis

Correlation analysis is used to find out if the statistical relationship between two or more variables exists or not (Sharma 2005:239). Williams (2007:67) also asserts that the main purpose of a correlation study is to establish whether two or more variables are related. What is peculiar about correlation analysis is that neither variable is dependent or independent (Madrigal 2012:193). Correlation analysis provides a means of drawing inferences about the strength of the relationship between two or more variables. That is, it is a measure of the degree to which the values of these variables vary in a systematic manner (Ayyub & McCuen 2016:394).

Barton and Elliott (2009:93) assert that the range of correlation coefficient, r , is from -1 to +1. A correlation coefficient of +1 indicates a perfect positive linear association, that is, as the value of one variable increases the value of the other variable also increases. A correlation coefficient of -1 indicates a perfect negative linear association, that is, as the value of one variable increases the value of the other variable decreases.

According to Barr, Shaw and Wheeler (2013:177) there are a number of different methods of correlation analysis. Table 3.4 indicates those that are most commonly used. The power of the different types of correlation analysis varies, and it is generally recognised that the product-moment or Pearson's correlation coefficient (r), which uses interval/ratio scale data, is the best in that respect.

Table 3.4: Types of correlation coefficients and their data requirements

Type of correlation	Measurement scale	Data characteristics
Pearson's (r)	Interval or ratio	Both variables must be parametric form

Spearson's rank (r_s) and Kendali's tau (r)	Ordinal	Both variables can be in ranked form
Buserial (r_b)	Nominal	Requires variable to be dichotomous, the other can have more categories
Phi coefficient (\emptyset)	Nominal	Both variables must be dichotomous

Source: Barr *et al.* (2013:177)

Barr *et al.* (2013:177) further state that regardless of the form of correlation analysis selected, the outcome is always expressed as a numerical coefficient that describes the direction and character of the relationship between two variables. In this study correlation analysis was used to establish convergent validity of the constructs and was done for Sections C (effects of retrenchment), Section D (job stress) and Section E (organisational commitment). This is reported in Chapter 4, Section 4.5.

3.9.3 Regression analysis

According to Sen and Srivastava (2012:1) regression analysis is the data aimed at discovering how one or more variables (called independent variables, predictor variables) affect other variables (called dependent variables or response variables). Regression analysis is an attempt to establish the nature of relationship between variables, that is, the functional relationship between the variables and thereby provide a mechanism for prediction (Narayanan 2015:259). Beck and Polit (2008:614) assert that regression analysis is used to make predictions. That is, one independent variable (x) is used to predict a dependent variable (y). Burns, Gray and Grove (2014:344) also state that regression analysis is used to predict the value of one variable when the value of one or more other variables is known. The variable to be predicted in a regression analysis is referred to as the dependent or outcome variable (Burns *et al.* 2014:344).

Gordon (2012:5) is of the view that an important advantage of regression analysis over other techniques (such as bivariate t tests or correlations) is that additional variables can be introduced into the model to help determine if a relationship is genuine or spurious. The author further states that if the relationship is spurious, then a third variable (a confounder, common cause or extraneous variable) causes both the predictor and outcome, and, adjusting for the third variable in a regression model should reduce the association between the predictor and outcome to near zero.

Narayanan identified two types of regression analysis, namely:

- Linear and non-linear regression
- Simple and multiple regression

Narayanan (2015:259) is of the view that regression analysis is of great use in many fields of study for the reasons that:

- It is a scientific method of making a prediction or estimation of the most probable value of one variable for the given values of other related variables.
- In economics, regression analysis is the basic technique widely used for estimating the relationship among economic variables such as demand and price, supply and price, and cost and price.
- In business, this analysis is widely used for predicting future activities such as the future production, prices, sales and profits.
- In sociology, this analysis is of great use in economic planning, projection of population, birth rate, and death rate.
- This analysis is widely used for further mathematical treatment.
- Regression co-efficients are used to calculate the correlation, co-efficient and also co-efficient of determination.

In this study, regression analysis was done for sections C, D and E. It was used to detect the relationship between effects of retrenchment, job stress and organisational commitment.

Regression analysis is reported in Chapter 4, Section 4.6.

3.10 RELIABILITY

Reliability indicates that the researcher's approach is consistent across different researchers and different projects (Creswell 2014:201). Golafshani (2003:598) defines reliability as the extent to which results are consistent over time and an accurate representation of the total population under study and if the results of a study can be reproduced under a similar methodology. McAlpine (2002:12) identified three different ways of measuring reliability, namely:

- Test-retest reliability: This is the correlation between candidates' attempts at the same test. Where there is little test-retest reliability, the people who did well first time round may not do well second time round.
- Parallel forms reliability: This is the correlation between candidates' attempts at two tests which are supposed to be identical. Where this type of reliability is lacking, there is evidence

that the tests are testing different things, suggesting that one or both are not testing the pre-defined knowledge and skills, or domain, intended.

- **Internal consistency:** The internal consistency of a test is essentially a pseudo-measure of reliability. Most of the time researchers do not have the luxury of constructing two separate tests, or testing the students twice. Internal consistency is designed to measure what would have happened had they done that. These approaches to reliability testing are presented in Figure 3.4.

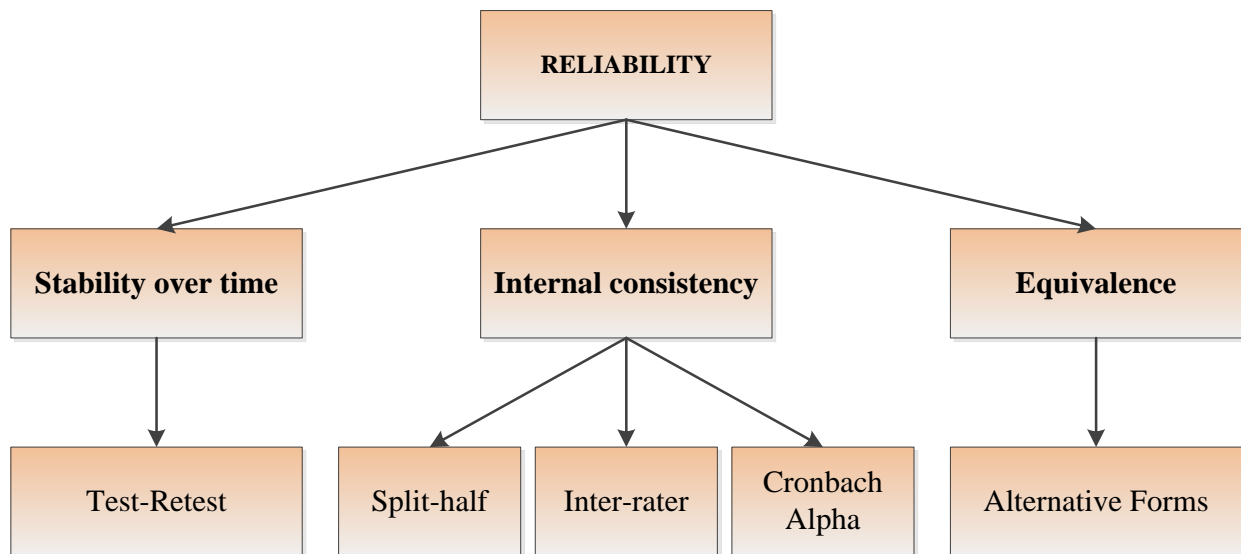


Figure 3.4: Reliability of measurement tests

Source: Drost (2011:109)

The Cronbach's Alpha coefficient was used to test the reliability of the instrument for sections C, D and E.

3.10.1 Cronbach's Alpha

The Cronbach's Alpha coefficient is a statistical test used to measure internal consistency of items within a test. It is the equivalent of the average of all possible split-half reliability coefficients (Msweli 2011:65). A value of more than 0.7 for Cronbach's Alpha coefficient is considered acceptable (Bertea & Zait 2011:217). The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale (Gliem & Gliem 2003:87).

3.11 VALIDITY

According to Mkubukeli and Tengeh (2015:20) validity is concerned with whether the research strategy will achieve the research aims and objective. Validity is the extent to which the research findings accurately represent what is really happening in the situation (Mabaso 2008:30). Delpont *et al.* (2011:172) also state that validity refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration. The following types of validity were examined: content, construct, convergent and discriminant validities. These types of validity are further discussed below:

3.11.1 Content validity

Content validity refers to the extent to which a research instrument accurately measures all aspects of a construct (Heale & Twycross 2015:66). Content validity is concerned with whether the items measure the content they were intended to measure (Creswell 2014:160). Farrell, Ghaderi, Harris, Juul, Manji, Ott and Park (2015:253) define content validity as the relationship between a test's content and the construct it is intended to measure. Baer, Colquitt, Halvorse and Long (2014:599) also define content validity as the extent to which a measure's items reflect a theoretical content domain.

For the purpose of this study, content validity was achieved by pre-testing.

3.11.2 Construct validity

Construct validity is defined as the experimental demonstration that a test is measuring the construct it claims to be measuring (Brown 2000:9). Construct validity is an approach to evaluate a measure based upon how well the measure conforms to theoretical expectation (Collins & de Mello 2001:174). Kumar (2011:180) is of the view that construct validity is a more sophisticated technique for establishing the validity of an instrument. It is based upon statistical procedures and is determined by ascertaining the contribution of each construct to the total variance observed in a phenomenon.

According to Heale and Twycross (2015:66), there are three types of evidence that can be used to demonstrate that a research instrument has construct validity:

- Homogeneity: meaning that the instrument measures one construct.

- **Convergence:** this occurs when the instrument measures concepts similar to that of other instruments. Although, if there are no similar instruments available, this will not be possible to do.
- **Theory evidence:** this is evident when behaviour is similar to theoretical propositions of the construct measured in the instrument. For example, when an instrument measures anxiety, one would expect to see that participants who score high on the instrument for anxiety also demonstrate symptoms of anxiety in their day-to-day lives.

In this study, construct validity was achieved by pilot testing the questionnaire, and is reported in Chapter 4, Section 4.2.

3.11.3 Convergent validity

Aveyard, Fielding, Guo and Sutton (2008: 288) define convergent validity as agreement between measurements of the same construct assessed by different methods. Convergent validity involves measuring a construct with independent measurement techniques and demonstrating a high correlation among the measures (Collins & de Mello 2001:175). Raykov (2011:4) also defines convergent validity as the correlations between measures of the same trait that are obtained with different measurement methods.

In this study, correlations were used to test the convergent validity, and this is reported in Chapter 4, Section 4.5.

3.11.4 Discriminant validity

According to Aveyard *et al.* (2008:288) discriminant validity refers to the distinctiveness of different constructs. Berteau and Zait (2011:217) are of the view that discriminant validity assumes that items should correlate higher among themselves than they correlate with other items from other constructs that are theoretically supposed not to correlate. They state that testing for discriminant validity can be done using one of the following methods:

- Q-sorting
- Chi-square difference test
- Average variance extracted analysis

In this study, discriminant validity was achieved by using regression analysis to show items loaded onto different factors in various sections which had more than one factor.

3.12 CHAPTER SUMMARY

In this chapter, the research methodology used in the study was discussed. The sampling techniques, which include the target population, sampling frame, sampling procedure, sample size and the data collection method used in the study were also discussed. The study utilised a quantitative approach.

The pilot study as well as data analysis was further explained. Reliability and validity issues were also discussed.

In the next chapter the analysis, interpretation and evaluation of the research findings will be covered.

CHAPTER 4

RESULTS AND FINDINGS

4.1 INTRODUCTION

The previous chapter summarised the research methodology used in the study. This chapter focuses on the analysis, interpretation and evaluation of the research findings. Descriptive, analytical and predictive analysis, correlations and regression analysis were used to present the results. Lastly, reliability and validity of the measuring instrument were determined. The empirical findings are cross-referenced with the literature relevant to the study.

Data analysis was undertaken in two phases. First, pilot testing of the questionnaire and secondly, the combination of the main survey findings through a more detailed analysis was undertaken. The results of the pilot study in the form of a reliability analysis are discussed in the next section.

4.2 PILOT TESTING OF THE QUESTIONNAIRE

Pilot testing of the questionnaire was done with 50 respondents who were employees on surface holding positions of management, administrators, engineers, supervisors and safety officers of the mine. The primary aim of pilot testing the questionnaire was to enhance reliability before undertaking the main survey.

For the initial questionnaire, no changes were made. The Cronbach alpha values for all the constructs ranged from 0.674 to 0.875 indicating marginal to satisfactory acceptable reliability for the scales. Reliability values were not computed for Section A (demographic data) and Section B (employee perceptions of retrenchment) as general information was sought from respondents. Table 4.1 shows the Cronbach alpha values for effects of retrenchment, job stress and organisational commitment.

Table 4.1: Reliability of the pilot study

Constructs	N	Number of items	Cronbach's alpha
Section C (Effects of retrenchment)	50	10	0.674
Section D (Job stress)	50	13	0.875
Section E (Organisational commitment)	50	9	0.704

In the following section, analysis of the main survey is presented.

4.3 ANALYSIS OF THE MAIN SURVEY RESULTS

A total of 426 questionnaires were distributed to respondents. Eleven questionnaires were discarded because they were incomplete. A total of 121 questionnaires were not returned, resulting in a total of 294 questionnaires being used for the analysis of the data. For the main survey, some items were removed. A discussion of the analysis of the data is presented as follows:

- First, the biographical information of the respondents is presented.
- Second, the descriptive analysis of employees' perceptions of effects of retrenchment is provided.
- Thirdly, the overall means are provided.
- Fourthly, the correlation between effects of retrenchment and job stress (time stress and anxiety) and the correlation between job stress (time stress and anxiety) and organisational commitment is provided.
- Fifthly, the regression analysis of the relationship between the effects of retrenchment and job stress (time stress and anxiety) as well as the relationship between job stress (time stress and anxiety) and organisational commitment are also provided.
- Sixthly, the hypothesis test results are provided.
- Lastly, a discussion of the reliability and validity of the survey instrument is provided.

4.3.1 Descriptive analysis of demographics

In this section, the questionnaire anticipated to elicit information relating to the biographical information of the respondents, which include age group, gender, education level, job position and the working experience.

4.3.1.1 Age group of respondents

Figure 4.1 reports on the age group of respondents. The highest percentage of participants was in the age category 45-54 years (n=96; 32.7%), followed by those between the ages of 35-44 years (n= 89; 30.3%), those between the ages 25-34 years (n=70; 23.8%), those between the ages 55-64 years (n=32; 10.9%), followed by those who were below 25 years (n=7; 2.4%).

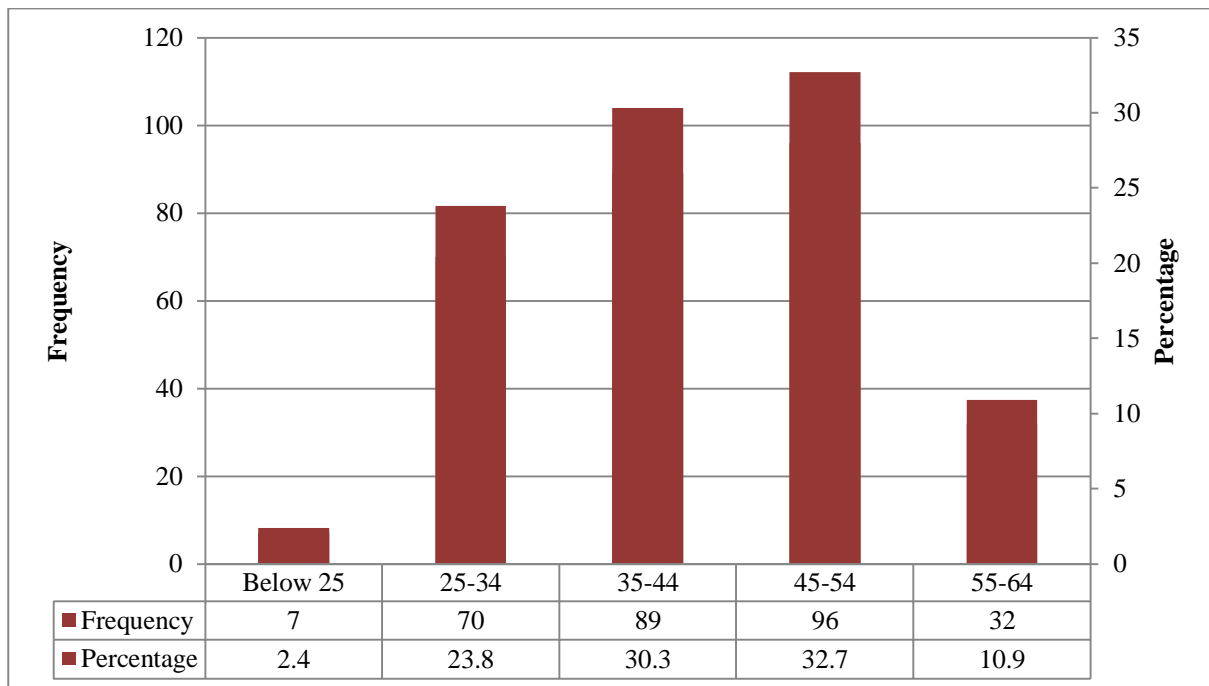


Figure 4.1: Respondents' age groups

4.3.1.2 Gender of respondents

Figure 4.2 presents an illustration of the gender composition of the sample. Of the 294 respondents, male respondents represent a larger part of the sample (n=200; 68.0%) compared to females (n=94; 32.0%).

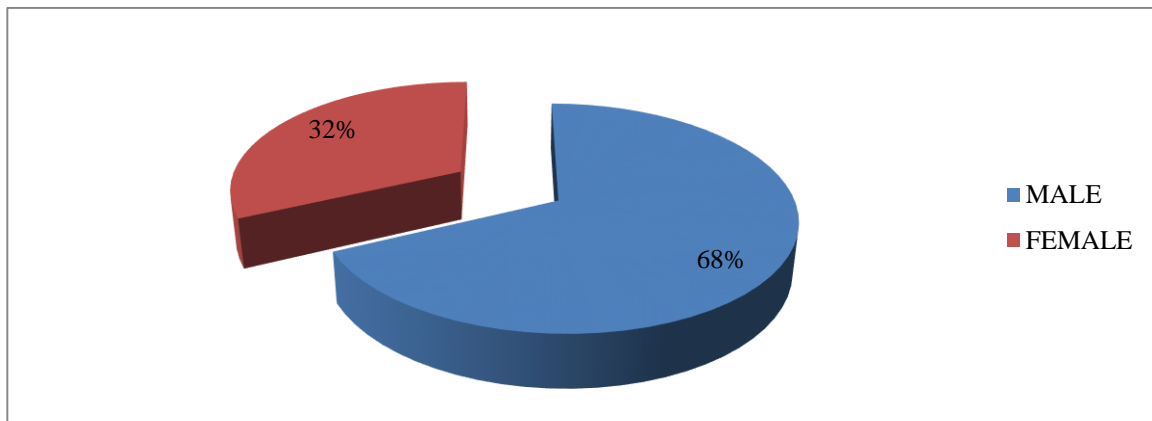


Figure 4.2: Gender composition of participants

4.3.1.3 Education level of respondents

Figure 4.3 outlines the education level of respondents. Most participants had indicated that they had completed grade 12 (n=73; 24.8%), while 56 respondents (19%) were in possession of a diploma, followed by respondents with other qualifications (n=43; 14.6%). There was an equal

number of participants holding a foreman certificate and those holding apostgraduate degree (n=17; 5.8%), as well as participants with a fitter and turner certificate and those holding a degree (n=16; 5.4%). This was followed by participants with a blasting certificate (n=13; 4.4%), electrician certificate (n=13; 4.4%), mine overseer certificate (n=11; 3.7), shift boss certificate (n=7; 2.4%), N1-N2 certificate (n=5; 1.7%), boiler maker certificate (n=4; 1.4%) and instrument technician/mechanical certificate (n=3; 1%).

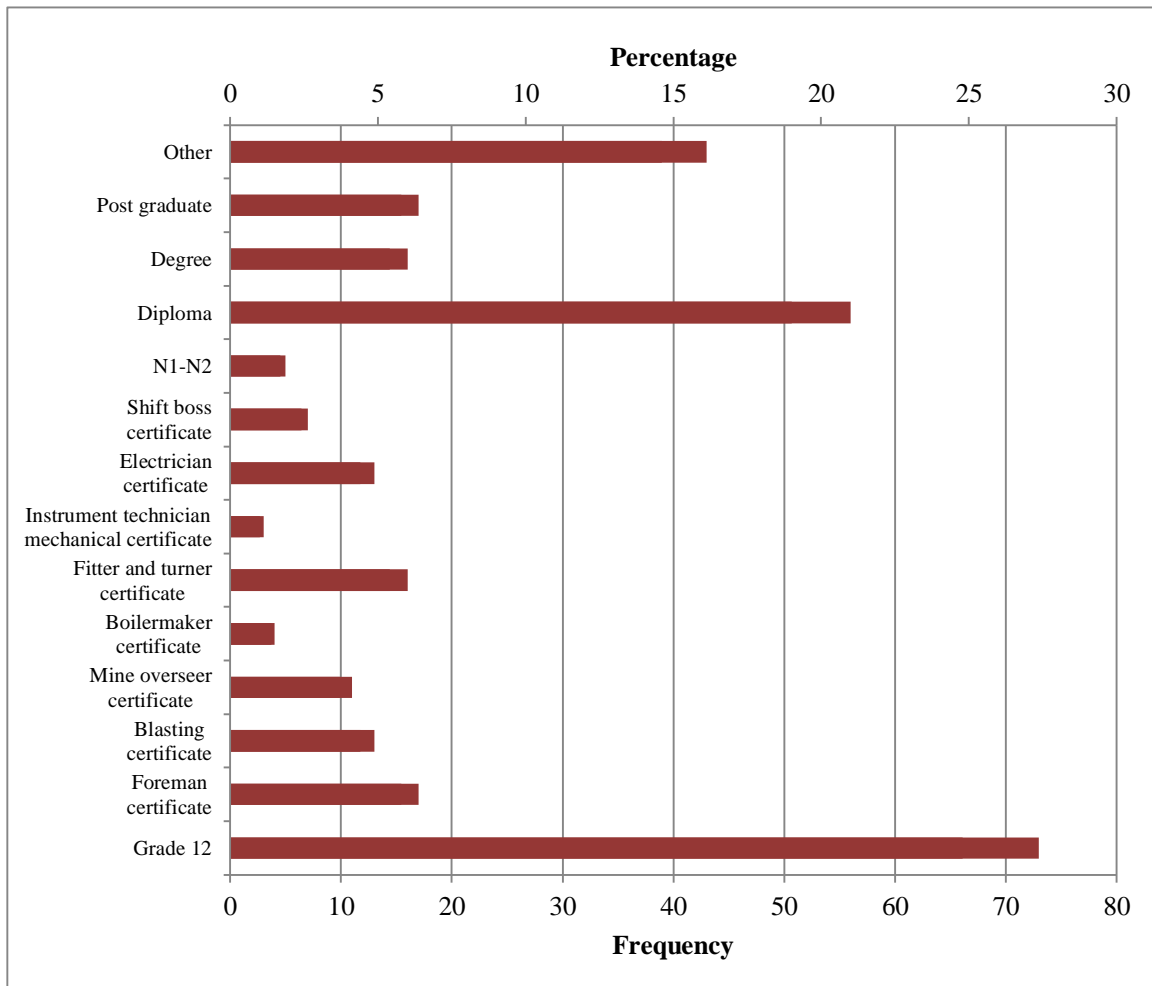


Figure 4.3: Respondents' qualifications

4.3.1.4 Job position of respondents

The positions that the respondents held are shown in Figure 4.4. The other category represented the highest job positions held by the participants, which include nurses, doctors, data capturers and training assessors (n=106; 36.1%). Respondents who held administration positions were (n=61; 20.7%), followed by those who held managerial positions (n=47; 16%), artisan (n=35; 11.9%), shift boss/supervisor (n=30; 10.2%), engineer (n=7; 2.4%), mine overseer (n=5; 1.7%) and miner (n=3; 1%).

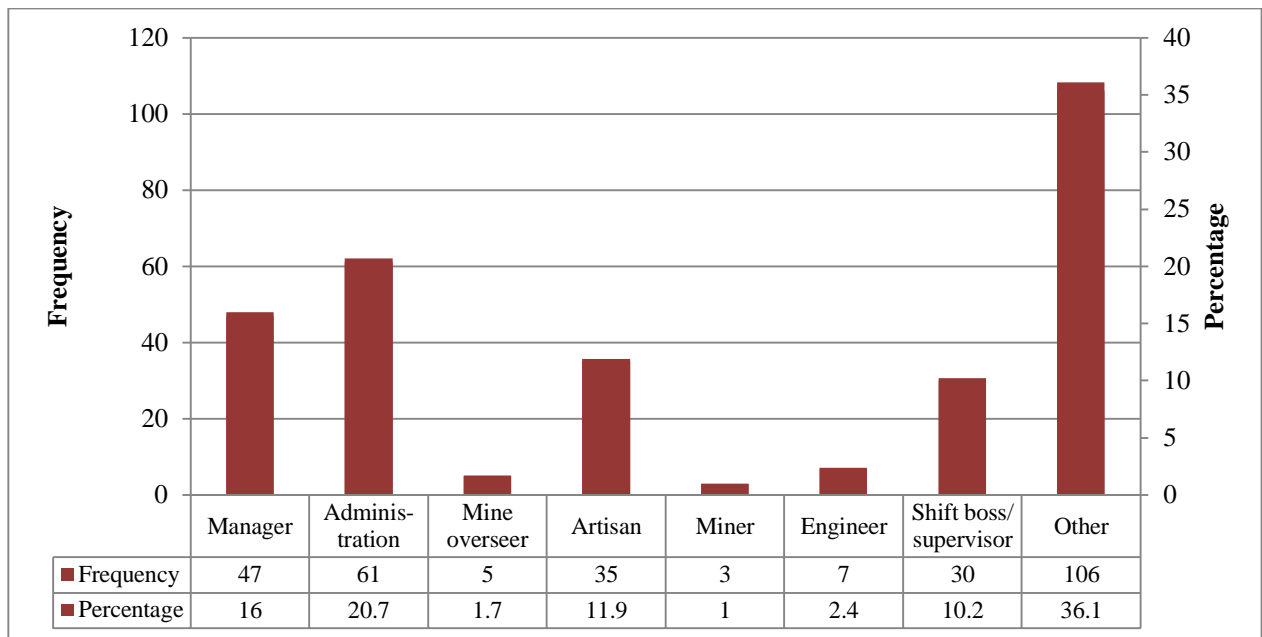


Figure 4.4: Respondents' positions

4.3.1.5 Working experience of the respondents

Figure 4.5 illustrates the working experience of the respondents. Most participants have more than 20 years' of experience (n=112; 38.1%), followed by those employees between 5-9 years of experience (n=64; 21.8%), those employees between 10-14 years of experience (n=55; 18.7%), those between 15-19 years of experience (n=37; 12.6%), and those employees between 0-4 years of experience (n=26; 8.8%).

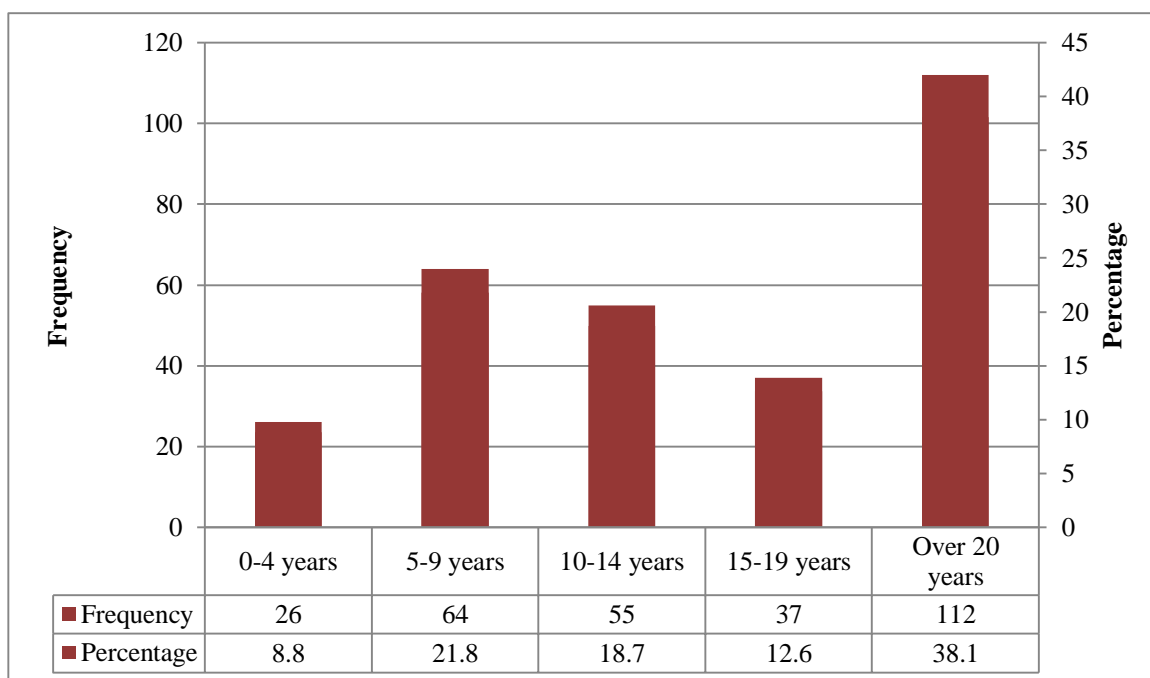


Figure 4.5: Respondents' working experience

4.3.2 Descriptive analysis of employee perceptions of retrenchment

In this section, the questionnaire was intended to elicit information relating to the employee perceptions of retrenchment.

4.3.2.1 Statement 1: Retrenchment is due to poor corporate and/or corrupt practices by management

The participants' responses to the first statement are shown in Figure 4.6. The majority of respondents were in strong disagreement with the statement that retrenchment is due to poor corporate and/or corrupt practices by management (n=104; 35.4%). This was followed by respondents who moderately agreed with the statement (n=89; 30.3%), strongly agree (n=38; 12.9%), disagree (n=36; 12.2%) and agree (n=27; 9.2%).

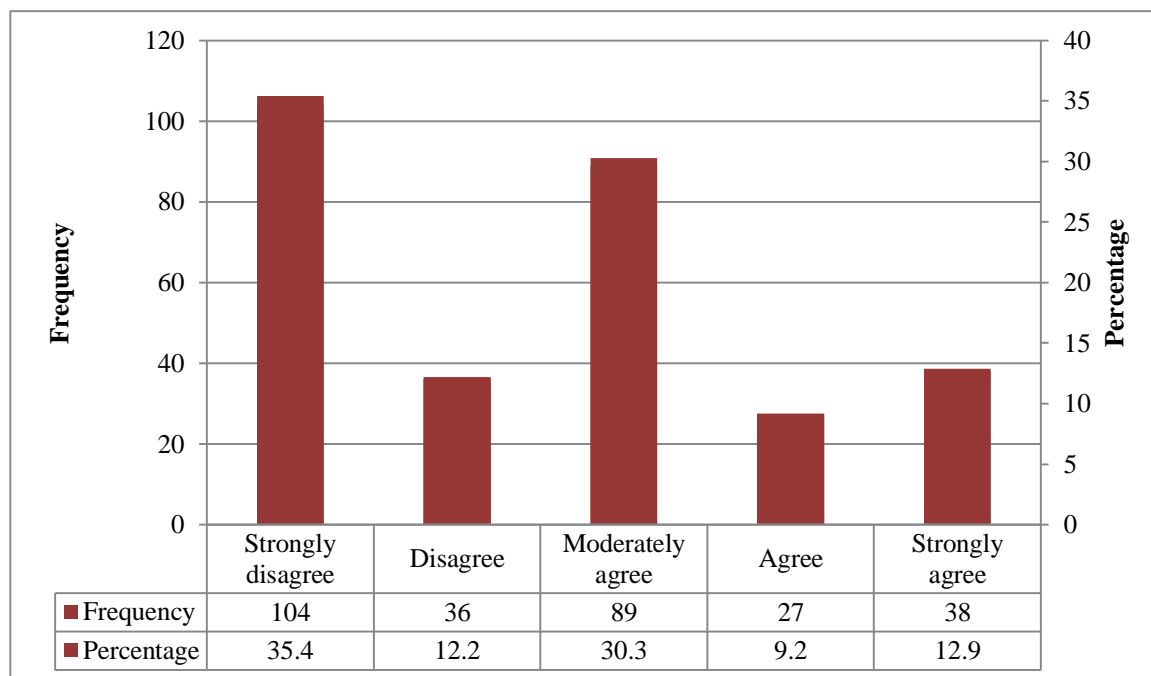


Figure 4.6: Statement 1: Retrenchment is due to poor corporate and/or corrupt practices by management

4.3.2.2 Statement 2: The mining sector's restructuring causes further damage

Figure 4.7 outlines the participants' response to the statement that the mining sector's restructuring causes further damage. A large number of respondents (n=78; 26.5%) were in strong agreement with the statement, followed by those who were in moderate agreement with the statement (n=77; 26.2%), those who agreed to the statement (n=64; 21.8%) those who strongly disagreed with the statement (n=52; 17%), and those who disagreed with the statement (n=23; 7.8%).

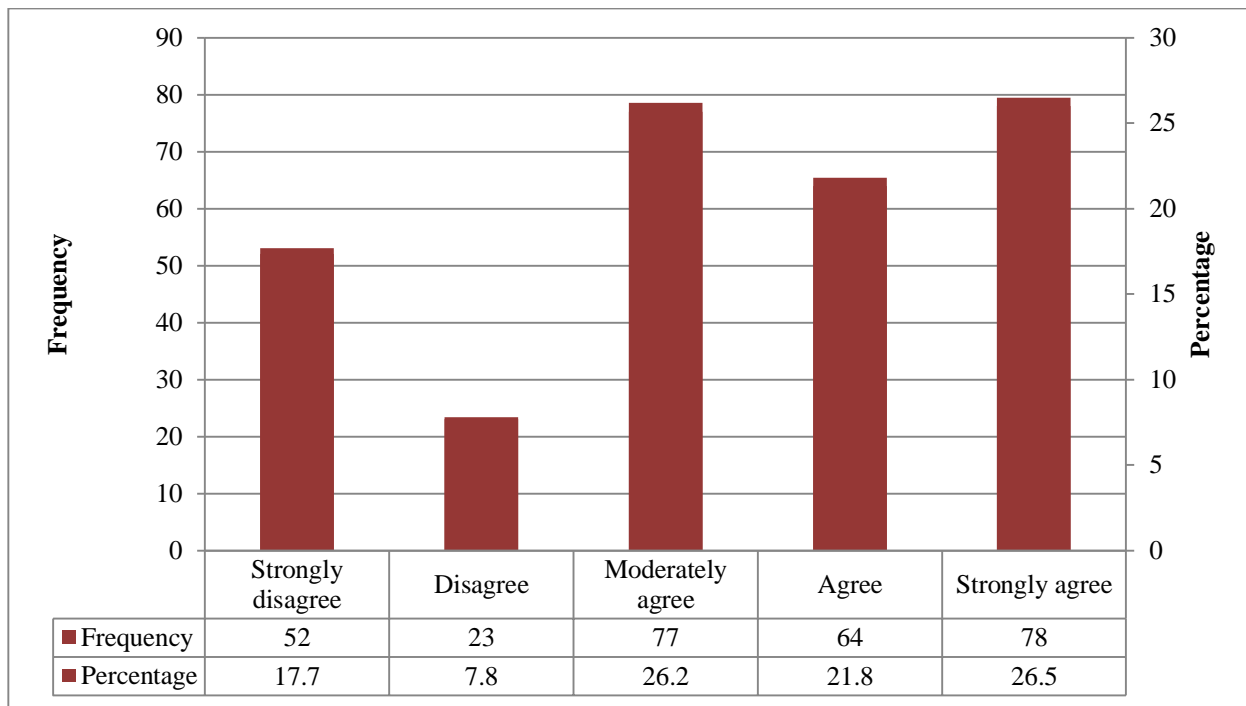


Figure 4.7: Statement 2: The mining sector's restructuring causes further damage

4.3.2.3 Statement 3: There is fairness in the treatment of employees during retrenchment

Figure 4.8 represents the participants' response to the statement that there is fairness in the treatment of employees during retrenchment. The majority of the respondents strongly agreed with the statement (n=80; 27.2%), followed by respondents who moderately agreed with the statement (n=75; 25.5%), those who agreed to the statement (n=58; 19.7%), those who strongly disagreed (n=47; 16%) and those who disagreed with the statement (n=34; 11.6%).

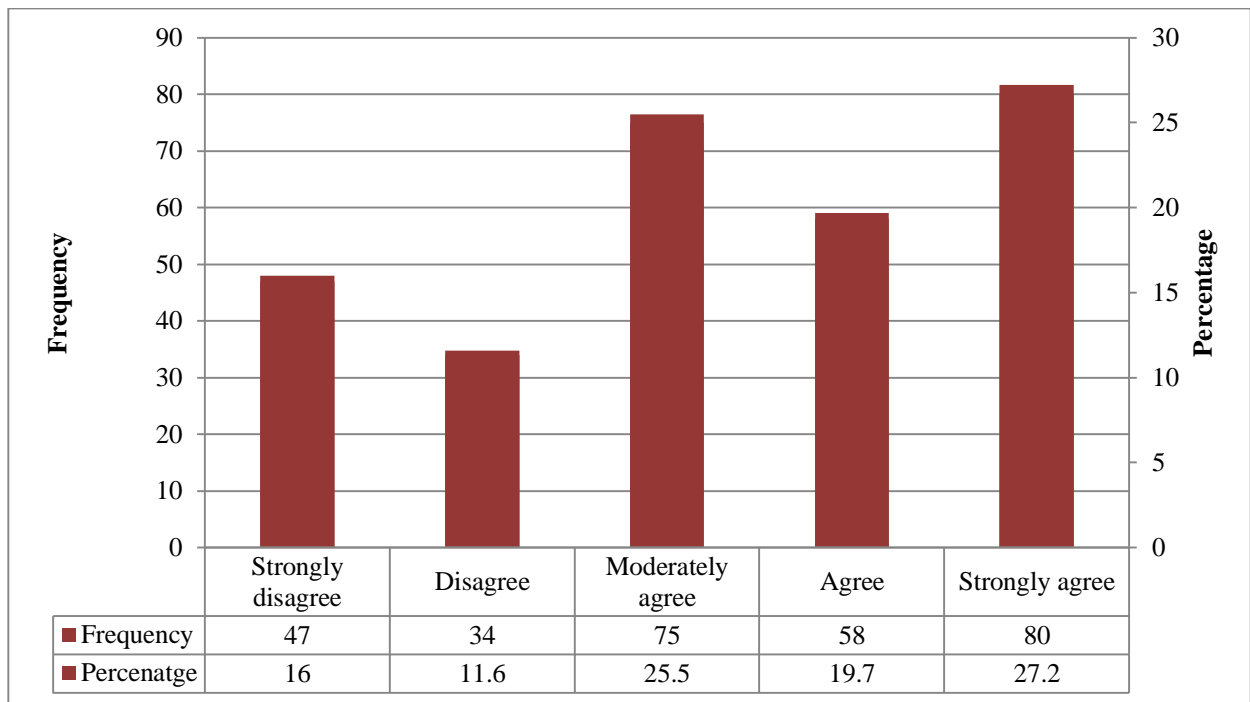


Figure 4.8: Statement 3: There is fairness in the treatment of employees during retrenchment

4.3.2.4 Statement 4: The approach to the employees is harsh

Figure 4.9 outlines the participants' response to the statement that the approach to the employees is harsh. Most respondents were in moderate agreement with the statement (n=83; 28.2%), followed by respondents who strongly disagreed with the statement (n=69; 23.5%), those who disagreed to the statement (n=57; 19.4%), those who strongly agreed (n=45; 15.3%) and those who agreed with the statement (n=40; 13.6%).

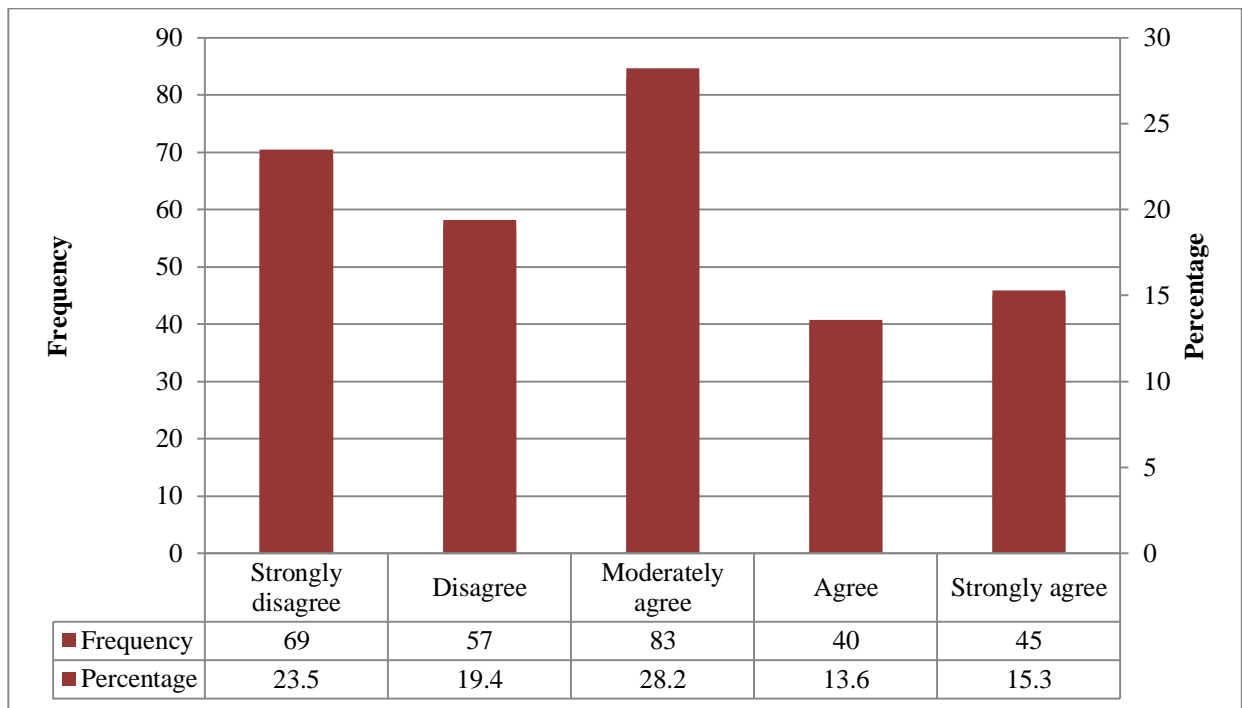


Figure 4.9: Statement 4: The approach to the employees is harsh

4.3.2.5 Statement 5: Management shows sentiments when implementing the retrenchment

Figure 4.10 outlines the respondents' reaction to the statement: management shows sentiments when implementing the retrenchment. A large number of respondents were in moderate agreement with the statement (n=98; 33.3%). This was followed by respondents who agreed with the statement (n=63; 21.4%). Respondents who were in strong agreement with the statement were (n=51; 17.3%), followed by respondents who were in strong disagreement (n=46; 15.6%), and respondents who disagreed with the statement (n=36; 12.2%).

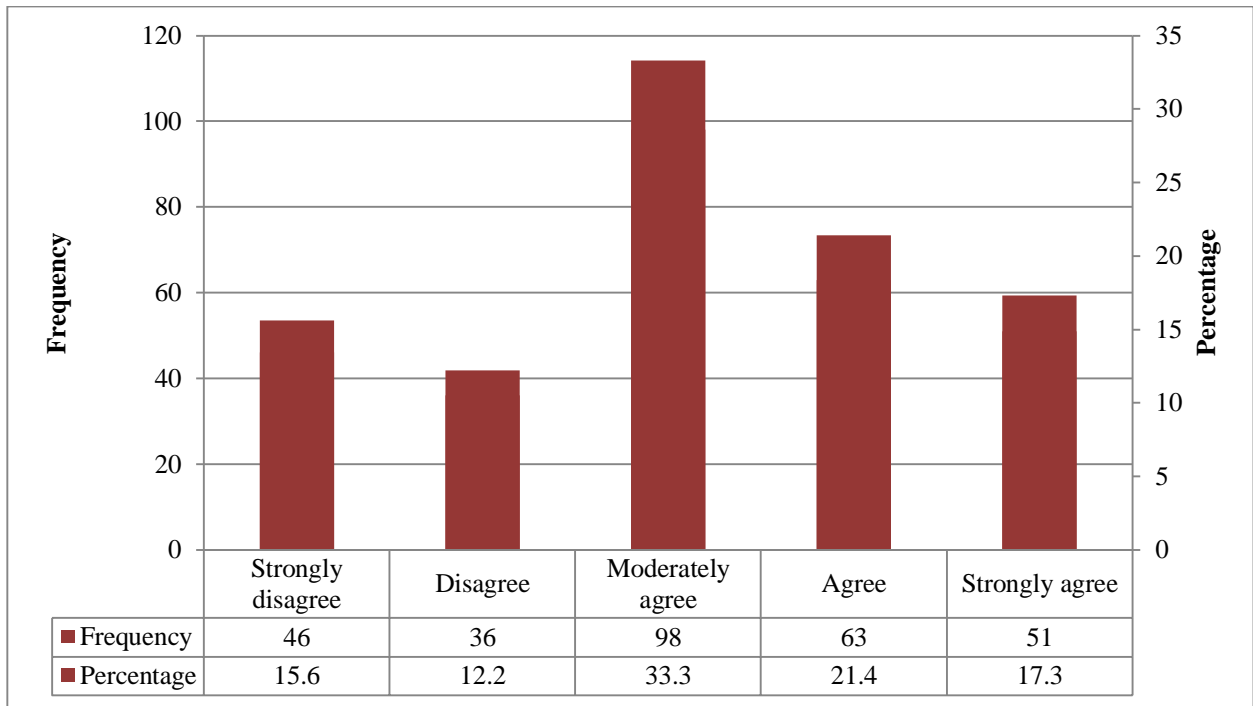


Figure 4.10: Statement 5: Management shows sentiments when implementing the retrenchment

4.3.2.6 Statement 6: Retrenchment decision by management is democratic and involves employee participation

Figure 4.11 represents the participants' responses to the statement: a retrenchment decision by management is democratic and involves employee participation. The majority of participants were in strong agreement with the statement (n=82; 27.9%). This was followed by respondents who were in moderate agreement with the statement (n=61; 20.7%), those who agreed (n=59; 20.1%), those who strongly disagreed (n=58; 19.7%) and those who disagreed (n=34; 11.6%).

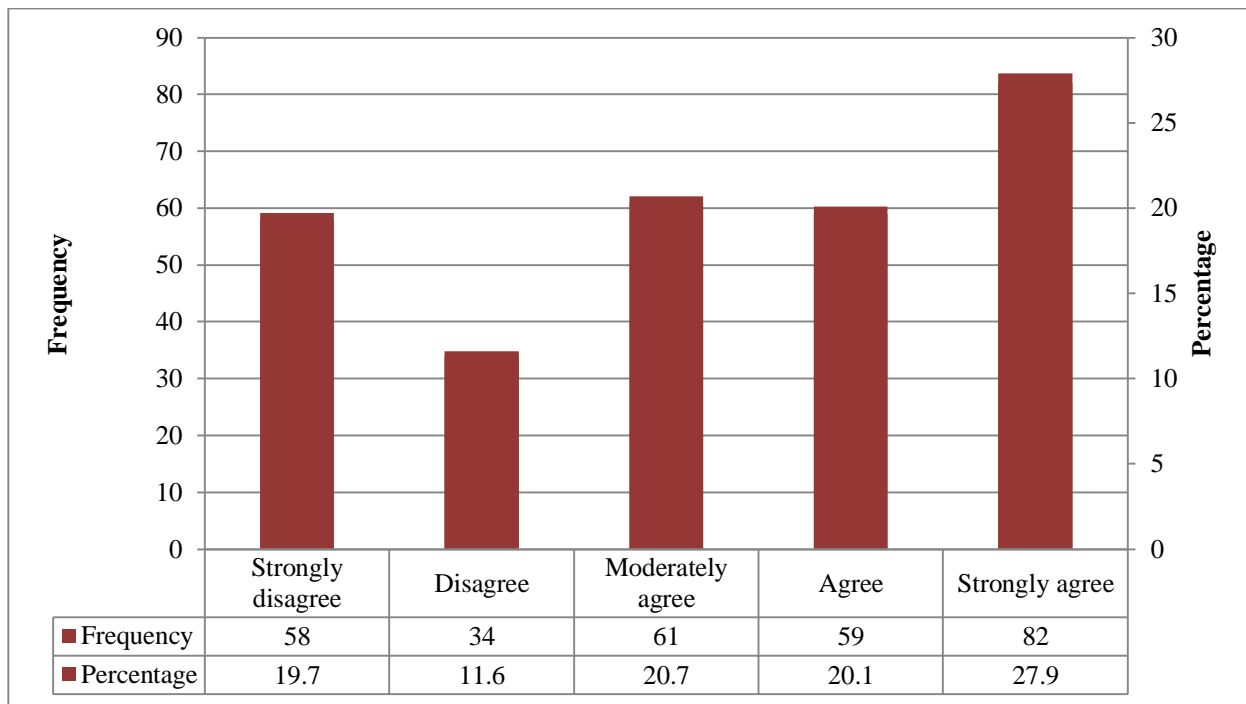


Figure 4.11: Statement 6: Retrenchment decision by management is democratic and involves employee participation

4.4 OVERALL MEANS OF THE CONSTRUCTS IN THE STUDY

The mean scores of the items in sections C to E drawn from the questionnaire are discussed in the next sub-sections. The purpose of the mean scores was to analyse employees' perceptions on the effects of retrenchment on job stress and organisational commitment.

4.4.1 Means for Section C (effects of retrenchment)

Table 4.2 presents a summary of the mean scores of the effects of retrenchment. The means for all the items varied from 2.53 to 2.76. The lowest means reported was 2.53 for item C3 (retrenchment improves employee discipline), followed by 2.54 (the retrenchment exercise has a positive effect on employee efficiency and effectiveness), which points out that the majority of respondents were in disagreement that retrenchment has a positive effect on the remaining employees. Oparanma (2010:70) states that retrenchment could make the remaining employees feel nervous and in turn, influence their work behaviour and attitude. This might be caused by feelings of confusion, as the remaining employees become unsure of their status and the role that their work grants them, which leads to lack of interest and certain inefficiency/ineffectiveness (Aucamp 2001:22; Wandera 2012:223). Ndlovu and Parumasur (2005:15) affirm that the survivors become narrow-minded, self-absorbed and that productivity drops.

Table 4.2: Means for Section C (effects of retrenchment)

Descriptive	N	Min	Max	Std dev	Mean
C2 (the number of employees reporting to work on time (punctuality) is improved after retrenchment)	294	1	5	1.310	2.56
C3 (retrenchment improves employee discipline)	294	1	5	1.404	2.53
C4 (retrenchment has a positive effect on the number of employees remaining on duty most of the time)	294	1	5	1.370	2.63
C6 (there is reduced incidence of substance abuse after the retrenchment exercise)	294	1	5	1.332	2.76
C7 (the retrenchment exercise has a positive effect on employee efficiency and effectiveness)	294	1	5	1.381	2.54
C8 (the retrenchment exercise has a positive effect on employee responsibility)	294	1	5	1.429	2.73

4.4.2 Means for Section D (job stress)

Table 4.3 provides an overview of the means for job stress. The means for job stress ranged from 2.8980 to 3.2993. The majority of respondents showed a moderate score, which are items that rate above three, namely D1 (working here makes it hard to spend enough time with my family), D2 (I spend too much time at work, I can't see the forest from trees), D3 (working here leaves little time for other activities), D6 (I sometimes fear the telephone ringing at home because the call might be job-related), D7 (I feel like I never have a day off), D8 (too many people at my level in the company get burned out by job demands), D9 (I have felt fidgety or nervous as a result of my job) and D12 (sometimes when I think of my job I get a tight feeling in my chest). This is an indication that the remaining employees experience work overload which leads to stress and anxiety. This is in line with Ukandu and Ukpere (2012:2636) who found out that an overwhelming workload leads to employee anxiety. Jiang and Klein (2000:36) also found out that a drastic measure like retrenchment may have unintended effects on survivors, including increased stress and turnover.

For the rest of the items, the scale means ranged from 2.8980 to 2.9932, which means that respondents disagreed that they frequently get the feeling that they are married to the company (D4), their job gets to them more than it should (D10), there are lots of times when their job drives them right up the wall (D11) and they feel guilty when they take time off from work (D13).

Table 4.3: Means for Section D (job stress)

Descriptive	N	Min	Max	Std dev	Mean
D1 (working here makes it hard to spend enough time with my family)	294	1	5	1.53060	3.0442
D2 (I spend too much time at work, I can't see the forest from the trees)	294	1	5	1.43197	3.2347
D3 (working here leaves little time for other activities)	294	1	5	1.45560	3.1565
D4 (I frequently get the feeling I am married to the company)	294	1	5	1.47561	2.9932
D6 (I sometimes fear the telephone ringing at home because the call might be job-related)	294	1	5	1.57179	3.2551
D7 (I feel like I never have a day off)	294	1	5	1.52118	3.1429
D8 (too many people at my level in the company get burned out by job demands)	294	1	5	1.50958	3.0884
D9 (I have felt fidgety or nervous as a result of my job)	294	1	5	1.42229	3.1871
D10 (my job gets to me more than it should)	294	1	5	1.42260	2.9898
D11 (there are lots of times when my job drives me right up the wall)	294	1	5	1.43688	2.8980
D12 (sometimes when I think of my job I get a tight feeling in my chest)	294	1	5	1.50047	3.2993
D13 (I feel guilty when I take time off from my job)	294	1	5	1.57907	2.9626

4.4.3 Means for Section E (organisational commitment)

The means for Section E are tabulated in Table 4.4. The means for all the items in this section varied from 3.01 to 3.46, which is a moderate score indicating that most respondents agreed that they feel they have too few options to consider leaving the company (E1); one of few negative consequences of leaving the company would be scarcity of available alternatives (E2); what keeps them working at their company is the lack of opportunities elsewhere (E3); they feel they have invested too much time in the company to consider working elsewhere (E4); they also feel that leaving the company would require considerable personal sacrifice (E5); the costs of leaving the company would be far greater than the benefits (E6); they would not leave their jobs because of what they would stand to lose (E7). Some feel that if they decided to leave their jobs, too much of their lives would be disrupted (E8) and others continue to work for the company because they don't believe another company could offer the benefits they now have (E9). The reason might be

that retrenchment often does not show the intended long-term effects because it results in lowered commitment among employees (Van Dierendonck & Jacobs 2012:96-97). Moreover, layoffs may be perceived by employees as a violation of the psychological contract that binds them to the company, as a result employees lack commitment in their work and find it difficult to commit to a relationship that has no trust in it (Dladla 1999:44; Ferreira *et al.* 2011:179).

Table 4.4: Means for Section E (organisational commitment)

Descriptive	N	Min	Max	Std dev	Mean
E1 (I feel I have too few options to consider leaving this company)	294	1	5	1.377	3.01
E2 (one of few negative consequences of leaving this company would be scarcity of available alternatives)	294	1	5	1.369	3.41
E3 (what keeps me working at this company is the lack of opportunities elsewhere)	294	1	5	1.458	3.05
E4 (I have invested too much time in this company to consider working elsewhere)	294	1	5	1.486	3.45
E5 (leaving this company now would require considerable personal sacrifice)	294	1	5	1.393	3.46
E6 (for me personally, the costs of leaving this company would be far greater than the benefits)	294	1	5	1.389	3.36
E7 (I would not leave this company because of what I would stand to lose)	294	1	5	1.404	3.27
E8 (if I decided to leave this company, too much of my life would be disrupted)	294	1	5	1.408	3.29
E9 (I continue to work for this company because I don't believe another company could offer the benefits I have here)	294	1	5	1.455	3.37

4.5 CORRELATION ANALYSIS

In order to achieve empirical objectives of the study, the Pearson correlation coefficient was used to measure the level of linear association between constructs. The strength of the relationship between the effects of retrenchment and job stress (time stress), effects of retrenchment and job stress (anxiety), job stress (time stress) and organisational commitment, and job stress (anxiety) and organisational commitment were examined. Barr *et al.* (2013:177) is of the view that the values of coefficients can only vary between -1 and +1. These extremes represent, respectively, the perfect negative and positive relationship between variables. In the former case, the value of one variable increases as the other decreases, and in the latter the two increase (or decrease)

together. A value of 0.0 indicates the absence of any correlation-based relationship. Table 4.5 reflects the correlations between the effects of retrenchment and job stress (time stress and anxiety).

Table 4.5: Correlations between the effects of retrenchment and job stress (time stress and anxiety)

CONSTRUCTS	CORRELATIONS	EFFECTS	TIME STRESS	ANXIETY
EFFECTS OF RETRENCHMENT	Correlation Coefficient	1.000	-.042	.016
	Sig. (2-tailed)	.	.478	.786
	N	294	294	294
TIME STRESS	Correlation Coefficient	-.042	1.000	.701**
	Sig. (2-tailed)	.478	.	.000
	N	294	294	294
ANXIETY	Correlation Coefficient	.016	.701**	1.000
	Sig. (2-tailed)	.786	.000	.
	N	294	294	294
**. Correlation is significant at the 0.01 level (2-tailed).				

4.5.1 Correlations: effects of retrenchment and job stress (time stress)

Negative correlations were found between effects of retrenchment and time stress ($r=-.042$). This indicates that retrenchment is negatively associated with increased stress, i.e. as retrenchment increases, time stress also increases. Khan (2010:161) affirms that excessive change from cutback at times does not work and it affects the productivity of employees, thus leading to increased levels of stress.

4.5.2 Correlations: effects of retrenchment and job stress (anxiety)

Anxiety shows weak correlations with effects of retrenchment ($r=.016$). A plausible reason for weak correlations could be attributed to employees been provided with reassurance, counselling and no further retrenchment could have been planned. A study by Mudzimu (2012:42) found out that one of the destructive responses of retrenchment is role overload, which then results in the remaining employees feeling anxious about their future and job security.

Table 4.6 examines the relationship between job stress and organisational commitment.

Table 4.6: Correlations between jobs stress (time stress and anxiety) and organisational commitment

CONSTRUCTS	CORRELATIONS	TIME STRESS	ANXIETY	ORGANISATIONAL COMMITMENT
TIME STRESS	Correlation Coefficient	1.000	.701**	-.372**
	Sig. (2-tailed)	.	.000	.000
	N	294	294	294
ANXIETY	Correlation Coefficient	.701**	1.000	-.376**
	Sig. (2-tailed)	.000	.	.000
	N	294	294	294
ORGANISATIONAL COMMITMENT	Correlation Coefficient	-.372**	-.376**	1.000
	Sig. (2-tailed)	.000	.000	.
	N	294	294	294
** . Correlation is significant at the 0.01 level (2-tailed).				

4.5.3 Correlations: job stress (time stress) and organisational commitment

Time stress is negatively related to organisational commitment ($r=-.372$), indicating that the higher the level of time stress, the lower the level of organisational commitment. According to Bonalo, Dewa, Finney, Hensel and Stergiopoulos (2013:1), stress can result in employees with decreased organisational commitment and is associated with lower productivity.

4.5.4 Correlations: job stress (anxiety) and organisational commitment

Anxiety correlates negatively with organisational commitment ($r=-.376$). This indicates that the higher the level of anxiety, the lower the level of organisational commitment. High levels of anxiety can result in a negative emotionally charged work environment, which are contrary to fostering organisational commitment (Kemp, Kemp & Kopp 2013:37).

In the next section, regression analysis results are examined.

4.6 REGRESSION ANALYSIS

After the strength of correlations between the variables had been established, regression analysis was also done as correlation analysis only measures the strength of a relationship but does not

determine predictive relationships between variables. Hierarchical multiple regression analysis (sequential regression), a variant of the multiple regression procedure, was used. It allows for a fixed order of entry for variables in order to control for the effects of covariances or to test the effects of certain predictors independently of the influence of others (Pallant 2010:147) such as age and working experience. Six regression models were undertaken to test the effects of retrenchment on time stress and anxiety. In the first model, (Model 1) possible confounding variable, namely age, was entered as the independent variable with time stress as the dependent variable. In the second model (Model 2) age, working experience was entered as independent variable, and time stress was entered as the dependent variable. In the third model (Model 3) age, working experience and effects of retrenchment were entered into the regression model as the independent variables and time stress was entered into the regression model as dependent variable.

Collinearity diagnostics were also checked as part of the multiple regression procedure. This diagnostic tool is essential in analysis as it can pick up problems of multicollinearity that may not be evident in a correlation matrix. Firstly, correlations >0.80 (Field 2005) were checked in the correlation matrix (see Table 4.5 and 4.6) to assess the existence of multicollinearity. None of the set of correlations was above 0.80. Secondly, the tolerance and the variance inflation factor (VIF) were examined. Tolerance values of < 0.10 and $VIF >10$ would suggest that multiple correlations with other variables are high, indicating the possibility of multicollinearity (Pallant 2010:149). Based on these values multicollinearity (Tables 4.7, 4.8 and 4.9) does not seem to pose a problem in the study. Table 4.7 reflects the regression analysis of Model 1, 2 and 3.

Table 4.7: Regression: age, experience and effects of retrenchment on time stress

Models		Unstandardised coefficients		Stdcoefficients	t	Sig.	R ²	Δ R ²	Collinearity statistics	
		B	Std. Error	Beta					Tol	VIF
1	(Constant)	3.420	.228	-	15.00	.000	.007	.003	-	
	A1 (Age)	-.095	.067	-.083	-1.41	.158			1.00	1.00
2	(Constant)	3.416	.228	-	14.98	.000	.009	.003	-	-
	A1 (Age)	-.020	.108	-.018	-.189	.850			.382	2.61
	A5 (Experience)	-.068	.078	-.082	-.87	.383			.382	2.61
3	(Constant)	3.182	.311	-	10.24	.000	.014	.003	-	-
	A1 (Age)	-.029	.108	-.025	-.26	.790			.381	2.62
	A5 (experience)	-.070	.078	-.085	-.90	.367			.382	2.61
	(Effects of retrenchment)	.081	.073	.065	1.10	.269			.978	1.02

Dependent variable: Time stress

Predictors: (Constant), A1

Predictors: (Constant), A1, A5.

Predictors: (Constant), A1, A5, Effects of retrenchment

The results of the hierarchical regression analysis with age and working experience entered into the regression equation show no statistical significance on time stress in models 1, 2 and 3, with all p-values >0.05. In terms of the beta values, both age and working experience made insignificant contributions to the prediction of time stress. When the effects of retrenchment were entered into the regression equation (Model 3), it seems that they also do not impact on time stress. Moreover, the highest $\Delta R^2 = 0.014$ indicates that approximately 1% of the variance in time stress is accounted for by the three independent variables, namely age, working experience and effects of retrenchment.

Table 4.8 reports on the regression analysis for models 4, 5 and 6. In model 4, a possible confounding variable, namely age was entered as the independent variable with anxiety as the dependent variable. In model 5, age, working experience was entered as independent variables, and anxiety was entered as the dependent variable. In model 6 age, working experience and effects of retrenchment were entered into the regression model as the independent variables and anxiety was entered into the regression model as the dependent variable.

The results show that when age and the working experience were controlled for, the effects of retrenchment show no statistical significance with anxiety. In examining the $\Delta R^2 = 0.024$, it indicates that approximately 2% of the variance in anxiety is accounted for by the three independent variables, namely age, working experience and effects of retrenchment.

Table 4.8: Regression: age, experience and effects of retrenchment on anxiety

Models	Unstandardised coefficients		Std coefficients	t	Sig.	R ²	ΔR^2	Collinearity statistics		
	B	Std. Error	Beta					Tol	VIF	
4	(Constant)	3.500	.225	-	15.543	.000	.014	.010	-	-
	A1 (Age)	-.133	.066	-.117	-1.811	.045			1.00	1.00
5	(Constant)	3.492	.224	-	15.557	.000	.024	.017	-	-
	A1 (Age)	.011	.106	.009	.100	.920			.382	2.615
	A5 (Experience)	-.132	.077	-.161	-1.715	.087			.382	2.615
6	(Constant)	3.467	.306	-	11.317	.000	.024	.013	-	-
	A1 (Age)	.010	.107	.009	.091	.927			.381	2.628
	A5 (Experience)	-.132	.077	-.161	-1.715	.087			.382	2.617
	Effects of retrenchment	.009	.072	.007	.120	.904			.978	1.023

Dependent variable: Anxiety

Predictors: (Constant), A1

Predictors: (Constant), A1, A5.

Predictors: (Constant), A1, A5, Effects of retrenchment

Contrary findings were found in a study by Wandera (2012:233) on retrenchments, where the general observations revealed that there was overloading of work onto the remaining employees

without any corresponding remuneration, which led to stress and lack of interest. The morale of long-serving employees was at all times low due to inadequate and unmatched remuneration packages, uncertainty about their jobs and inadequate preparation on sensitisation about the retrenchment and how to cope with its aftermath by the employer (throughout relevant trainings). This led to lack of interest and a passive working environment, especially among the lower cadre who formed the bulk of workers and all other employees who were in service before implementation of the retrenchment. For this reason, if employees are not prepared and informed in advance, there tends to be high levels of stress and anxiety (Mosupyoe 2011:506).

The effects of retrenchment did not have an impact on job stress (time stress and anxiety), which is very unusual. This may be due to the company having a Solidarity Social Plan in place. The purpose of the Solidarity Social Plan is to provide employers with guidelines, methods and actions to prevent retrenchments, reduce the number of employees affected by retrenchment and minimise the negative effects of retrenchment on employees. The plan also focuses on the legal framework and effective communication measures to foster sound labour relations during a retrenchment consultant process (du Plessis 2016:1-6). Du Plessis further states that the Solidarity Social Plan makes provision for four actions relating to retrenchment. Mechanisms are put into place under each of these four actions to assist the employer, unions, union members and non-unionised employees to deal with retrenchment-related matters. The mine in question has put in place the following mechanisms:

Action 1: Pro-active measures to prevent job losses

Solidarity's main objective is to ensure job security and prevent any form of retrenchment. The following five pro-active interventions should be implemented to act as a preventive measure to minimise or prevent future job losses

- Future forums: a future forum with equal representation between employer and union representatives should be established at each workplace to identify and analyse problems in an organisations in good time and to manage a redundancy-related process.
- Training needsanalysis: a general skills audit needs to be conducted for all employees in order for skills development programmes to be implemented prior to the retrenchment of employees.
- Empowerment programmes: ongoing training programmes have to be conducted to empower and equip employees to start their own businesses. These entrepreneurial skills will not only allow a person to start his/her own business, but where possible also enable a person to become a service provider or supplier/vendor to an employer.

- Opportunity centre: the opportunity centre will be responsible for carrying out all training, outplacement, counselling and other matters linked to the Social Plan.
- Social Labour Plan coordinator: a managerial employee should be appointed to coordinate and manage the various Social Plan actions and the effective functioning of the Future Forum and Opportunity Centre.

Action 2: Sound legal process and fair procedure

- Pro-active communication: to ensure good faith, openness and transparency, the employer should advise and consult the Future Forum and unions represented on the forum prior to the commencement of any formal retrenchment-related processes.
- Legal compliance: proper legal procedures and processes need to be implemented and followed in the event of retrenchment processes.
- Information sharing: total disclosure of all relevant information is key to a meaningful joint consensus-seeking consultation process. Union and employees who are involved in a retrenchment process should be kept informed openly and continuously and the employer should be professional and responsible towards them throughout the process.
- Union and member communication: employers should arrange feedback sessions where Solidarity can communicate with its members on a regular basis.

Action 3: Alternatives to retrenchment

At the commencement of a retrenchment consultation process, employers should provide the required proof that all possible measures to re-engineer the business were considered or implemented and that retrenchment is not merely a vehicle to address other deficiencies in an organisation.

Action 4: Measures to mitigate the negative effects of retrenchment

- Preferred employer actions: when retrenchment seems unavoidable, employers that are regarded as an employer of choice will have their employees' interests at heart when employees face losing their own livelihood through retrenchment or a so-called no fault dismissal.
- Minimum requirements: the following six actions are regarded as minimum requirements employers should adhere to; timeous payment of retrenchment packages, benefit and Unemployment Insurance Fund (UIF) claims assistance, outplacement assistance, a

comprehensive human resources management system, re-employment and database of retrenched employees and provision of counselling.

Perhaps because of these mechanisms retrenchment may have not impacted on job stress (time stress and anxiety). Employees may have felt valued by the mine and therefore perceived the retrenchment process as fair. Erturk (2007:39) affirms that if employees perceive the outcome allocation to be fair or perceive the procedures on which outcome allocation decisions are based to be fair, they will likely reciprocate by showing behaviours that go beyond the in-role performance of their jobs. Erturk further states that fair treatment by management also demonstrates respect for the rights and dignity of employees.

Finally Model 7 (Table 4.9) examined the effects of time stress and anxiety on organisational commitment after controlling for age and working experience. Time stress ($p=0.011$; $p<0.05$) and anxiety ($p=0.002$; $p<0.05$) show significant predictive relationships with organisational commitment. The relationship is however negative, indicating that high prevalence of time stress and anxiety among survivors negatively impacts on their organisational commitment. The $\Delta R^2 = 0.166$ indicates that approximately 17% of the variance in organisational commitment is accounted for by time stress and anxiety in the workplace.

Organisational commitment is a predictor outcome variable of stress, which significantly impacts a company's profitability and productivity (Agle & DeTienne 2012:378). Dhar and Garg (2014:68) also state that job stress may lead to employees not being clear about their roles, which may in turn reduce their commitment, potentially resulting in the decision to leave the organisation (Buranchaitavee, Hannok, Jansem, Klassen, Pibulchol, Siu, Sonthisap, Wilson, Wong & Wongsri 2012:2).

Table 4.9: Regressions: age, experience, time stress and anxiety on organisational commitment

Model	Unstandardised coefficients		Std coefficients	t	Sig.	R ²	ΔR^2	Collinearity statistics		
	B	Std. Error	Beta					Tol	VIF	
7	(Constant)	4.063	.220	-	18.456	.000	.177	.166	-	-
	A1	.046	.075	.053	.619	.537			.382	2.616
	A5	.027	.054	.044	.506	.614			.378	2.644
	Time stress	-.148	.058	-.196	-2.568	.011*			.491	2.038
	Anxiety	-.180	.059	-.235	-3.062	.002*			.484	2.067

Dependent variable: Organisational commitment
 Predictors: (Constant), A1, A5, Time stress, anxiety
 Sig = significant at p<0.05.

In the following section, the results of the hypothesis test between effects of retrenchment and job stress (time stress and anxiety) and organisational commitment and job stress (time stress and anxiety) are discussed.

4.7 HYPOTHESES TESTING

The hypotheses for this study were tested through regression analysis. The results are presented in Table 4.10. The study could not support negative relationships between the effects of retrenchment on time stress (Ho1) and anxiety (Ho2). This may be due to the company’s attempt to reduce the negative effects of retrenchment as stated above. This is in line with Berry and Chipunza (2009:605) who are of the view that employers should have an understanding of survivor qualities after retrenchment, which will enable HR practitioners to design methods to involve survivors in the decision-making process, improve worker conditions and initiate survivor retraining focused on the new job demands. Mariappanadar (2014:182) is also of the view that sustainable HRM practices within organisations have the potential to help survivors cope and minimise the harm of retrenchment. However, significant negative relationships were found between time stresses (Ho3) and anxiety (Ho4) on organisational commitment. Dhar and Garg (2014:66) affirm that individuals with more stress feel less committed to their organisation.

Table 4.10: Hypothesis test table

Hypothesis	Statement	t	Sig	Accepted/rejected
Ho1	There is a negative relationship between effects of retrenchment and job stress (time stress)	1.10	.269	Rejected
Ho2	There is a negative relationship between effects of retrenchment and job stress (anxiety)	.120	.904	Rejected
Ho3	There is a negative relationship between jobs stress (time stress) and organisational commitment	-2.568	.011*	Accepted
Ho4	There is a negative relationship between job stress (anxiety) and organisational commitment	-3.062	.002*	Accepted

4.8 RELIABILITY

Table 4.10 represents the reliability results. The Cronbach alpha coefficient test presented acceptable levels of reliability for all the constructs, namely the effects of retrenchment, time stress, anxiety and organisational commitment. The constructs reported a Cronbach alpha of 0.804-0.908. Felicia and Olagbemi (2011:60-61) affirm that alpha value of between 0.70 and 0.80 is acceptable for Cronbach's alpha and that values that are substantially lower indicate an unreliable instrument.

Table 4.11: Reliability of the instrument

Sections of the questionnaire (scale)	Cronbach alpha (α)	Number of items	Number of items removed	Reasons
Effects of retrenchment	0.806	6	4	Four items were removed as the items had low-item-total correlations
Time stress	0.908	8	None	-
Anxiety	0.845	5	None	-
Organisational commitment	0.804	9	None	-

In the next section, the various forms of validity used in this study are discussed.

4.9 VALIDITY

Validity refers to the adequacy of claims made about a measurement process and outcome (Liu 2010:5).

The following measures of validity, namely content, construct convergent and predictive validity methods are discussed in the next sub-sections.

4.9.1 Content validity

Content validity was determined through pre-testing of the questionnaire prior to the main survey to check for sustainability of questions, and whether the questions measure the relevant constructs in the study. This was done with the assistance of experts in the field. Amendments were made to the scale items, by examining the wording, phrasing and appropriateness of the scale items.

4.9.2 Construct validity

Construct validity was ascertained by pilottesting the questionnaire. The pilottesting was undertaken to establish where changes had to be made to the questionnaire concerning the removal of items, examining the item-total correlations and negative phrasing of questions through the computation of the Cronbach alpha values.

4.9.3 Convergent validity

Pearson's correlation coefficient was used to test convergent validity to measure the degree of linear association of variables. The correlations are shown in Table 4.5 and 4.6. The factor correlation showed a positive correlation between time stress and anxiety ($r=0.713$), which provides affirmation of convergence between variables.

4.9.4 Discriminant validity

Discriminant validity was in part accomplished through regression analysis. Both time stress and anxiety showed a negative predictive relationship with organisational commitment thus affirming the discriminant validity of the scale items.

4.10 CHAPTER SUMMARY

This chapter provided the empirical results of the study. The pilot study was discussed, as well as the results of the main survey findings. The results were found to be reliable as confirmed by the Cronbach's alpha for Section C, Section D and Section E.

Descriptive analysis for Section A on the biographical information of the respondents was presented. Means analysis, correlation analysis and regression analysis were carried out. The discussions for Section A were categorised as follows: age group, gender, education level, job position and working experience. Finally, reliability and validity measures are described.

In the next and final chapter, an overview of the study is reported upon. Limitations and the implications for further research will be highlighted, concluding remarks and recommendations will also be presented.

CHAPTER 5

CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS

5.1 INTRODUCTION

This chapter provides an overview of the study. Limitations and implications for further research are also highlighted. Lastly, concluding remarks and recommendations are presented.

The main purpose of this study was to determine employees' perceptions of the effects of retrenchment on job stress and organisational commitment in a mining company. For the purpose of achieving this objective, the effects of retrenchment and organisational commitment were discussed in detail. The relationship between effects of retrenchment and job stress (time stress and anxiety) as well as the relationship between job stress (time stress and anxiety) and organisational commitment were also discussed.

Based on the results of this study a number of conclusions were drawn. The next sections show how the theoretical and empirical objectives were achieved.

5.2 THEORETICAL OBJECTIVES

In this study, theoretical objectives were accomplished through the use of relevant literature. These objectives were prepared at the beginning of the study (refer to Section 1.4.2).

Objective one: To review literature on retrenchment, its causes and effects

This theoretical objective was achieved through a review of the literature in various sources such as journal articles, books and other review sources in Chapter 2, sections 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, and 2.8. In Section 2.1 retrenchment definitions as well as the effects of retrenchment were summarised. The theory used in this study was discussed in Section 2.2. The theories of retrenchment were reviewed in Section 2.3. In Section 2.4 the legal framework of retrenchment was explained. Employees' perceptions of the effects of retrenchment were highlighted in Section 2.5. The level of retrenchment in the mining industry was outlined in Section 2.6, whereas the mining disasters were discussed in Section 2.7. The causes of retrenchment were discussed in Section 2.8. Among the causes discovered were globalisation, economic downturn, technological innovations, cost cutting, organisational decline and privatisation.

Objective two: To conduct a literature synthesis on job stress (time stress)

In order to achieve objective two, the effects of retrenchment on job stress (time stress) were discussed in Chapter 2, Section 2.9.1.

Objective three: To conduct a literature review on job stress (anxiety)

This theoretical objective was achieved by discussing the effects of retrenchment on job stress (anxiety). The literature review on job stress (anxiety) was undertaken in Section 2.9.2.

Objective four: To conduct a literature review on organisational commitment

To achieve objective four, the three dimensions of organisational commitment were discussed in Section 2.9.3, namely:

- Affective commitment
- Normative commitment
- Continuance commitment

Furthermore, the effects of retrenchment on organisational commitment were discussed in this section.

5.3 EMPIRICAL OBJECTIVES

The empirical objectives formulated at the beginning of the study were:

Objective one: To assess employees' perceptions of the effects of retrenchment

Objective one was achieved in Section 4.3.2 (descriptive analysis of employee perceptions of retrenchment). The analysis results revealed that respondents were in strong disagreement with the statement that retrenchment is due to poor corporate and/or corrupt practices by management. Respondents were in strong agreement with the statement that the mining sector's restructuring causes further damage and strongly agreed that there is fairness in the treatment of employees during retrenchment. Respondents moderately agreed to the statements that the approach to the employees is harsh and that management shows sentiments when implementing the retrenchment. Lastly, participants were in strong agreement with the statement that retrenchment decision by management is democratic and involves employee participation.

Based on these findings it can be concluded, therefore, that the retrenchment process is executed appropriately at the mine in question. Joseph and Oluseye (2011:445) assert that if it is planned

cautiously, retrenchment can be an organisation's lifesaver, but when used repeatedly and without a thoughtful strategy it can destroy an organisation's human capital morale and eventually its effectiveness and outcome.

Objective two: To identify the relationship between the effects of retrenchment and job stress (time stress)

This objective was achieved in Section 4.5, sub-section 4.5.1. It was found that the effects of retrenchment negatively correlate with job stress (time stress) ($r=-.042$), indicating that retrenchment causes stress. Regression analysis revealed that the effects of retrenchment do not impact on time stress. Regression analysis indicated that approximately 1% ($R^2=0.014$) of the variance in time stress is accounted for by the effects of retrenchment.

Objective three: To identify the relationship between the effects of retrenchment and job stress (anxiety)

Objective three was achieved in Section 4.5, sub-section 4.5.2. Low levels of correlations were found between the effects of retrenchment and job stress (anxiety) ($r=.016$). This shows that effects of retrenchment decrease as anxiety decreases. Regression analysis results show that when age and the working experience were controlled for, the effects of retrenchment showed no statistical significance with anxiety. Regression analysis explained that approximately 2% ($R^2=0.024$) of the variance in anxiety is accounted for by the effects of retrenchment.

Objective four: To identify the relationship between job stress (time stress) and organisational commitment

The above objective was achieved in Section 4.5, sub-section 4.5.3. Negative correlations were found between job stress (time stress) and organisational commitment ($r=-.372$), signifying that the higher the level of job stress (time stress) the lower the level of organisational commitment. Regression analysis established that the effects of time stress ($p=0.011$; $p<0.05$) show significant predictive relationship with organisational commitment. The relationship is however negative, indicating that high prevalence of time stress among survivors negatively impacts on their organisational commitment.

Objective five: To identify the relationship between job stress (anxiety) and organisational commitment

This objective was achieved in Section 4.5, sub-section 4.5.4. Job stress (anxiety) also showed negative correlations with organisational commitment ($r=-.376$), indicating that the higher the level of job stress (anxiety), the lower the level of organisational commitment. Therefore, conclusions can be drawn that there is a negative relationship between job stress (time stress and anxiety) and organisational commitment. The results of regression analysis reveal that anxiety ($p=0.002$; $p<0.05$) shows significant predictive relationship with organisational commitment. The relationship is negative, indicating that high prevalence of anxiety among survivors negatively impacts on the organisational commitment.

5.3.1 Research questions

The following research questions were addressed:

Is there a relationship between the effects of retrenchment and job stress (time stress)?

The study could not support a negative relationship between the effects of retrenchment and time stress.

Is there a relationship between the effects of retrenchment and job stress (anxiety)?

The study could not support a negative relationship between the effects of retrenchment and anxiety.

Is there a relationship between job stress (time stress) and organisational commitment?

A significant negative relationship was found between time stress and organisational commitment.

Is there a relationship between job stress (anxiety) and organisational commitment?

A negative relationship was found between anxiety and organisational commitment.

5.4 RECOMMENDATIONS

The mean scores for the effects of retrenchment ranged between 2.76 to 2.53, indicating that respondents disagreed that retrenchment has a positive effect on the remaining employees. Workforce reduction often leads to negative performance outcomes among survivors (Hanson,

Rydell & Wigbald 2012:3). It is therefore recommended that management continuously recognise and work alongside those employees who have survived retrenchment (Bomela 2007:2).

The mean scores for job stress (time stress and anxiety) ranged from 3.2993 to 2.8980, indicating that respondents were in moderate agreement with the fact that, after the retrenchment exercise has taken place, the remaining employees undergo feelings of stress and anxiety. Retrenchment often results in high levels of stress, lower morale and a syndrome marked by anger, envy and guilt (Chepkirui 2012:11). However, in this study, the effects of retrenchment did not have a negative impact on job stress (time stress and anxiety). This may be due to the mine in question planning and consulting with the employees prior to the retrenchment process. Planning for retrenchment is critical in order to take into account factors that affect survivor quality (Berry & Chipunza 2009:605). It is recommended that employees (survivors) be updated on their future in the company in question. This could be done through regular workshops and counselling of employees. If employees believe that they were treated fairly, they will be more likely to hold positive attitudes about their work, work outcomes and their supervisors (Erturk 2007:39).

Participants indicated that the effects of retrenchment did not have an impact on job stress (time stress and anxiety), which may be due to the mine in question handling the retrenchment process and treating employees fairly.

In this study, it was identified that for the retrenchment exercise to be a success, it is recommended that the mine should adopt the following strategies:

- provide counselling to the survivors
- assist the remaining employees in coping with the new job demands
- clarify roles of employees
- motivate employees to stay committed

To reduce stress, it is recommended that supervisor support be in place. Monitoring workloads and supervisor-subordinate relationships by management does not only reduce stress but increases job satisfaction and commitment to the organisation (Firth, Loquet, Mellor & Moore 2004:178). According to Marine, Routsalainen, Serra and Verbeek (2006:3 & 9) the programmes for managing stress at work vary greatly with respect to objectives, types of interventions, duration and the professional group at which they are aimed. Marine *et al.* (2006:3) further classified types of interventions into two groups:

- Interventions directed at factors at work-directed interventions containing measures to change the working environment, work tasks or working methods, for example, interventions aimed at decreasing workload or changing the organisation of work.
- Interventions focusing on people or person-directed interventions, aimed at teaching personal skills, techniques or remedies to decrease the effects of stressors at the individual level, for example, interventions aimed at mitigating the effects of stress by relaxation techniques or cognitive-behavioural techniques that increase coping skills without changing the work environment or work tasks.

Organisational commitment returned mean scores ranging between 3.46 and 3.01, which indicates that respondents were in moderate agreement that the effects of retrenchment have an impact on organisational commitment. It is recommended that communication between employees and management take place on a regular basis which can serve as a fundamental tool to retrenchment in the following manner:

- Survivors will feel more committed to the organisation when the basis of retrenchment addresses the circumstances in the external environment, rather than the enrichment of shareholders or top management.
- Communicating a clear vision of how retrenchment will benefit stakeholders, increases commitment since survivors can see a clear future for the organisation.
- When survivors are treated with dignity and respect, they will feel more committed to the organisation because they feel appreciated.

In order to motivate and engage employees, and thereby contribute to employee well-being and commitment, it is recommended that organisations create open, supportive and fair organisational and team cultures, ensure jobs are clearly aligned with organisational goals and have appropriate levels of autonomy, support and career development opportunities (Albrecht 2012:849). Managers set a tone that influences the way employees feel about their employer, and consequently the way they perform. It is also recommended that managers adopt communicative leadership behaviour for the reason that it harnesses commitment (Buil, Chernatomy & Wallace 2013:166). Eslami and Gharakhani (2012:88) also assert that job satisfaction plays a huge role in organisational commitment, it is therefore further recommended that managers need to actively improve their organisation's job satisfaction to employees in order to achieve a higher level of organisational commitment.

Communication is vital. Immediately after the retrenchment takes place the organisation should enter into a maintenance phase in which communication remains at the centre. During this phase the organisation should gear itself up for the new challenges and employees will need to know and understand management's new vision and company direction with regards to aspects such as financial goals and the competitive environment. Bordia, Callan, Gallois, Grice, Jones, Paulsen and Rooney (2005:28) affirm that providing quality communication and involving survivors in decision making contributes to greater perceptions of procedural justice and fairness. This can increase employees' knowledge about the change and reduce job uncertainty about the future.

Cloete (2012:122) is of the view that studies involving organisation commitment should indicate that employee commitment is a complex construct. In order to manage the employees' commitment to the organisation effectively, it is recommended that management should be conscious of the different dimensions of the construct and organise workshops dealing with these different constructs.

5.5 STUDY LIMITATIONS AND IMPLICATIONS FOR FURTHER RESEARCH

The main aim of this study was to investigate employees' perceptions of the effects of retrenchment on job stress and organisational commitment. The study was subject to the following limitations:

The study made use of a non-probability sampling method that included purposive and convenience sampling to select respondents. The study employed a self-reporting method of data collection that involved the use of a standard questionnaire. This could increase the chances of the study being susceptible to sampling and social desirability bias. Caution needs to be exercised, therefore, when interpreting the study's findings. Future research efforts may employ probability sampling methods and multiple-data collection methods to enhance the external validity of the findings.

The sample was drawn from surface employees at a mine, including managers, administrators, safety officers, engineers and supervisors in one region. The study could be extended to other regions and operations where the mine is active. Responses from underground employees would have possibly offered an additional perspective, but in this study they were not part of the sample and therefore they could be included in future studies. Access to underground employees was difficult and could not be reached for logistical reasons such as shifts and availability of these employees. Future studies could embark on investigating the effects of retrenchment on other

constructs such as employee morale, job satisfaction, productivity, employee involvement and survivors' attitude.

In this study only a quantitative approach was followed, which limits the information collected. The respondents, of their own accord, completed the questionnaire and the researcher had no control over the responses, therefore the researcher had to rely on information supplied by the respondents. Future studies could be extended through qualitative research approaches such as depth interviews in order to gain more valuable information. It would also be useful to extend the study to those who were retrenched through depth interviews where perhaps a different perspective on the effects of retrenchment could be discerned.

5.6 CONCLUDING REMARKS

The literature reveals that retrenchment has negative effects on the remaining employees. To be effective, retrenchment needs to be managed strategically. Well-managed retrenchments have the potential to be less stressful for both the employer and employee (Clarke 2007:90). The structure and implementation of the retrenchment plan often have a greater impact on surviving employees than the job losses themselves (Bomela 2007:15&16).

In this study, retrenchment was discussed to provide a general orientation for understanding the effects it has on the remaining employees. It was identified that for the retrenchment exercise to be a success in the mining sector, there are a number of processes to be followed thoroughly. These steps include following the LRA guidelines for retrenchment, communicating with the employees, employee involvement, workshops and counselling employees.

Organisations that do not appropriately implement such guidelines fail to deal with the aftermaths of retrenchment. This leads to the remaining employees showing negative attitudes to their work and the organisation in general.

Therefore, it is evident that employees are able to be productive, less stressed and committed to their organisation during and after any new change, as long as the change process is well managed and smoothly run.

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ANNEXURE A- COVER LETTER

Vaal University of Technology
Private Bag X021
Vanderbijlpark
1900
South Africa

Dear respondents

I am a Masters Degree student in the Labour Relations Department at Vaal University of Technology. In fulfilment of the requirements for the degree, I am conducting a study of **Employees' perceptions of the effects of retrenchment on job stress and organisational commitment in a mining company**. The objective of this thesis is to obtain a better understanding of the effects of retrenchment on job stress and organisational commitment in a mining company. The results of this study will provide recommendations that may assist in supporting the employees that remain in the company, referred to as survivors, after retrenchment has taken place.

Enclosed with this letter is a questionnaire that requires you to respond to a series of statements. The items in the questionnaire focus on your profile data, employee perception of retrenchment, effects of retrenchment, job stress, anxiety and organisational commitment. In case you need to know the results of the study please feel free to contact me so that I can avail them to you.

May I stress that your participation is voluntary and confidential.

After completing the questionnaire may you please send it back to me. If you have any problems or concerns about completing the questionnaire, please contact me on contacts indicated below.

Thank you in advance for your valuable time and effort taken in completing this questionnaire.

Yours sincerely

Landiswa Pilvia Seteni

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APPENDIX B - QUESTIONNAIRE

Employees' perceptions of the effects of retrenchment on job stress and organisational commitment in a mining company

This questionnaire seeks to find out a little more on employees' perceptions of the effects of retrenchment on job stress and organisational commitment in a mining company.

SECTION A: Biographical information

This section consists of five questions which solicit demographic data of the respondents. Please indicate your selection with a cross(x) in the box which describes your demographic characteristics.

A1	Age group	Below 25	25-34	35-44	45-54	55-64	Above 65
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A2	Your gender	Male	Female
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A3	Education level						
	Grade 12	Foreman/supervisor certificate	Blasting certificate	Mine overseer certificate	Boiler maker certificate	Fitter and turner certificate	Instrument technician/mechanical certificate
	Electrician certificate	Shift boss certificate	N1-N2	Diploma	Degree	Post graduate	Other

A4	Job position							
	Management position	Administration	Mine overseer	Artisan	Miner	Engineer	Shift boss/supervisor	Other

A5	Working experience	0-4 years	5-9 years	10-14 years	15-19 years	Over 20 years
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SECTION B: Employee perception of retrenchment

We would like to find out a little more about employee perception of retrenchment. Please indicate the extent to which you agree or disagree with the statements by encircling the corresponding number between **1 = strongly disagree, 3= moderately agree and 5 = strongly agree.**

Please cross one option only

B1	Retrenchment is due to poor corporate, corrupt practices by management	Strongly disagree	1	2	3	4	5	Strongly agree
B2	The mining sector's restructuring causes further damage	Strongly disagree	1	2	3	4	5	Strongly agree
B3	There is fairness in the treatment of employees during retrenchment	Strongly disagree	1	2	3	4	5	Strongly agree
B4	The approach to the employees is harsh	Strongly disagree	1	2	3	4	5	Strongly agree
B5	Management shows sentiments when implementing the retrenchment	Strongly disagree	1	2	3	4	5	Strongly agree
B6	Retrenchment decision by management is democratic and involves employee participation	Strongly disagree	1	2	3	4	5	Strongly agree
B7	There is fairness in treatment of employee during retrenchment	Strongly disagree	1	2	3	4	5	Strongly agree

SECTION C: Effects of retrenchment

We would like to find out a little more on the effects of retrenchment. Please indicate the extent to which you agree or disagree with the statements by encircling the corresponding number between **1 = strongly disagree, 3 = moderately agree and 5 = strongly agree.**

Please cross one option only

C1	The retrenchment exercise has a positive effect on employee performance generally	Strongly disagree	1	2	3	4	5	Strongly agree
C2	The number of employees reporting to work on time (punctuality) is improved after retrenchment	Strongly disagree	1	2	3	4	5	Strongly agree
C3	Retrenchment improves employee discipline	Strongly disagree	1	2	3	4	5	Strongly agree
C4	Retrenchment has a positive effect on the number of employees remaining on duty most of the time	Strongly disagree	1	2	3	4	5	Strongly agree
C5	There is reduction in the number of staff having two or more jobs after the retrenchment exercise	Strongly disagree	1	2	3	4	5	Strongly agree
C6	There is reduced incidence of substance abuse after the retrenchment exercise	Strongly disagree	1	2	3	4	5	Strongly agree
C7	The retrenchment exercise has a positive effect on employee efficiency and effectiveness	Strongly disagree	1	2	3	4	5	Strongly agree

C8	The retrenchment exercise has a positive effect on employee responsibility	Strongly disagree	1	2	3	4	5	Strongly agree
C9	I do not feel secure in this company	Strongly disagree	1	2	3	4	5	Strongly agree
C10	Given a chance, I would leave this company for another opportunity elsewhere	Strongly disagree	1	2	3	4	5	Strongly agree

SECTION D: Job stress

We would like to find out a little more about identifying the effects of retrenchment on job stress. Please indicate the extent to which you agree or disagree with the statement by encircling the corresponding number between **1 = strongly disagree, 3 = moderately agree and 5 =strongly agree.**

Time stress

Please cross one option only

D1	Working here makes it hard to spend enough time with my family	Strongly disagree	1	2	3	4	5	Strongly agree
D2	I spend so much time at work, I can't see the forest from the trees	Strongly disagree	1	2	3	4	5	Strongly agree
D3	Working here leaves little time for other activities	Strongly disagree	1	2	3	4	5	Strongly agree
D4	I frequently get the feeling I am married to the company	Strongly disagree	1	2	3	4	5	Strongly agree
D5	I have too much work and too little time to do it in	Strongly disagree	1	2	3	4	5	Strongly agree
D6	I sometimes fear the telephone ringing at home because the call might be job-related	Strongly disagree	1	2	3	4	5	Strongly agree
D7	I feel like I never have a day off	Strongly disagree	1	2	3	4	5	Strongly agree
D8	Too many people at my level in the company get burned out by job demands	Strongly disagree	1	2	3	4	5	Strongly agree

Anxiety

We would like to find out a little more about identifying the effects of retrenchment on anxiety. Please indicate the extent to which you agree or disagree with the statements by encircling the corresponding number between **1 = strongly disagree, 3 = moderately agree and 5 = strongly agree.**

Please cross one option only

D9	I have felt fidgety or nervous as a result of my job	Strongly disagree	1	2	3	4	5	Strongly agree
D10	My job gets to me more than it should	Strongly disagree	1	2	3	4	5	Strongly agree
D11	There are lots of times when my job drives me right up the wall	Strongly disagree	1	2	3	4	5	Strongly agree

D12	Sometimes when I think of my job I get a tight feeling in my chest	Strongly disagree	1	2	3	4	5	Strongly agree
D13	I feel guilty when I take time off from my job	Strongly disagree	1	2	3	4	5	Strongly agree

SECTION E: Organisational commitment

We would like to find out a little more about identifying the effects of retrenchment on organisational commitment. Please indicate the extent to which you agree or disagree with the statements by encircling the corresponding number between **1 = strongly disagree**, **3 = moderately agree** and **5 = strongly agree**.

Please cross one option only

E1	I feel I have too few options to consider leaving this company	Strongly disagree	1	2	3	4	5	Strongly agree
E2	One of few negative consequences of leaving this company would be scarcity of available alternatives	Strongly disagree	1	2	3	4	5	Strongly agree
E3	What keeps me working at this company is the lack of opportunities elsewhere	Strongly disagree	1	2	3	4	5	Strongly agree
E4	I have invested too much time in this company to consider working elsewhere	Strongly disagree	1	2	3	4	5	Strongly agree
E5	Leaving this company now would require considerable personal sacrifice	Strongly disagree	1	2	3	4	5	Strongly agree
E6	For me personally, the costs of leaving this company would be far greater than the benefits	Strongly disagree	1	2	3	4	5	Strongly agree
E7	I would not leave this company because of what I would stand to lose	Strongly disagree	1	2	3	4	5	Strongly agree
E8	If I decided to leave this company, too much of my life would be disrupted	Strongly disagree	1	2	3	4	5	Strongly agree
E9	I continue to work for this company because I don't believe another company could offer the benefits I have here	Strongly disagree	1	2	3	4	5	Strongly agree

Thank you very much for your time and cooperation. Your views are much appreciated.