COPYRIGHT AND CITATION CONSIDERATIONS FOR THIS THESIS/ DISSERTATION

- **Attribution** — You must give appropriate credit, provide a link to the license, and indicate if changes were made. You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use.

- **NonCommercial** — You may not use the material for commercial purposes.

- **ShareAlike** — If you remix, transform, or build upon the material, you must distribute your contributions under the same license as the original.

**How to cite this thesis**

Exploring the employee’s experience of an outsource transfer, under the ambit of Section 197 of the Labour Relations Act 66 of 1995

By:

Riëtte Sutherland

A dissertation submitted in fulfilment of the degree

MPhil (Labour Law and Employee Relations)

in the

Faculty of Law

MPHIL (Employment Relations)

at the

University of Johannesburg

Supervisors: Professor Willem Schurink
FORWARD

DEDICATION,

ACKNOWLEDGEMENTS, AFFIDAVIT

AND ABSTRACT
I dedicate this study to those who believe that you can’t have it all.
ii. Affidavit
iii. Acknowledgements

I am very blessed to be able to thank so many people that have been involved in and have inspired me with this dissertation. I would like to express my gratitude and appreciation to the following individuals:

- To my Lord for giving me the strength and the patience to see this journey through. My gratitude is without end.
- To my research participants that have so openly shared their experiences with me. I have been blessed to share your story in a way that may hopefully make a difference to others.
- To Professor Willem Schurink who has always been just a phone call away. Your dedication and passion for research and for ungrateful students is inspiring. I will always keep you dear to my heart.
- To Gerhardt Swart, who taught me to always think with my “Psychology hat” on.
- My dearest (tannie) Laetitia van Staden, thank you so very much for editing my dissertation so flawlessly. You are a very special lady.
- To Laura Acres, who allowed me the time to finish this dissertation. To my special colleagues Carla, Lishani, Kristy and Ursula, I appreciate your belief in me.
- To my dearest mother Elize, thank you for being my greatest supporter whether it’s babysitting or dissertations - you are awesome.
- To my wonderful and inspiring husband Chris, thank you for believing in me and my abilities far beyond what I can see.
- To my beautiful daughters that were all born during this Master’s journey. Lienke, Zoe and Alexia. I will love you until the ends of the earth.
iv. Abstract

Orientation

Outsourcing as a strategy has been utilised by many organisations as a strategic initiative to improve core business functions and reduce costs. In the South African context, outsourcing includes the forced transfer of employees from one organisation to another. This automatic transfer is facilitated through Section 197 of the Labour Relations Act of 1995. In principle employees have a choice to seek employment elsewhere, but such a move is often restricted by long tenures of service, the lack of opportunities in the labour market, the psychological contract of employees with their employer, social affiliation with colleagues, perceived job security and comfortableness with familiar surroundings. Due to the forced nature of the employment transfer, employees would be subject to a change in identification or belonging, organisational culture, structures, management, operating principles and salary structures. These changes may significantly affect productivity, employee commitment and job satisfaction.

Research purpose

The research study explores the experiences of employees in an outsource transfer conducted under the ambit of Section 197 of the Labour Relations Act of 1995. The study reconnoitres employees’ reactions to the forced organisational change so as to identify important psychological and organisational processes.

Motivation for the study

Despite the increasing practice of outsourcing in South Africa and abroad, limited research has been conducted on the experiences of employees during an outsource transfer. Employees that have been subject to an outsourcing transfer would have experienced a grave impact on their employment behaviour and attitudes. This would affect their relationship with previous colleagues, career development, contribute to lower levels of commitment and negatively influence their psychological contract. All these elements may influence the success of the outsourcing of
business and should be taken into consideration when organisations decide to embark on outsourcing parts of their business.

This study explores the employee’s experiences during such a transfer of employment as a means to provide insight into the effect these experiences may have on the success of an outsource event. This study would aid management, human resource professionals, organisational development practitioners and scholars in understanding the impact of an outsourcing business decision on employees.

**Research Approach**

In the study, I followed a qualitative research approach. I aligned myself with the constructionist research tactic and explored the research participants' social construction of the outsource transfer experience. The study was conducted using as a case study a South African information-technology outsource service provider.

Case-study research methodology was employed and seven research participants provided their experiences in unstructured interviews. Data was also gathered through participant observation and human documents such as e-mails.

**Main Findings**

On analysing the research data, the research participants’ experiences could be grouped according to phases in the outsource transfer, themes and categories of constructs. These themes, categories and constructs were related to concepts and theories that had emerged from literature.

This in turn culminated in the development of an Outsourcing Transition Model which integrated the psychological theory in literature and the concepts that had emerged from the research.

The model provides for a holistic view of psychological theory within an operationally categorised phased approach that is easy to interpret and apply.
Contribution and value

The study provided valuable insights into employees’ perceptions and experiences of an outsource transfer of business under Section 197 of the Labour Relations Act. The research proposes a new model that can assist scholars, managers and practitioners in understanding the experiences of employees in outsourcing transfers.
Table of Contents

**TYPE CHAPTER TITLE (LEVEL 1)** ................................................................. 1
  Type chapter title (level 2) ............................................................................... 2
  Type chapter title (level 3) ............................................................................... 3

**TYPE CHAPTER TITLE (LEVEL 1)** ................................................................. 4
  Type chapter title (level 2) ............................................................................... 5
  Type chapter title (level 3) ............................................................................... 6
CHAPTER 1:

CONCEPTION OF THE STUDY

“Sea saw Marjorie dow,

Johnie’ to have a new master,

We don’t know

Where he’ll go

But we’ll come tumbling after”

(Stephanie Morgan, 2008)
1.1 INTRODUCTION

South Africa is part of the global village and with the advent of the internet, strategies that provide a competitive advantage are becoming more difficult to find. It has become a well-known fact that the behaviours and attitudes of employees can provide such an advantage (Forrester, 2000 & Thomas, 2000). Many organisations have attempted to achieve a competitive advantage by the optimisation of their workforce and the transfer of particular functions to external companies through a process called outsourcing (Fischer, Wasserman, Wolf & Wears, 2008).

Outsourcing has become a universal instrument in the optimisation of organisational performance (Ranganathan & Outlay, 2009; Fisher, Wasserman, Wolf & Wears, 2008; Logan, Faught & Ganster, 2004). According to Logan et al. (2004) American companies have spent more than three hundred billion dollars on this practice of organisational optimisation. Statistics in 2009 shows that globally, the outsourcing market amounted to approximately 1,500 billion US dollars (Morgan, 2009).

Organisations consider outsourcing as a method to improve services by managing the attitudes and behaviours of employees through service-level agreements with a specialised organisation (Morgan, 2009). Outsourcing furthermore transfers the responsibility of employees to an external organisation which is then responsible to administer all legal requirements and obligations (unemployment insurance, skills development) regarding employees.

Organisations often outsource non-core business functions such as information technology, catering, or cleaning services in an attempt to obtain a specialised skill and knowledge from an organisation which has this as its core business (Fisher et al., 2009; Logan et al., 2004).

South African organisations have followed the European and American strategies of optimisation and have found operational value in outsourcing their non-core business. Outsourcing has become an organisational phenomenon that necessitates the protection of employees. The Labour Relations Act 66 of 1995 provides for such protection in Section 197, which safeguards the employee’s job security in the outsourcing of business.
Apart from the protection afforded to employees by the Labour Relations Act, not much consideration has been given to the employee’s experience in the outsourcing of business (Morgan & Symon, 2006; Logan et al., 2004, Kessler, Coyle-Shapiro & Purcell, 1999).

This is rather surprising, since the outsourcing of business can negatively influence employees and result in a decline in performance which in turn will affect the desired goal of business optimisation (Logan, et al, 2004). According to Greco (1997) 51 per cent of organisations who participated in a survey about this issue, had reversed their decision and retracted their outsourced activities, whilst 25 per cent had indicated that they were unsatisfied with the results from outsourced businesses.

Various reasons are provided for unsuccessful outsourcing, including lack of planning, unreliable expectations from the outsourcing company and its external counterpart and poor communication. Surprisingly, very little reference is made to outsourced employees and their perception, attitude and behaviour as an indicator of success (Logan et al. (2004).

Despite the protection offered by legislation, the transfer of employees from one employer to another can be extremely unsettling. To understand the psychological and operational effect of outsource practices, it is necessary to examine in detail the experiences of transferred employees. From an erudite perspective it is important to enhance our understanding of employees transferred as part of a Section 197 outsource transfer.

1.2. BACKGROUND AND PROBLEM SETTING

In the South African context the outsourcing of business is affected by labour legislation that aims to advance economic development, social justice, labour peace and the democratisation of the workplace (Biggs, 2008). Labour legislation therefore provides the setting and script within which an employer may outsource business and subsequently transfer employees to an outsourced organisation.
Labour legislation attempts to protect the employee’s right to job security in case of the transfer of business or outsourcing by means of Section 197 of the Labour Relations Act 66 of 1995.

Section 197 of the Labour Relations Act indicates that if a transfer of business occurs, such as in case of outsourcing non-core business [SAMWU v Rand Airport management Company and COSAWU v Zikethele Trade (PTY) Ltd (Du Toit et al, 2006)], employees will automatically be transferred from the original organisation to the external outsourcing organisation (Section 197 (2)(a), LRA, 2005).

The automatic transfer of employees from the original organisation to another outsourcing organisation will result in employees having no choice as to whether they would be transferred or not. The Section 197 legislation aims to promote job security in that the automatic transfer of employees would avoid employees’ employment from being terminated when outsourcing non-core business as they are in such a case legally transferred as part of the business which is a going concern.

Section 197 in effect removes the employee’s choice as to whom he wants to work for when outsourcing occurs. In principle the employee could choose to resign from the outsourcing organisation once he has been transferred as a way to exercise his right in choosing his employer (Right against slavery, servitude and forced labour, Bill of Rights, The Constitution of the Republic of South Africa, 1996). Should the employee decide to rather resign than work for the new employer, it could impact the outsourcing organisation as well as the original organisation negatively in that such a step would prevent the retention of intellectual property and important knowledge which would have been a cornerstone of the transfer of business.

Recently, in the matter of AUSA obo Barnes & others/South African Airways (Pty) limited (Hart, 2009), the Labour Appeal court indicated that the scope of Section 197 is also applicable to second-generation outsourcing which refers to the transfer of an existing outsource contract from one outsourcing employer to another outsourcing company (Hart, 2009). This legislative view was confirmed in the case of the Aviation Union of South Africa v South African Airways (Constitutional Court, 2011) which indicated that if a going concern is outsourced, it is irrelevant whether this is a first, second or tenth generation transfer as Section 197 would be applicable.
Generational outsourcing (first or second generation) can lead to a situation where an employee who works in a non-core function, e.g. cleaning services, may be outsourced to a cleaning outsourcing organisation and thereafter to several cleaning outsourcing organisations without any change in his work content or place of work.

Such an employee would be subject to a change in organisational identity and culture, structures, management, operating principles and salary structures every time contracts are given to another outsourcing organisation. The impact of such a change on an employee’s confidence, perceptions, behaviours and productivity needs to be investigated to determine whether the protection intended by legislation is not causing him more harm. The impact on, the outsourcing and client organisation must also be investigated.

1.3. THE RESEARCH CONTEXT

According to Bosch (2001), outsourcing can be defined as the policy of hiring outside consultants, technicians and other professionals to take over the complete function of a particular department in an organisation as opposed to an organisation employing permanent employees to perform these functions. This practice commonly involves non-core activities such as catering, information technology and data processing (Morgan, 2009).

The outsourcing of non-core business provides an organisation with the opportunity to reduce costs and to improve service, which in turn frees up capacity which can be used to focus more on the organisation’s core business concerns (Bosch, 2001; Khosrowpour, Subramanian, Gunderman & Saber, 1996). In addition, the provision of services by an outside company is not only more cost effective, but also removes the burden of administering such services.

Employees who form part of a non-core business which is awaiting outsourcing, are in an unenviable position (Bosch, 2001). They are no longer needed by their current employer (are redundant) whilst there is still a requirement for their work to be done, but by a new service provider with which no relationship exists.
To protect the rights of these “lost” employees, the legislature created Section 197 of the Labour Relations Act 66 of 1995. This Section stipulates that if there is a transfer of the whole or part of any business, trade or undertaking as a going concern, the employees attached to that business (or part thereof), trade, or undertaking will transfer automatically to the new service provider or business (Biggs, 2008).

The protection offered to employees who form part of the outsourcing business includes employment continuity with the new contractor or service provider by an automatic transfer of their employment contracts. This means that their tenure with the previous organisation would endure when the new contractor or service provider accepts the new outsource agreement (Van Niekerk & Linstrom, 2006).

This protection is offered to employees irrespective of the amount of times an employee has been transferred as part of an outsourcing contract. This business phenomenon can be referred to as first or second generation outsourcing (Hart, 2009).

The protection offered to employees in case of outsourcing is vital, but the changes in the employee’s employment relationship will obviously affect the employee (Morgan & Symon, 2006). This impact has as yet not been considered or addressed by the legislature by means of a Code of Good Practice and consequently employers have no guideline in how to deal with the transfer of employees.

Second generation outsourcing intensifies the need to consider employees’ reaction to such a change as an outsource contract generally has a life-cycle of three to five years where after a new service provider is sourced to take over business functions (Morgan & Symon, 2006).

As far as I could establish, the impact of outsourcing transitions on employees has not been studied sufficiently (Morgan & Symon, 2006; Logal et al., 2004). For example, Fisher et al. (2008) reviewed human resource practices in outsource organisations and suggest that employees retained in the old organisation have difficulty in accepting the altered nature of their previous colleagues’ employment status.
It is suggested that outsourcing creates an invisible “two-tiered” workforce structure of “insiders” and “outsiders”. This influences the employment relationship between previous colleagues and transferred staff, as in most outsource transfers, transferred employees remain on the client’s premises and perform more or less the same function as previously (Morgan & Symon, 2006).

In a study by Kessler et al. (1999) it was found that most respondents who were part of an outsourcing transfer had a positive view of career development with their new employer. This may be due to the specialisation of the new employer performing the non-core function (Logan et al., 2004). This view was, however, short lived as their expectations were not fulfilled by the new organisation (Logan et al., 2004).

In studies conducted by Rees and Fielder, (1992) as well as Gupta and Gupta (1992), it was found that employees were of the opinion that in case of an outsource transfer their promotional opportunities in the new organisation were less. In addition, transferred employees felt they were no longer valued and started to look for employment elsewhere. These findings were confirmed by a study done by Benson (1998), who indicated that it seemed that loyalty and commitment towards the previous employer was stronger than towards the new one. He (Benson, 1998) also found that stress levels, resource adequacy, role ambiguity and supervisory support in outsourcing transfers were predictors of the low levels of commitment to the new employer.

Morgan and Symon (2004) conducted a study on the possible effects of an outsourcing transfer on employees as it relates to guidance counselling of employees during and after an outsource transfer. Due to the limited research done in this field they drew information from studies done on downsizing, mergers and acquisitions. Morgan and Symon (2004) found that many employees required career counselling and some were undergoing psychological counselling to reduce depression and anxiety as a result of their experiences during the outsource transfer.

Psychological contracts are implicit, unwritten contracts that create informal expectations (Rousseau, 2004). The employee creates such a psychological contract with the organisation that characterises his psychological involvement in his work. This covers issues such as loyalty, creativity and extra effort (Ranganathan &
Outlay, 2009). In return for his psychological commitment, an employee expects more than economic rewards, namely job security, fair treatment, cordial relationships, career development and management support (Rosseau, 2004).

Ranganathan and Outlay (2009) point out that when an organisation embarks on outsourcing; the psychological contracts of employees are varied and violated. This may negatively affect the employees’ attitudes by generating insecurity, dissatisfaction and poor organisational commitment. Violations may also result in a decline in performance, especially in employees with high career expectations. It is extremely important to take these potential outcomes into consideration, since employees are in most instances required to still perform the same function to their previous employer, but now as an employee of the service provider.

According to Kessler et al. (1999) three elements contribute to the employee’s response to outsourcing, namely context, pull and landing. Context can be defined as the manner in which employees were treated by their previous employer; pull implies the attractiveness of the new employer and landing the reality of the new employer. This study found that perceptions regarding these elements had the potential to affect the success of an outsourcing transfer. A thorough understanding of these elements and their effect on employee perceptions would be beneficial in facilitating a successful transfer of employees from their previous to their new employer.

1.4 CONTRIBUTION OF THE STUDY

The study contributes to the theoretical constructs of outsourcing, specifically the employee experience. The research provides reliable information to organisations involved in the practice of outsourcing so as to mitigate any negative effects that employees may experience during the transfer process within the ambit of Section 197 of the Labour Relations Act.
This study will assist management, human resource professionals and organisational development practitioners in understanding the effects of an outsourcing business decision on employees.

1.5 STRUCTURE OF THE DISSERTATION

The dissertation consists of six chapters. This, (the first chapter) contextualises the study in terms of its background, context, purpose and contribution. The second chapter, Research Methodology and Design outlines the qualitative research approach and principles used in the study.

In the third chapter, The Social Construction of Outsourcing, I offer the voices of the research participants on themes identified during participant conversations. The fourth chapter, The Scholarly Understanding of the Outsourcing Process, reviews the literature as it relates to identified themes and trends relevant to the study.

In the fifth chapter entitled Creating the Outsourcing Story, I discuss the research findings in an attempt to increase existing knowledge as reviewed in Chapter 4. In Chapter 6: Précis, Implications and Recommendations, I summarise firstly the study and outline its most important discoveries, contributions and implications, secondly offer ideas for future research and finally propose recommendations.
CHAPTER 2:

RESEARCH METHODOLOGY
AND DESIGN
2.1 INTRODUCTION

Research of the human experience during an outsource transfer as a social phenomenon raises several questions as regards the methodology to be used. In this study my objective is to describe and explore this phenomenon in a way that provides quality research to support rigorous, transferable conclusions or models as well as authentic and trustworthy conclusions. In this chapter the aim is to provide clarity on the research approach chosen, my role in researching this phenomenon, the strategy followed in executing the research, the role players or participants in this research and the methods I applied to collect and analyse such research results.

2.2 RESEARCH APPROACH

Qualitative research is a dimension that is quite difficult to define, particularly because of its open-ended nature (Denzin & Lincoln, 2005). However, I contend that the following definition offered by Mayan, (2009, p.11) is a useful generic description for the purposes of my study:

Qualitative inquiry is primarily naturalistic, interpretive and inductive. By studying naturally occurring phenomena, qualitative researchers attempt to interpret or make sense of the meaning people attach to their experiences or underlying a particular phenomenon.

Mayan (2009) correctly points out that qualitative research dictates that decisions need to be made about the researcher’s research paradigm. The research paradigm is the net that holds the researcher’s ontology (what we can know about the world), epistemology (how we can know the world) and theoretical position (how we position ourselves in social research) together. To determine the research paradigm most suited to my world view and my role in the study, I examined to the best of my ability my biases, preconceptions, additions and the connections I bring to the study (Esterberg, 2002). I will firstly unpack the research paradigm of the study as it relates to the concepts of ontology, epistemology and theoretical position.
2.2.1 Ontology

According to Mouton and Marais (1996) ontology is the study of reality which in the case of social science research refers to humankind as a phenomenon and the characteristics and features it contains. Three ontological questions or statements are developed by Mouton and Marais (1996) which guide a researcher in his ontological approach:

a) Can a social reality exist separately from human conceptions and understanding?

b) Does a shared social reality exist or is there only a magnitude of context specific realities?

c) Are there laws that regulate social reality such as human behaviour which would be regarded as unchangeable?

These questions are aligned to the argument of Ritchie and Lewis (2003) that reality is constructed by three broad positions:

- **Realism** - An understanding that there is an external reality that exists independently of an individual’s own beliefs, in other words a reality exists or can be interpreted separately from the reality.

- **Materialism** - This refers to the existence of a reality, but is governed by material features of that reality.

- **Idealism** – The concept that reality cannot be understood through social constructed meanings.

When a researcher in social sciences reviews these perceptions, he reviews his own position as a researcher within the study of the human phenomenon, such as outsource transfers. This brings to mind the question of the researcher’s objectiveness or subjectiveness (constructionist) in research.

Initially, I considered myself as following the positivism or objective researcher paradigm (cf. Mayan, 2009; Schurink, 2006). The latter allows the researcher to find answers to the questions he had posed. He conducts himself as an outsider and there is no interaction between the researcher and the research participant. With
this method the researcher adopts an objective approach and maintains his distance from the other participant(s). Here, the answers to the research questions posed are seen as the “truth” about how and why a phenomenon exists.

According to Maya (2009), this indicates that the researcher is following a positivist perspective which is embedded in realist ontology. Finally, adhering to this paradigm requires the researcher to be value-free and objective, which means that he needs to somehow free himself from his social and cultural values that govern other kinds of human activity (Esterberg, 2002). With this initial perspective in mind, it was important to review my epistemology to further gain an understanding of my research approach.

2.2.2 Epistemology

Epistemology refers to how a researcher can know the world or social phenomenon (Mayan, 2009). The researcher needs to consider what is seen as knowledge or evidence with regards to social phenomena (Mason, 2002). Ritchie and Lewis (2003) refer to ways of knowing and learning the social world and the creation of a body of knowledge. Epistemological questions will assist a researcher in determining the principles and rules by which he decides on how to get to know social phenomena (Mason, 2002).

According to Eriksson and Kovalainen (2008) there are objective and subjective views. An objective view contends that a world exists outside the reality and can be called external and theoretical. In a subjective view it is alleged that no access to the external world beyond our own observations and interpretations of that reality is possible.

Reviewing the work of Esterberg (2002), I learnt that constructionist and interpretive research approaches both shared the notion that the social reality is constructed by the participants forming part of that reality. According to Esterberg (2002) the interpretive approach in qualitative research implies three premises. Firstly participants act towards constructs or “things” based on the meanings they attach to such constructs. Secondly, the meaning of issues or things became known through
social interaction. Finally, the meanings are created through a process of interpretation.

The interpretative researcher examines the empirical world beginning with a theory or preconceived notion of the way the world works by being a part of that world in that he attempts to understand how participants construct their social reality (Esterberg, 2002). Moreover, the researcher studies behaviour by asking how a theory or model is interpreted within a socially constructed reality. Therefore, when adopting an interpretive research approach it is recommended that the researcher takes time to review his own interpretations of others’ experiences from a social science perspective.

According to Bryman and Bell (2003), research leads to a dual interpretation: One where the researcher provides an account of the research participants’ understanding of reality and a second interpretational level when the researcher’s account has to be interpreted once again in terms of relevant concepts, theories and literature related to the social phenomenon studied.

After much consideration, I realised that for me reality is constructed by how my participants’ make sense of outsource transfers and my role as part of the research program poses challenges requiring amongst others of me being attentive as to how I interact and am shaped by these interactions (Mayan, 2009). The preceding perspective proposes subjective epistemology which can be described as constructionist (Denzin & Lincoln, 2005). But where does this leave me? I believe that outsourcing should be researched as part of a social reality that exists with a magnitude of context-specific realities or material features and as such will be displayed by the social interaction when participants construct their reality. I therefore align myself with the constructionist research approach and have undertaken the study accordingly.
2.3 RESEARCH STRATEGY

Research strategies provide specific direction for procedures within a research design (Bloomberg & Volpe, 2008). In the study I decided to use case studies to explore my research questions. The use of case studies is regarded as an approach to understand the “bounded system” by exploring and conducting an in-depth analysis (Mayan, 2009).

According to Leedy and Ormrod (2001), a case study is a research strategy that aims to gather in-depth data about an individual, event or programme with the purpose of better understanding an unknown situation. Gummesson (2000) indicates that the use of case studies as a method to examine management as a social phenomenon has become more widely accepted. Schurink (2007) contends that the case study is a means for the researcher to immerse himself in the activities and behaviour of one participant or a small number of participants as it allows for intimacy into the social reality which is constructed with words and actions. Yin (2003) proclaims the case-study method as the method of choice when one researches a social phenomenon in a social environment.

According to Babbie and Mouton (2004), a case study is an intensive examination of a single unit which can range from an individual to several entities such as families, groups, communities and countries. Silverman (2005) and Stake (2003) both support the view that the researcher’s interest in what is being studied will lead him to the case which needs to be examined.

I believe that exploring outsourcing as a phenomenon and the experiences of individuals affected by such a phenomenon can best be done through the case-study method. Such a case can be defined as a community of individuals that have experienced an outsourcing transfer.

Schram (2006) refers to three types of case studies. Firstly, the intrinsic case study provides for the better understanding of a single case. According to Silverman and Marvasti (2008) the intrinsic case does not have as its purpose the generalisation or construction of theories beyond the single selected case.
Secondly, the instrumental case study provides for the better understanding of a social issue by studying such a case. Silverman and Marvasti (2008) indicate that the instrumental case study has as its purpose the provision of insight into an issue or the review of a generalisation.

Thirdly, the collective case study is an instrumental study of a number of cases where the purpose is to theorise about a general phenomenon or condition. Silverman and Marvasti (2008) explain that the collective case study uses a number of cases to investigate and determine a general phenomenon.

In this dissertation, I followed the instrumental-study approach since I wanted to obtain an understanding of the experiences and views of a number of employees involved in an outsourcing transfer process. Consequently, I trust that this understanding of particular aspects can be transferred to similar cases and will assist in developing a framework that in turn can aid decision makers who face similar situations.

2.4 RESEARCH SETTING

According to Hornsby-Smith (1993) and Walsh (1998) there are two distinct kinds of research settings:

- Closed or private settings such as organisations or groups where access is controlled by gatekeepers.
- Open or public settings where access is gained freely, but which are not without challenges or ethical considerations.

As a result two types of access can be gained by the researcher (Silverman & Marvasti, 2008):

- Covert, which can be described as access without the subjects’ knowledge.
- Overt access which is based on informing participants before the study and then obtaining their agreement. This frequently happens by using specific agreed upon gatekeepers.
Studying the human experience of outsourcing can only be done in closed and overt research settings. In this study, the research setting is constructed in the organisation that functions as an outsource partner to companies that wish to transfer non-core and specialised services. To protect the identity of the outsource partner/organisation; I have concealed any reference or specifics that could lead to an identification of the organisation(s). The said organisation concludes several outsourcing contracts annually and in my eight-year tenure in the specific organisation, I had assisted in transferring more than forty five (45) non-core businesses from clients to the outsource partner.

In this study, the research setting can be described as any one of the above-mentioned forty five non-core sections in an information-technology business where the decision had been made to outsource these to an outsource partner. All the research participants were employees that had been transferred from the outsourcing organisation to the outsource partner as part of a Section 197 transfer of business and as dictated by the Labour Relations Act 66 of 1995.

As mentioned above, a research setting contains particular gatekeepers that will either allow the researcher access or deny him the right of entry regarding the research participants and the phenomena to be studied (Myers, 2009). In business research, it is expected that because of the specified gatekeepers (different managers) in a research setting, some businesses may consider the researcher’s presence as disruptive or time consuming.

In my particular case I had gained access to the research phenomena and participants by virtue of my role and responsibility in my work setting. In addition, I had received the approval and authorisation from the outsourcing partner to conduct this study. Fortunately the organisation in question had viewed the research as a means to gain valuable insights into the human impact of this phenomenon. Specific access was allowed through gatekeepers in the form of specific personnel managers, human resource executives and line management.
2.5 RESEARCH PARTICIPANTS

According to Silverman and Marvasti (2008) qualitative research does not always allow for the study of a representative subsection of a precisely defined population, as data is often derived from one or more cases where a random selection is unlikely. According to Esterberg (2001), qualitative research is focused on understanding the greater detail of a particular case which means one sacrifices “breath” for “depth”.

Qualitative researchers usually select research participants based on the specific qualities and insights they bring to the study (Esterberg, 2001). Bogdan and Taylor (1975) agree with this approach as certain research participants make better research partners due to their willingness and ability to communicate their experiences.

According to Silverman (2005) there are two approaches for selecting research participants. Firstly, purposive sampling allows the researcher to purposively select research participants due to their involvement in a social phenomenon or process which captures the researcher’s interest. Secondly, he (Silverman, 2005) suggests theoretical sampling as a different approach to select research participants. When selecting a participant, the researcher focuses on the participant’s potential contribution to the development or testing of theoretical concepts.

Ritchie and Lewis (2003) refer to the use of opportunistic and convenient sampling. The opportunistic participants’ selection utilises unforeseen opportunities that arise in fieldwork and which allows for the flexible selection of participants. Convenience sampling is simply the selection of participants based on the convenient access to research participants.

According to Nieswiadomy (1993), qualitative researchers tend to prefer purposeful sampling to gather data from people that had formed part of the phenomenon researched and which lends to a greater understanding of the social reality they had constructed. In the study I therefore purposefully selected the sample to provide the best information to answer the researched questions posed (Maylan, 2009). The research participants were purposefully selected from a population of employees that
had been transferred under the ambit of Section 197 of the Labour Relations Act 66 of 1995. Here it must be remembered that the population is the complete set of individuals or objects that possess a common characteristic such as the outsource experience (Nieswiadomy, 1993).

In this study, the total population of employees transferred from the old employer to the outsourcing company were twelve qualified technically trained information-data specialists. Taking into account their willingness and ability to express themselves (Bogdan & Taylor, 1975), seven participants were selected to participate in the research. In my study, the number of participants selected in relation to the population had to be scrutinised to ensure a valid result so that once the data had been analysed, I could be comfortable that additional cases would not increase insights and understanding (Ritchie & Lewis, 2003). In reviewing qualitative researchers’ writings on this topic, it became clear that different approaches regarding the participants selected in qualitative research are dependent on the phenomenon to be studied.

According to Carson, Gilmore, Perry and Gronhaug (2001) one should increase the initial cases identified in the study based on a saturation point where two to four selections would be the minimum and fifteen the maximum. With the seven participants I have selected for this study, I’m of the opinion that the theoretical saturation point was reached and that I would not find new information which would change my insights and conclusions.

2.6 ESTABLISHING RESEARCH ROLES

According to Esterberg (2001) some researchers study cases in which they themselves play a part, whilst others enter such a setting to figure out what role to play and how to participate. It is important for any researcher to question his research role and to establish the degree of participation versus observation. Esterberg (2001) believes that the extent of involvement in the study depends on the researcher’s inclination and the research setting. For Ritchie and Lewis (2003) the
study of a social phenomenon is based on relationships which may influence the understanding of the phenomenon researched.

Schurink (2005) suggests that the researcher becomes the research instrument and needs to consider his role and subjectivity in research along the following lines:

- Immersion in the participants and the social situations of those participants.
- Playing interactive social roles when observing, interviewing and interacting with research participants to allow the capturing of data that would lead to a successful interpretation, validation and reconstruction of reality.
- The need to be alert to and to avoid biases as far as possible.
- The necessity to be aware of and manage one’s own experiences and viewpoints. This is normally done when one explains one's feelings in memoirs, and project diaries, internal audits, and natural histories. In short, qualitative researchers strive towards what Mason (1996) terms, disciplined subjectivity and reflexivity, that is, a critical self-examination of research roles throughout the entire research process.

Therefore, since I formed part of the research setting and was closely involved in the outsource transfer; I had to review critically my research role throughout the entire research process. This I did through intermittent self-reflection and compiling field notes as well as regular writing in my research journal. I will discuss these issues in more detail in the following section.

2.7 DATA COLLECTION METHODS

According to Schram (2006), the qualitative researcher can use a multiple of methods for data collection. In the study, I primarily utilised interviews which I supplemented with participant observation and unsolicited documents.

2.7.1 Interviews

Valerie Janesick (1998, p. 30) defines an interview as “a meeting of two persons to exchange information and ideas through questions and responses, resulting in
communication and joint construction of meaning about a particular topic” (Esterberg, 2002, p. 83). According to Berg (1995), however, the purpose of the interview is to obtain research-relevant information that will assist the researcher to gain a deeper understanding of the research topic. Different types of interviews are used in qualitative research. For example, Myers (2009) mentions structured interviews where one uses pre-formulated questions, strictly regulated in terms of the order and content of questions. However, no strict adherence to these questions is required as new questions may arise during the conversation with the research participant. In contrast, when conducting unstructured interviews, the researcher uses few, if any, pre-formulated questions and gives the interviewee the freedom to say whatever he pleases.

I used unstructured interviewing to understand the participants' construction of their feelings, thoughts and observations as these relate to their experiences in outsource transfers. I used a research schedule to make sure that I cover all the broad themes which I had decided on together with my promoter, Prof W. Schurink. For me it was of particular relevance to solicit the participants' views and experiences regarding the outsource transfer. According to Schurink (2012) the main advantage of the unstructured interview is that it provides for a relatively systematic collection of data, whilst simultaneously ensuring that important data regarding the emerging themes surface.

It is important to emphasise that I attempted to keep the research schedule as open-ended as possible to facilitate my active entry into the worlds of the employees in the outsource transfer so that I could understand their relevant experiences. To a certain extent my interviewing approach reflected the “in-depth” interview, because to understand perceptions and experiences, I sometimes spontaneously posed questions during interviews that were neither pre-empted nor derived from the relevant literature and theory (Schurink, 2012). I believe my modus operandi here basically allowed the research participants to share their stories by means of one “grand tour” (Mayan, 2009, p. 71) where the broad questions were followed by a few other themes which led to more spontaneous and free-flowing interviews with topics for discussion surfacing naturally. The initial interview lasted from one to two hours, depending on the point of saturation of information obtained.
Once I had completed the initial rounds of interviews, I conducted a second round with four of the seven research participants to gain further insights and understanding of my initial interpretation of information provided and to further investigate consistency and inconsistencies across the research participants’ perspectives (Schurink, 2012). The initial data analysed was subjected to a written “member-check” process whereby participants were given the opportunity to review and provide feedback on conclusions drawn in the research.

2.7.2 Participant observation

Participant observation can be defined as a method where the researcher involves himself personally in the everyday lives and events of the subjects who are studied (Schurink, 1992). Participant observation is used to gain insights into the research participants’ behaviour and actions within their social environment through the researcher’s participation or involvement in that social environment (Schurink, 1992).

According to Myers (2009) there are three primary elements in a participant observation situation namely place, actors and activities. The place is the physical setting where people engage in social activities and which may be extended to a virtual social environment such as organisational blogs or communicator systems. Actors are the research participants that play a role within a certain context. Activities are defined as the recognisable patterns of behaviour that people perform or behaviour within a certain setting such as an outsourcing transfer.

Schurink (2004, p 15) is of the opinion that participant observation may assist in obtaining a detailed picture of a phenomenon or research participant that can best be understood within the natural setting of the participants. He (Schurink, 2004) points out that the researcher’s intuition and empathy in understanding participants’ perspectives is important when applying participant observation.

In further readings, Schurink (2005) describes participant observation that has been prevalent in my study, as follows:

- **Firstly**, he mentions membership roles which refer to being a member of the purposive participants’ social worlds. In my personal
capacity as facilitator of the Outsource Transfers for the outsource partner, I had access to the research participants and had shared some experiences in the transfer process.

- **Secondly**, he describes **participant perspectives** which refers to gaining insights into the participants’ social construction of the reality or the process through which people make sense of their lives. Since I did not have an in-depth opportunity to tap into the insights and the social construction of the participants’ reality, I tried to gain such insights through the interaction during the transfer process as well as during the interviews.

- **Thirdly**, he refers to researcher reflected **field-notes** which are notes made after observations and interviews. I interacted with the participants both from an operational day-to-day perspective as well as after each interview session.

2.7.3 Human documents

The use of human documents or personal documents refers to “an individual’s descriptive, first-person account of the whole or a part of his or her life or an individual’s reflection on a specific event or topic” (Bogdan & Taylor, 1975, p. 253).

The value of these documents lies in the fact that they can be used to explore the essence of concepts which would otherwise have been lost when applying research techniques that rely only on operationalised variables as found in quantitative research (Bogdan 1974). Today there are many forms of documents such as letters, minutes, official records, films, videos and photographs, to mention some salient ones that may be utilised by qualitative researchers. Depending on the personal preferences, abilities and practical circumstances of the research participants, I made use of solicited essays or personal communication in the form of e-mails and formal written documentation (Schurink, personal communication; September 2010).
Mayan (2009) points out that valuable information can furthermore be obtained from unsolicited written materials left behind by the research participants including policies, procedure guidelines, minutes of meetings, program evaluations and/or electronic mails. I found that written documentation and correspondence generated by a large number of organisations extremely valuable since these provided particular insights into the experiences of employees during the outsource transfer process. Thanks to the nature of my formal employment as an outsourcing transfer specialist, I was privy to private information and conversations and was allowed to use these data sources.

2.8 DATA CAPTURING AND STORAGE

In qualitative research it is imperative that the researcher captures and safely stores the data. I gathered data that was crucial in shedding light on the world views of participants in the outsource transfer process and I realised that it was vital that I take the necessary precautions not to lose any of the material. I took special care to capture, store and safeguard the data as I was acutely aware of my responsibility. When signing the informed consent, I had agreed not to reveal the participants’ identities or any information that could implicate or jeopardise their future.

2.8.1 Field notes

According to Myers (2009), field notes are an effective source of data as it records the researcher’s thoughts and feelings which may be insightful during the data analysis process. According to Payne and Payne (2004) one should record as much as possible in these notes. This includes feelings, initial impressions, half ideas and possible leads.

Field notes assisted me tremendously in describing not only aspects of the research setting, but also my reflections, feelings, ideas and moments of interpretation (Mayan, 2009). While these notes can be informal or formalised into a template, I chose a more informal format.
My field notes contain both descriptive as well as reflected notes. According to Schurink (2005), descriptive notes cover portraits of subjects, the reconstruction of the dialogue, descriptions of the physical setting where the research recording took place in as well as the researcher’s accounts of events and activities. Reflective notes include thoughts, impressions and reflections about the initial findings and interpretations.

Figure 1 provides a visual representation of the field notes taken after an initial participant observation meeting with the research participants (1 September 2010, Outsourcing employer premises).

Figure 1: Field notes, taken 9 September 2010.

According to Morse and Field (1995) and Schurink in De Vos (1998), the researcher should record his notes as soon as possible after his observation when using participant observation. I took field notes at each interaction with research
participants involved in the outsource process. This included instances where I was only an observer to events such as road-show presentations or management meetings regarding the outsource transfer. My field notes included notes taken after interviews as well personal notes about inferences made or behaviours revealed during research participant interactions. I captured these notes in a journal which was at all times safely locked away in a cupboard in my work office and which I handled as a private confidential document as part of the outsource transfer files.

Of particular value, were the opportunities to share and reflect on my observations and insights in the presence of my study leader? These sessions provided peer debriefing which not only meant a lot to me, but also prevented me from having tunnel vision. Soon after I had met Prof Schurink and as we started formulating our plan for the study, he mentioned the importance of keeping a research diary which is a requirement in compiling an internal audit of the research. He provided broad guidelines which I have used throughout the research. Of particular importance are the details included in the diary, namely the dates of meetings, interviews, telephonic conversations, general observations of team members involved in the outsource transfer as well as my reflections on these and decisions which I had taken during the course of the research. As I will point out subsequently, the journal also enabled me to compile confessional tales and autoethnographical vignettes (Sparkes, 2002) which all form part of my research story.

2.8.2 Audio Recording of interviews

I recorded all individual interviews using an audio recording device. Since three of the participants were stationed in Cape Town, I had to use a video-conferencing facility to conduct the interviews. The photo of this facility appears below.
Figure 2 Video-conferencing facility

This was necessary to capture the participants’ own words, phrasings and metaphors which they used during the interview and which in turn are required to compile realist tales (Sparkes, 2002).

2.8.3 Transcribing the Interviews

Transcriptions are the act of (re)presenting original oral language in written form (Bird, 2005). According to Lapadat and Lindsay (1999) each researcher needs to make a choice about the transcription of their research data. A researcher needs to decide whether to transcribe, what to transcribe and how to use the transcription in the research text.
All interviews were recorded and were digitally stored on my computer and hard drive. I transcribed all research the data myself making sure that I give an accurate account of the actual words, phrases and metaphors research participants made use of. I also made note of other issues such as a tone, the volume and non-verbal sounds or pauses to focus on sentences and words used. It is important to note that the non-verbal or nuances in a research conversation could also provide insights on the lived experiences of employees (Bird, 2005).

The transcriptions were that basis of the realistic tales which allows the researcher’s point of view to be presented in the study (Glesne, 1999 &Sparkes 2002).

2.9 DATA ANALYSIS

“Qualitative research begins with questions, and its ultimate purpose is learning. To inform the questions the researcher collects data. Data are like building blocks, that when grouped into patterns become information, which in turn when applied or used, becomes knowledge” (Bloomberg & Volpe, 2008 p. 127).

It is important to note that in qualitative research data analysis and data collection is not mutually exclusive, but develop together as the study evolves (Marshall & Rossman, 1999). Guided by initial research questions, the researcher typically remains open minded when he focuses on analysis to collect more data if required. This view is supported by Myers (2009) who points out that it is somewhat simplistic to think of data analysis as a distinct phase separate from data gathering.

I decided to make use of the content analysis to analyse the data. According to Esterberg (2002), content analysis is the systematic analysis of texts which may include, but are not limited to, documents such as minutes of meetings, interview transcripts and field notes. Silverman and Marvast (2008) describe it as the analysis of texts using a systematic approach that involves sampling, coding and quantification. A more simplistic definition is provided by Silverman and Marvast
(2008) who indicate that researchers establish a set of categories and then count the number of instances that fall into each category. The crucial requirement is that categories should be sufficiently precise to enable different coders to arrive at the same results when the same body of material is examined.

Particularly important is as Mayan (2009) points out the division of content analysis into two different types of analyses, namely manifest and latent content analyses. Manifest content analysis refers to the relatively straightforward content, for example objects that can be counted directly (Esterberg, 2002). Latent content analysis is more focused on an interpretive analysis that focuses more on the underlying meanings in texts.

I used both manifest and content analyses to identify code and categorise primary patterns in data which also entailed the analysis of the meaning of specific passages or paragraphs within the data (Mayan, 2009). More particularly, I applied coding which can be defined as the process of identifying constant phrases, words or concepts which assist the researcher in becoming familiar with the data (Mayan, 2009). I firstly coded the research data according to the latent content analysis. Once this had been completed, I categorised it into themes or groups. I also created sub-categories if two distinct ideas or perspectives existed within one category (Mayan, 2009). Once the categories and sub-categories had been created, I summarised each category or sub-category. As advised by Mayan (2009), I then judged the categories according to their internal and external homogeneity. The former refers to individual categories implying that all data reflected in the category fit together, whilst the latter refers to the relationship among different categories, analysing whether they fit together or are distinctly different. Once this had been done, I identified themes that could be defined as thoughts or processes that weave throughout and tie categories together (Mayan, 2009).

After the analysis of themes and categories, I drew my conclusions from the data. It is important to note that as mentioned previously, I ensured at all times that to the best of my ability, I remained open to emerging themes. Once I had derived such themes and felt further data was required to illuminate or illustrate them, I collected additional data. This was done by means of a second round of interviews and soliciting written data research from the participants.
Once I had completed data analysis I integrated the research participants’ experiences and views which can be referred to as the lay conceptions or “first-order” concepts (Schutz, 1962) with the scholarly or “second-order” concepts which can be found in the relevant literature. According to qualitative research literature two strategies can be used towards the analysis and theory generation namely deduction, induction and abduction (Eriksson & Kovalainen, 2008). A deductive approach is when a researcher arrives at theory after having inferred hypotheses and ideas from theory. An inductive approach refers to the generation of theory from the researcher’s own findings. Abduction is the process of moving from the everyday descriptions and meaning given by people to categories and concepts that create the basis of an understanding or an explanation to the phenomenon described (Eriksson & Kovalainen, 2008, p. 23).

I used both deductive and inductive logic in the data analysis process. In the initial proposal stage of my study I undertook a preliminary literature study especially with regards to outsourcing theory and psychological concepts and theories that may be expected to be found in the analysis of outsourcing experiences. After I had completed the fieldwork and initial data analysis was completed I turned to the research literature on outsourcing in related forced change experiences of employees such as mergers, acquisitions and restructures. These finding were incorporated in to the data analysis to create a coherent model of outsourcing experiences.

2.10 STRATEGIES TO ENSURE QUALITY DATA

According to Mayan (2009) rigor forms an important element in qualitative research. Rigor demonstrates the how and why a study’s findings are worth any attention. Guba and Lincoln (1981) first made reference to rigor in qualitative research, noting that the same criteria of rigor in quantitative research do not apply to qualitative research. They suggested that qualitative research criteria should have credibility, transferability, dependability and conformability.
Credibility is akin to the quantitative research criteria of internal validity which assesses whether findings make sense and whether they are an accurate representation of data (Mayan, 2009, p. 102). Transferability is akin to external validity, meaning that findings can be transferred to another setting. Dependability is akin to reliability and refers to how decisions were made through research. Conformability is akin to objectivity and is used during data collection and analysis to ensure that findings are logical.

According to Mayan (2009, p.110), rigor in qualitative research can be obtained by several strategies. The strength of a researcher being analytical and a critical thinker can be seen as a measure to ensure rigor in qualitative research. The researcher should be knowledgeable to decide on when not to report on a poorly supported idea.

Methodological coherence in terms of ontology and epistemological views can ensure rigor in qualitative research. Correct sampling methods to ensure that participants answer the research questions posed, are essential in establishing rigor in qualitative research.

The concurrent collection and analysis of data can also be seen as contributing to rigor in research. Thinking theoretically assists in obtaining research rigor as the researcher will exert caution in making conclusions instead of merely accepting the first themes as conclusive.

Participant checks constitute an important part of the strategy to ensure rigor in research. During the collection of data I aimed to verify developing hypotheses with participants to ensure truthfulness and to investigate further categories identified during the initial data analysis phase.

Keeping a journal serves as the researcher’s audit of assumptions and perspectives on how the research is unfolding. This is helpful in analysing data, as it provides insight into the researcher’s state of mind or his reflections of how these might have influenced the data and deductions.
Finally, as I alluded to above, I employed the strategy of peer debriefing where my study leader played a key role. Discussing research strategies and conclusions with him ensured that any other reasonable individual would come to similar conclusions.

2.11 APPLYING A QUALITATIVE WRITING STYLE

Qualitative researchers should consider not only research quality and rigor but must also pay attention to how qualitative research is written (Wolcott, 2001; Sparkes, 2002, Schurink, 2007). This consideration has been brought about as the researcher is increasingly being emphasised in qualitative research (Eriksson & Kovalainen, 2008). It is important to consider three styles of writing or narratives utilised in writing this dissertation:

**Scientific writing style:**

This writing style provides an objective, positivist view which can be referred to as “author-evacuated texts” (Sparkes, 2002). According to Atkinson (1990), the main purpose of this writing style is the inductive discovery report and reconstructed logic which allows for the reader to be persuaded by objective reasoning.

**Realist writing style:**

As with the scientific writing style, the author is not present and provides a focussed account of the research participant’s point of view (Glesne, 1999 & Sparkes 2002). In using the realist writing style, the researcher attempts to illustrate theory through participants’ voices with specific outcomes in mind (Sparkes, 2002).

**Confessional writing style:**

The confessional tale represents the researcher’s concerns and actions taken that allow the reader insights into the research journey (Sparkes, 2002). According to Sparkes (2002), this writing style is usually personalised revealing personal reflections, role conflicts and possible emotional reactions and includes the natural progression of the research process.
2.12 CONCLUSION

In this chapter I focussed on creating theoretical and practical accounts of how I have approached the research of outsource experiences. My research paradigm informed my research strategy which gave direction to research procedures and research design. The selection of the research setting and participants was discussed to ensure that sound and proven methods were used to collect qualitative data. I also wanted to give the reader insight as to how I had collected and analysed the data on which my findings are based.
CHAPTER 3
THE SOCIAL CONSTRUCTION OF OUTSOURCING

It was nerve wrecking because you hear things no one was direct.

Eventually some bird sang they called us in and said this is what is going
to happen before you hear it from someone else

(Research Participant 3)
3.1 INTRODUCTION

In this chapter I provide an account of the research participants’ social construction of an outsource transfer. Firstly, I will provide the key events of the outsource incident and the processes which followed as these all created the contractual landscape. Secondly, I offer the insights and themes which I had gained from the interviewees where I had tried to make sense of the participants’ experiences and views. In short, I provide a description of the participants’ social construction of the outsource transfer and in this way offer a window of insights as to how they had experienced and endeavoured to understand this unfamiliar situation.

However, before I offer the employees’ experiences and perceptions, it is important that we first understand the context of the outsource transfer; that is, the key features of the process.

3.2. THE OUTSOURCING CONTEXT

In describing the outsourcing context it is imperative to consider three dimensions, namely: (i) motive, (ii) time line, and (iii) the staff migration plan.

3.2.1 Motive

In this case we are dealing with an organisation functioning as an outsource partner to companies wishing to transfer non-core information-technology services and who had decided to move the research participants as part of a Section 197 transfer to an outsource partner. Please note that for ease of readability, I refer here and further on to the outsource partner as the new employer (NewEmp) and the organisation that outsourced their information-technology services as part of the Section 197 initiative as the old employer (OldEmp).

The OldEmp in this transfer is a very large banking client with a South African and African footprint. The employees employed in this section serve as information-
technology specialists that support payment technologies, especially payroll functions of clients in the banking environment (Field notes, 10 June 2010).

Based on their operational requirements, the OldEmp had decided to outsource this function to the NewEmp on the business rationale that the bank neither has the expertise nor does it want to invest in the expertise to support this function within the bank. Consequently, employees spending 51% of their time in supporting the defined technologies were required to move to the NewEmp. It was agreed that employees that have supported the OldEmp in their current capacity will continue to do so. At the date of transfer and under the ambit of Section 197 of the Labour Relations Act, the employees moved from their premises at the OldEmp to that of the NewEmp.

3.2.2 Time line

To provide a clear idea of the landscape of the Section 197 transfer event from the OldEmp to the NewEmp, one needs to take due cognisance of the outsource time line. This particular outsource transfer lasted 11 months, that is, from the initial date of 10 June 2010 until 1 May 2011 when the successful transfer of the employees to the NewEmp had been completed.

The fieldwork was conducted from September 2011 to June 2012. More particularly, I conducted intermittent interviews with the participants during this period, captured data in my reflected field notes and gathered other relevant information from documents such as e-mails, policies, procedures and project plans of the NewEmp.

It came as no surprise to me that the participants’ experiences and views of the outsource transfer were deeply rooted in the process events that had taken place during the transfer and specifically formed part and parcel of the staff migration plan.

3.2.2.1 The Staff Migration Plan

To regulate activities, the Human Resources team of the NewEmp had drafted a working document, the “Staff Migration Plan” after the initial discussions with the employees regarding their proposed transfer on 9 September 2010. This plan which "details the required outcomes, activities and time frame schedule within which it is
envisaged that the staff migration process would be effected ” offers a summary of all the transfer activities (Transfer process, December 2010)

TABLE 3.2.2.1: THE STAFF MIGRATION PLAN

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Information session</td>
<td>OldEmp provide facts and information on current status of 197. Roadshows with affected staff</td>
</tr>
<tr>
<td>2</td>
<td>Due Diligence: Detailed Total Cost to Company information for each employee</td>
<td>OldEmp Human Resources to produce a breakdown of each individual’s package and employment benefits. Provide additional information as per Transfer Company request.</td>
</tr>
<tr>
<td>4</td>
<td>Proposed packages</td>
<td>NewEmp establishes equitable Total Cost to Company packages. Equality based on Total Cost to Company figures.</td>
</tr>
<tr>
<td>5</td>
<td>HR Roadshows – initial information and briefing</td>
<td>Presented by NewEmp.</td>
</tr>
<tr>
<td>Outcome</td>
<td>Activity</td>
<td>Date</td>
</tr>
<tr>
<td>---------</td>
<td>----------</td>
<td>------</td>
</tr>
<tr>
<td>session</td>
<td>Presentations and Q&amp;A session</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Transfer Company (NewEmp) benefits, high-level career opportunities.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Frequently asked questions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contact names and telephone numbers for queries</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Detailed Total Cost to Company information for each employee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Discuss remuneration package</td>
<td>14 - 18 February 2011</td>
</tr>
<tr>
<td></td>
<td>Re-structure packages.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Produce letter of offer and employment contract, information brochures and various employment forms.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q &amp; A</td>
<td></td>
</tr>
<tr>
<td></td>
<td>HR Issues</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Establish career aspirations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Aspirations career planning</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Training requirements</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Determine skills base</td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Outcome</th>
<th>Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>input to skills matrix</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Perceived job definitions</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Meeting regarding Employee benefits: Pension, Provident and Medical Aid.</td>
<td>24 February 2011</td>
</tr>
<tr>
<td></td>
<td>Personal Data Questionnaire</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Application for Medical Aid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Funeral Fund Application form</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accidental Death and Disability Application form</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bank and Tax details form</td>
<td>Nomination of Beneficiary</td>
</tr>
<tr>
<td>9.</td>
<td>Transfer date</td>
<td>1 May 2011</td>
</tr>
<tr>
<td>10.</td>
<td>Review Process</td>
<td>After transfer</td>
</tr>
</tbody>
</table>

Source: Transfer process, 1 December 2010
Despite the best intentions of the NewEmp, the employees were only officially transferred on 1 May 2011.

3.3 INTRODUCING THE RESEARCH PARTICIPANTS

Table 3.3. offers key socio-demographics of the participants.

**TABLE 3.3 RESEARCH PARTICIPANTS DEMOGRAPHICS**

<table>
<thead>
<tr>
<th>Research Participant</th>
<th>Gender</th>
<th>Ethnicity</th>
<th>Age</th>
<th>Tenure with outsourcing organisation (Old Organisation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>Female</td>
<td>White</td>
<td>42</td>
<td>20 years</td>
</tr>
<tr>
<td>R2</td>
<td>Female</td>
<td>Coloured</td>
<td>47</td>
<td>15 years</td>
</tr>
<tr>
<td>R3</td>
<td>Female</td>
<td>Indian</td>
<td>50</td>
<td>13 years</td>
</tr>
<tr>
<td>R4</td>
<td>Female</td>
<td>Coloured</td>
<td>42</td>
<td>19 years</td>
</tr>
<tr>
<td>R5</td>
<td>Female</td>
<td>Black</td>
<td>30</td>
<td>2 years</td>
</tr>
<tr>
<td>R6</td>
<td>Female</td>
<td>Coloured</td>
<td>31</td>
<td>10 years</td>
</tr>
<tr>
<td>R7</td>
<td>Female</td>
<td>Coloured</td>
<td>41</td>
<td>15 years</td>
</tr>
</tbody>
</table>

The seven participants were all women from various ethnic backgrounds found in present day South Africa. Their ages ranged from 31 to 50 years and they mostly represent the Baby Boomer generation (1946 to 1969) (Codrington & Grant-Marshall, 2004).

The average tenure of employees with the OldEmp was approximately 13 years and their views would therefore represent the views of employees with a longer tenure before outsourcing.
3.4 THE SOCIAL CONSTRUCTION OF THE OUTSOURCE TRANSFER

In analysing the data, I classified the employees' experiences (Table 3.4) into the following categories: Phases covering their experiences and their views regarding events before, during and after the outsource experience. In table 3.4 below, I indicate the various phases for the outsource transfer, the main themes that had to be addressed and the different categories or subcategories of these themes. In addition, this table takes into account the time line and interrelationship of themes and categories. In my discussions with the transferees, I focussed on defining their words or concepts so that these could be grouped into the themes and/or categories.

TABLE 3.4: OUTSOURCE EXPERIENCES ACCORDING TO PHASES, THEMES AND CATEGORIES

<table>
<thead>
<tr>
<th>PHASES</th>
<th>THEMES</th>
<th>CATEGORIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation Phase</td>
<td>Defining Section 197</td>
<td>Labour Relations Act: Retrenchments</td>
</tr>
<tr>
<td></td>
<td>Information from the OldEmp</td>
<td>Threatening</td>
</tr>
<tr>
<td>Negotiation Phase</td>
<td>Free Will (Choice)</td>
<td>Labour Relations: Legal Security</td>
</tr>
<tr>
<td></td>
<td>Promised Opportunities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Terms and Conditions</td>
<td>Medical Aid, Pension/Provident</td>
</tr>
<tr>
<td>Transition Phase</td>
<td>Management</td>
<td>Conditions of Service</td>
</tr>
<tr>
<td></td>
<td>Change</td>
<td></td>
</tr>
<tr>
<td>Stabilisation Phase</td>
<td>Trust</td>
<td>Opportunities</td>
</tr>
<tr>
<td></td>
<td>Identification</td>
<td>Training</td>
</tr>
</tbody>
</table>
Let us now examine the phases, themes and categories in more detail.

3.4.1 The Preparation Phase

According to the research participants’ perception, they saw the preparation phase as the period when they were given background as to what the Section 197 provision meant to them within the ambit of the Labour Relations Act. During the interviews, they referred to security offered by the protection of the Section 197 provision in outsourcing transfers. They emphasised the protection Section 197 offer employees who have been taken over as part of a going concern and the fact that no retrenchments which related to the transfer were allowed within 12 months after the said transfer. Here follows some of the extracts from the interviewees in their own words:

R5: “Section 197 concerns are taken as is with no risk. Nothing is taken away from you”

R1: “I know that for a period that we are not allowed to be touched. I feel my retrenchment is coming 1 May (2012 – 12 months after the transfer)

R2: “It’s a good thing but it is only for a year that we have protection

R4: “Uncertainty of not knowing what to expect on this side (at the NewEmp). The process, I did not know how it would be done. I went to the Internet to look at the Section 197, but I did not understand it.”

In all the interviews and conversations I had with the participants, they underscored the initial communication by the OldEmp who had given them information about the possible outsource transfer and had explained the concepts of Section 197 of the Labour Relations Act. According to me, this communication falls in the preparation phase. The following excerpts from interviews are illustrative:

R1: “My fear was that me being forty three years old, how difficult would it be for me to get another job, without proper training.”
R2: “Last year was something I would never thought would have happened to us, on the 1\textsuperscript{st} of September last year, I remember it very clearly. I didn’t even think something like this could happen. I would never have thought. It was shocking, very shocking.”

R3: “Rather have a job than no job. That’s your choice. Emotional roller-coaster with a lot of factors involved, not only just the transfer.

R4: “There was not even a rumour that I heard. Just told on this day 1 September. This is what’s going to happen. I am not going. I am to go get another job. Okay, I will go and try and see how it works out. Maybe it might be an opportunity for me

R5: “It was a bit nerve-wrecking because you hear things No one was direct, eventually some bird sang. They called us in and said this is what is going to happen before you hear it from someone else. Nobody is straight out always a rumour. It was supposed to be that the NewEmp merged with the OldEmp then a rumour and then reality.

Be open and frank. Don’t beat around the bush it creates uncertainty. People start to whisper.

I felt insecure. People were taking decisions I didn’t trust because it felt they were out to get me. Companies only look at their own best interest.”

During the interviews the women also emphasized the role the OldEmp played in communicating the impending outsource transfer to them:

R3: “OldEmp could not give us information, When asked questions they had to go find out. They were stressed out.”

R5: “They did not give us information. We came to NewEmp for presentations here … (NewEmp manager’s name) said OldEmp knew for a long time but they did not say anything.”

There was no proper communication”
R6: “We were not given all the information, they were not forthcoming with regards to our pensions and all our things. Not knowing and not getting information. They don’t update you. There is hardly any information.”

Two participants used rather interesting metaphors in referring to a discussion the OldEmp had with them on 1 September 2010:

R6: “Either you are on the boat or you are off the boat.”

R7: “Either you stay on the bus or you ship off.”

3.4.2 The Negotiation Phase

This phase entails the period when participants were faced with the choice to either stay in the service section or leave the organisation all together. The phase is more specifically characterised by activities 4 to 8 of the process, namely:

4. Proposition of new packages to employees

5. HR roadshows with the new Employer

6. Detailed total cost to company

7. Meeting with regard to employee benefits

8. Contracts of employment signed and accepted.

R1: “It was a case of that if you wanted to apply for a job in OldEmp you have the opportunity. But it is also a sense of that you would want to go with them.”

R2: “At that time I was looking for another job.”

R3: “It was a matter of choice or leniency, they could have said that … they had control and you had no say over anything, you just had to follow the lead. No choices were given. You just had to follow the lead."
We could decide whether we wanted to stay or put our CVs out there to find opportunities for us, because now we are sitting and riding that tide and then the tide gets ripped out from under us and we fall. We could have made provision in the time that we were told to send out our CVs and make applications elsewhere.

Five of the women indicated that if provided with a choice they would all return to the OldEmp:

R2: “I would go back to OldEmp. I would feel more secure.”

R3: “I would have loved to have stayed with OldEmp…”

R4: “I would go back to OldEmp purely for travelling. The culture is different here.”

R6: “I would go back any time.”

The participants highlighted the fact that the Section 197 outsource transfer provides employees with the same benefits as they had enjoyed with their former employer. Nevertheless some participants were dissatisfied with the terms of the outsource transfer and the benefits they had received:

R2: “The mere fact that it was Midrand, the distance put us off. We have to accept that we were going. This was my stress how am I going to get transport. They have compensated us for our benefits but there are no bonuses at OldEmp.

R3: “Thinking of the pensions and our shares that we were supposed to get from OldEmp. We were made to believe that we were in a better position because we had a job. They told us we were not losing, but we are losing. Lots of here and there highs and lows playing with our emotions.”

“Our packages were restructured and our Medical Aid will change. But I had no option or choice. So I was forced to go on Medical Aid. You were forced to change Medical Aid. We were told that we will enjoy all our benefits and will not be penalised for anything. Here I am sitting and I am waiting for something to happen.”
“Maybe I could get my Pension out of the OldEmp. They took away my choice to get my Pension out, everything transferred to NewEmp, so there is nothing you could do about it.”

R4: “It is different in terms of the personal side. Accrued leave is very different to OldEmp in that you forfeited your leave. Travelling is a great issue. It is far and tiring.”

R5: “My leave has been reduced, but honestly the benefits have gone down even if added to my basic salary. We didn’t have a choice. The work-back period for maternity leave at OldEp is four months here it is twelve months. HR said they can’t change it. Even though equalised, I don’t feel the value of the benefits.”

On several occasions the interviewees mentioned the extreme importance of providing and obtaining information during the negotiation phase:

R2: “Try to find out more about the company that you are going over to. Who the people are that operate the company.”

R3: “Call a meeting and address everyone, don’t address first line then second line. Have a meeting every second Monday.”

R4: “Information is very important.”

R5: “Approach people on time. People should not feel threatened that they will be in trouble so prepare the people in time. three months beforehand. Have answers for employees.

Three of the participants made reference to Activity HR Roadshows, that is, the initial information and briefing about the proposed transfer. During this intervention, the high-level transition plan was shared with the employees from a NewEmp perspective. The NewEmp ensured that a psychologist was present during this intervention and it is clear that this made an extremely favourable impression on some of the participants.
R2: “People of NewEmp came over to us and explained to us. They had a psychologist with them. I went to him and said I was scared. As from that day he made me feel better.”

R3: “They had a psychologist. They made sure we had a session with him.”

R4: “I was scared the psychologist said that nothing in life and business and is guaranteed. Businesses go down every day, we know that now.”

3.4.3 The Transition Phase

The transition phase refers to the actual move from the OldEmp premises to the NewEmp premises and indicates the differences experienced by the interviewees with respect to the two organisational cultures and premises. A number of the participants referred to their management’s role and support during the transition phase. Some had rather negative experiences, whilst others were grateful to management and particularly appreciated the fact that two of the line managers had moved with them:

R1: “It is human nature to stay and be good to the captain. If the management did not come over I would have felt differently. Like sheep to the slaughter.

R2: “She tried to make us feel better, she was there for us.”

R3: “The worst part of the transfer was management did not know what was going on. First management told us that we could get our pensions, then the HR managers that sat in Johannesburg said it is not advisable but you could get it. Then we were told not to get our pension. Then we were told that we can’t get our shares. Here we told only in 2014 then not the whole 10 year shares. Everything starts with managers. We need an open relationship with management - at the end of the day we are discussing our careers.”
R4: “Management was not open with us. First they told us we will be paid out then said it will be a Section 197. Management was unsure which made me unsure.”

Other experiences and perceptions about the change during the transition phase are:

R1: “Same job different setting. The only thing that has changed is our office setting.”

R2: “Nothing has changed for us really, our colleagues are the same, our management is the same, our work is the same, but only the premises changed.”

R3: “At the end of the day I look at it with my own eyes. There was a lot of negativity. All is not lost so we still have a job.”

R4: “The change was dramatic. The financial institutions operate very differently to business. When we first heard it did not seem like such a big change until the meeting and presentations then it sank in.”

R6: “The way NewEmp operates is different. There are some big things that are a bit questionable. It is not the same scene.”

3.4.4 The Stabilisation Phase

The stabilisation phase provides insights into how the research participants had adjusted to the NewEmp culture and way of work. In this case, the employees made particular reference to the trust that was prevalent in the NewEmp.

R1: “I am still not sure whether they took us for our expertise of for our client list.”

R2: “I think one needs to always get everything in writing. A lot was said to us so the trust has been broken. So I take everything that comes my way with a bit of salt and in writing.”
R3: “The trust has been broken, but it is getting better now.”

R6: “Trust remains an issue. Going through an experience like this one, I don’t trust.”

Some positive experiences in NewEmp employment include:

R1: “Training opportunities are always available with the NewEmp.”

R2: “Change is not always bad - there are always opportunities. You have learnt lessons.”

R3: “There are some positive things happening like a study loan. There is more involvement now than there used to be.”

Insightful are the following remarks regarding the women’s identification with the new organisation and their socialisation with new peers and colleagues:

R1: “The NewEmp people, I am still testing the water. I don’t really know them? You have to feel some sort of trust to confide in them.”

“We still get labelled as the OldEmp. People refer to us as OldEmp. It doesn’t make me feel that I don’t belong - it’s that type of labelling and even five years down the line we will still be labelled as ex-OldEmp.

R3: “We are not an OldEmp group sitting in a NewEmp office space referred to as OldEmp. I do feel we need to integrate more. We just do our little jobs. We are not integrated. We are still separate.”

R4: “I do feel part of the NewEmp.”

R5: “Not yet there. Maybe it is because the trust is not yet there where it should be.”

R6: “I don’t feel an attachment with the NewEmp. I am sure if affects productivity.”

In addition to the preceding issues, I extracted themes that don’t belong to a particular phase and which warrant mention. I call these "general" themes.
3.5. GENERAL THEMES

Firstly, all participants grappled with the issue of choice and the disempowerment brought about by the outsource process.

R1: “The only choice we had was to apply for a job elsewhere or go.”

R2: “..., they had control and a say over everything. You just had no say, you just had to follow the lead. No choices were given. Our hands were tied.”

R3: “We had no option or choice.”

R4: “..They took away my choice..”

R5: “We didn’t have a choice.”

R6: “… our choice was either you are on the boat or off it.

A second general theme that emerged, was the lack and inconsistency of information and leadership communication throughout all the phases of the outsource process.

R2: “Get everything in writing…. No you said I said …”

R3: “Be open and frank. Don’t beat around the bush, it creates uncertainty.”

R5: “There was no proper communication.”

R6: “They did not give us information.”

R7: “We were not given all the information, they were not forthcoming…”

3.6. CONCLUSION

In this chapter I provide an account of the research participants' social construction of an outsource transfer. Initially I sketched the key events of the outsource incident
and the process creating a contractual landscape. Secondly, I introduced the seven participants, and then described the insights and themes I had gained as I endeavoured to make sense of the participants’ experiences and views. Finally I described the social construction of the outsource transfer with respect to the outsource time line and activities as well as the general experiences and perceptions of the affected employees.
CHAPTER 4
SCHOLARY UNDERSTANDING
OF THE
OUTSOURCING PROCESS
4.1 INTRODUCTION

In this chapter I review the empirical research on outsourcing and provide an analysis of key theoretical constructs available to illustrate outsourcing experiences. The empirical research that I’ve used assists in providing a contextual framework of related theoretical and empirical models to help understand the employees’ experience in outsourcing. Firstly, I critically review the Labour Relations Act 66 of 1995 that provides the framework for the outsource transfer. Secondly, I examine outsourcing and its associated concepts. Lastly, I will consider theories and empirical research of theoretical constructs identified as part of the outsourcing experience.

4.2 SECTION 197 OF THE LABOUR RELATIONS ACT

Under common law, contracts of employment are the property of the business in which employees are employed. In case of a transfer or the sale of a business, the owners of the new business are free to decide whether they want to re-employ employees or end their contracts (Du Toit et.al, 2006). According to the common law principle, contracting parties (seller and buyer) do not have the right to assign the contractual rights of a third party without that party’s consent. It is clear that the application of this principle will have an adverse effect on the employment security of employees in case of a sale of a business or in instances of insolvency.

Section 197 of the Labour Relations Act, No 66 of 1995 (LRA) was enacted to change the common law position and offer job security to employees in business transfers (Du Toit, et.al, 2006). This provision allowed for an automatic transfer of employees’ contracts of employment from the old employer to the new without it being necessary to request the employees’ consent.

The interpretation of this provision by the legislature was not as clear as its original intention. The Labour Appeal Court (LAC) found in 2002 that the contractual relationship between transferor and transferee was the deciding factor in enacting the Section 197 principle (Du Toit, et.al. 2001). Subsequently the Labour Relations Act was amended with the introduction of a new Section 197, 197A and 197B to replace the existing Section in the hope that this would eradicate the interpretational confusions (Bosch & Mohamed cited in Du Toit, et al, 2002).
Section 197 (1) and (2) of the Labour Relations Act, No 66 of 1995 reads as follows;

“197 Transfer of contract of employment

(1) In this section and in section 197A –
   a) “business” includes the whole or part of any business, trade, undertaking or service; and
   b) “transfer” means the transfer of a business by one employer (“the old employer”) to another employer (“the new employer”) as a going concern.

(2) If a transfer of business takes place, unless otherwise agreed in terms of subsection (6):
   a) the new employer is automatically substituted in the place of the old employer in respect of all contracts of employment in existence immediately before the date of transfer;
   b) all the rights and obligations between the old employer and employee at the time of the transfer continue in force as if they had been rights and obligations between the new employer and the employee;
   c) anything done before the transfer by or in relation to the old employer, including the dismissal of an employee or the commission of an unfair labour practice or act of unfair discrimination, is considered to have been done by or in relation to the new employer; and
   d) the transfer does not interrupt an employee’s continuity of employment and an employee’s contract of employment continues with the new employer as if with the old employer.”

To understand the Section 197 provision, four elements of Section 197(1) should be explored:

- Business or part thereof;
- Transfer (by one employer to another employer);
- Business as a going concern;
- Rights and obligations of employees.
The term “Business” seems to be clear-cut, but with the transfer of a part of a business, the interpretation becomes more difficult. According to European and British courts, to which we look for interpretation when applying similar legislation, the term business may include tangible or intangible components, assets, goodwill, management staff and most concepts linked to the working of a business (Spijkers v Gebroeders Benedik Abattoir v AlfedBenedik en Zonen, 1986 2 CMLR 296).

Whether outsourcing falls within the business as a going concern when a service or activity has been discontinued and outsiders had been engaged to perform such an activity, has been debated by the courts. In the Labour Court judgement of SAMWU v Rand Airport Management Co (Pty) Ltd and Others (2002) 12 BLLR 1220 (LC), it was found that the non-core gardening services did not amount to a business to be transferred. However, this decision was overturned by the Labour Appeal Court (LAC) in 2005 which indicated that the outsourcing of gardening services does in fact include services or a part of a service in the definition of a “business” in Section 197(1).

The “transfer” of a business as a going concern could include a sale, merger, takeover, outsourcing, exchange, donation or any other mechanism which has the effect of shifting an entity from one owner to another (Pattel, 2012). This was confirmed by the courts in Schutte v Powerplus Performance (Pty) Ltd (1999) 20 ILJ 655 (LC) which further expanded its reach to the broader process of restructuring in a company or group of companies, donation or in the event of a partner leaving a partnership.

According to Patel (2012), the term “going concern” is not explicitly defined in the Labour Relations Act, but from judgements in the Constitutional Court, Supreme Court of Appeal and the Labour Appeal Court, the following characteristics emerge:

- A review of the factual circumstances surrounding the transfer including, but not limited to, the type of business, the transfer of assets tangible and intangible, the customer or client based and the similarity of activities before and after the transfer of the business.
- The review of the purpose of Section 197 which includes the employees’ security of employment and tenure were affected by the transfer.
The main protection afforded by the Section 197 provision of the Labour Relations Act, is the fact that the new employer is automatically substituted for the old one and this takes place without any need to consult or to obtain any consent from either one of the parties (new employer, old employer nor employees). The new employer steps automatically into the shoes of the old employer in respect of all the terms and conditions of employment and disciplinary records, contractual claims and other reciprocal obligations arising from the employment relationship (Du, Toit, et.al, 2006).

Section 197 (2) (d) affords employees the right to continuity of employment. This is further supported by Section 187(1) (g) of the Labour Relations Act which indicates that any dismissal related to the transfer of a business as a going concern, will automatically constitute an unfair dismissal. This provision allows employees with more remedies to disprove their dismissal if related to a transfer of business as a going concern. Protection is afforded to employees that if their dismissal resulted from operational requirements – that is restructure or retrenchment – their severance payment would be based on the premise that they had continued their employment with the old and new employer.

Section 197 (3) (a) allows for employees to be transferred from the old employer to the new one on terms and conditions that are generally not less favourable to the employees than the prevailing ones when they were employed by the old employer. The employer may, however, transfer employees to a pension, provident, retirement or similar fund other than the fund to which the employees had belonged prior to the transfer, provided that the criteria in Section 14 (1) (c) of the Pension Funds Act, 1956 (Act 24 of 1956), are met.

Section 197 (7) provides for the new and old employer to enter into an agreement on formalities for the commercial partners in the transfer of the business. Non-compliance to this agreement may result in post-transfer liabilities for old employers (Patel, 2012). Based on the date of transfer, the old and new employer must agree on the values of various monetary amounts due to employees such as accrued leave, severance pay that would have been payable and any other unpaid amounts that had accrued to the employees. The old and new employer should also agree on which employer would be liable to pay these agreed amounts. Employees should be
informed of the terms of such agreements as part of the transfer. According to Section 197(8), the old employer is jointly and severally with the new employer liable for a period of twelve months after the date of transfer to pay any employee who becomes entitled to such a payment as a result of his dismissal for a reason related to the employers’ operational requirements or the employers’ liquidation or sequestration.

4.3 OUTSOURCING

Outsourcing can be defined as a particular form of externalisation of employment, previously called subcontracting. It involves an outside contractor or service provider performing an in-house function (Purcell & Prucell, 1998). Over the years, several activities have been transferred using this method, including catering, cleaning, security, information technology and recruitment services (Fisher et.al, 2008; Gonzalez, Gasco & Llopis, 2006).

According to Jenster and Pedersen (1999, p. 264), an employee outsource transfer is defined as the situation when a certain activity previously undertaken by in-house employees is transferred and becomes controlled by an outside company. The same employees may continue to perform the same activity; however, they are no longer employees of the company in which they physically carry out their work.

According to Sohail (2012), information technology is one of the services most often outsourced. This is due mainly to information technology’s complexity and sophistication. Companies differ frequently in the degree to which they outsource their information-technology services. The most common reason for this is the results of a cost-benefit analysis (Johnston, Abader, Brey & Stander, 2009). According to Lacity and Hirschheim (1993), information-technology outsourcing can cut costs by as much as 10 to 15%. Some of the additional benefits include technical considerations and a reduction in the inherent risk prevalent when spending large amounts of money on technology (Costa, 2001 & Mahmood et. al, 2001).
According to Morgan (2009, p.192), there are several types of outsourcing:

- Firstly, full outsourcing exists when an entire function or department is outsourced and handed over to one or more suppliers;
- Selective outsourcing again occurs when a specific function is outsourced, such as the payroll function in Human Resources.

In each of the above types of outsourcing, a single, dual or multi vendors may be involved. This can lead to a multitude of complexities, especially as regards process and contractual relationships. In outsourcing contracts, time frames are crucial as contracts are often of a long-term nature such as two, five or even ten years.

First-generation outsourcing or transfer of business occurs when there is a direct contractual relationship between the old and new employer. This principle is found in case law in *SAMWU & Others v Rand Airport Management company (Pty) Ltd & Others* (2005) 3 (BLLR) 241 (LAC). In this case the Labour Appeal Court held that the outsourcing of gardening and security services constituted a service and could be transferred under the ambit of Section 197 of the Labour Relations Act.

![Figure 3: Pictorial view of a first-generation outsource transfer](image)

Figure 3: Pictorial view of a first-generation outsource transfer
However, there was still the controversy as to whether Section 197 was applicable to second-generation outsource transfers (Patel, 2012). A second-generation transfer takes place when the business changes hands without there being any contractual agreement between the transferring entity and the new employer or service provider. The only contractual agreement is the one between the original employer and the old service provider.

Upon the termination of a service provider’s contract with the “parent” organisation or the organisation to which services had been provided, a new contract is negotiated with a new service provider based on particular considerations. The new contract is then awarded based on these principles. The employees are required to transfer from the current incumbent service provider to a new service provider with whom they have no relationship, either contractually or otherwise. This type of transfer usually takes place between competing entities within a particular market and may result in a situation where specialised and/or high-performing employees are clandestinely taken into the incumbent service-provider organisation or are provided to the new organisation under duress.

Figure 4 below depicts the second-generation outsourcing scenario:
Figure 4: Pictorial view of a second-generation outsource transfer

According to a recent judgement by the Constitutional Court in *Aviation Union of SA & Another v SAA (Pty) Ltd & 2 Others (2011) 32 ILJ 2861 (CC)*, it was confirmed that in a second-generation outsourcing, the Section 197 provision would still be applicable. The implication is that employees can have the same job, terms and conditions and client(s) for an extended tenure but with several employers.

### 4.4 RESEARCH ON EMPLOYEE OUTSOURCING

Limited empirical research is available in the South African context on outsource transfers. In the section below I therefore provide empirical international research done on outsourcing in business transfers and employees’ perceptions of outsourcing.

#### 4.4.1 Outsourcing phases

Morgan (2009) suggests that from a management or service vendor perspective, outsourcing can be divided into six stages.

The *scoping outsourcing stage* covers the strategy formulation period when activities in the organisation are identified and areas for possible outsourcing are selected. During this stage it is important for employers to reassess the business rationale underpinning the outsource transfer.

The *preparation stage* in outsourcing allows for baselines to be measured and evaluation criteria to be developed. From a vendor and employer perspective, attention must be paid to the outsource scope, supplier grouping, financial impact, pricing frameworks, duration, resource ownership and commercial relationships.

During the *negociation and selection phase*, due diligence is conducted, service-level agreements are outlined and a supplier or outsource partner is selected. In the outsourcing transition stage, the contract will be refined and interpreted when the relationship with the new partner is established and solidified. During this stage,
employees are transferred from the old to the new employer. The *maturity stage* is identified by the level of stability reached after the transfer. This will be the time when knowledge acquisition takes place and relationship-specific investment starts to take effect. The last stage of re-scoping occurs when the organisation needs to return to the stage of scoping and reassessing its strategy. In many cases new vendors are selected or employees are even “back sourced” to the “parent organisation”.

### 4.4.2 The employee and the outsourcing experience

In a study conducted by Morgan and Symon (2006), it was found that employees subjected to an outsource transfer; experience a sense of a lack of control, anger and uncertainty about the future. They cited their lack of control during the transfer process as one of their biggest frustrations. Transferred staff normally found it difficult to move on. This is rendered more difficult by the fact that in fulfilling their tasks, they continue to have contact with the old organisation. It is interesting to note that research done on downsizing, has indicated that employees who had retained their jobs, experienced a type of “survivor syndrome” (Allen et.al, 2001). These employees had a feeling of guilt since they had been fortunate enough to have been retained within the original organisation. Employees that have been transferred may on the other hand experience a sense of loss and envy towards those that had remained within the original organisation. This could be tempered by a feeling of relief that – although in a new organisation - they still had a job.

Kubler-Ross's (1969) bereavement metaphor can be extremely helpful when trying to understand employees' feelings and experiences during a transfer. The metaphor suggests that an employee would experience feelings of disbelief, denial, anger, emotional bargaining and depression, followed by acceptance.

The model developed by Levin (1951) namely unfreezing, changing and refreezing can be useful in the outsourcing transfer. In outsourcing, “unfreezing” can be designated as the separation from the old employer and will definitely be influenced by the manner in which the old employer dealt with the initial communication. The changing stage will be the transition period when employees still find themselves in an unstructured or ambiguous state (Morgan, 2008). The refreezing can be aligned to the integration stage when employees are incorporated into the new organisation.
One way to conceptualise human needs in an outsourcing transfer is to apply the work of the well-known and much cited American psychologist Abraham Maslow (Burnes, 1992). The researchers Jenster and Pedersen (1999) have applied Maslow’s hierarchy of human needs in considering the implications of employee transfers on the individuals.

**TABLE 4.4.2 Maslow’s hierarchy of human needs and the HR implications in employee transfers in case of facility-management contracts (Jenster & Pedersen, 1999, p.265)**

<table>
<thead>
<tr>
<th>Maslow’s hierarchical needs</th>
<th>HR management vocabulary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Physiological needs – such as hunger, thirst, sleep. Only when these basic needs have been satisfied, will other needs emerge</td>
<td>1. Conditions of employment – salary, pension benefits, work hours, transport</td>
</tr>
<tr>
<td>2. Safety needs – security and protection against danger</td>
<td>2. Job security – stability, protection against arbitrary dismissal</td>
</tr>
<tr>
<td>3. Social needs – need to belong, gain love and affection</td>
<td>3. Social interaction with colleagues – need to belong to a company and/or group</td>
</tr>
<tr>
<td>4. Esteem needs – desire to be respected</td>
<td>4. Attention from management – be respected for professional achievements</td>
</tr>
<tr>
<td>5. Self-actualisation needs – achieve one’s full potential</td>
<td>5. Professional and personal development – challenges, continuous learning and up-grading of competencies, career advances</td>
</tr>
</tbody>
</table>

**4.4.2.1 Job Insecurity**

Job insecurity is commonly experienced during outsourcing transfers and can be a significant factor which contributes to employee stress (Sverke, Hellgren & Naswall, 2002). The involuntary nature of the outsource transition can be viewed as a threat to an employee’s sense of control and may negatively impact on his sense of meaning and belonging (Ashforth, 2001). Morgan (2011) makes reference to Fineman (2003) who describes employees spending time on gossiping and politicking as defence mechanisms to make the change more bearable. This could of course have an adverse effect and lead to further emotional contamination.
Collective transition when an entire undertaking is transferred can assist employees as a group as this would facilitate the sense-making process and may assist in resolving ambiguity and anxiety (Morgan, 2008).

### 4.4.2.2 Identity and identification

An individual’s social identity result from knowledge and feeling that he belongs to a particular social group or groups. He furthermore experiences specific emotional and value significance by being a member of such as group or groups (Logan & O’Leary-Kelly, 2007, p. 157). Research has suggested that an individual’s identity within his social realm helps him to minimise uncertainty in a changing world. It is widely acknowledged that an individual’s sense of identity is critical as it supports work-related outcomes such as organisational commitment, cooperation, cohesion, compliance, turnover, job involvement and worker satisfaction (Brown, 1969, Dutton, Dukerich & Harquail, 1994; Hall, Schneider & Nygren, 1970; Lee, 1971, Mael & Ashforth, 1995, O’Reilly & Chatman, 1986).

According to research done by Ashforth and Johnson (2001), employees’ work have several work-related identities that are ordered hierarchically. This grading includes “higher-order” identities which are focussed on the organisation itself as well as “lower-order” identities which refer to identities at a lower level such as divisional, departmental, work groups and job roles. All these identities are tightly inter-related which means that a change in one can trigger changes in one or more of the others. If a significant organisational change such as an outsource transfer and/or change of employer occurs, this could have a negative effect on the employees’ higher-order identity and lower-order identity due to the interrelated nature of these identities.

According to Haunschild et al (1994), workers are likely to identify with the new employer and discard the old, if the new employer is considered superior to the old one. However, if the new employer is considered inferior to the old one, group members will strive to protect their identity and their concomitant self-esteem. Some concepts that have shown to influence the social identity of employees is the similarity between groups, the new employer’s ability to support or complement the host company and the reputation of the new employer.
4.4.2.3 Organisational commitment

A challenge experienced in the outsourcing realm is that of employee commitment (Connelly & Gallagher, 2004). Employees may develop a loyalty to one or more client organisations in addition or instead of their commitment to their outsourced employer (Fisher et al, 2008). Organisational commitment can be defined as the psychological loyalty workers feel towards their employer (Allen & Meyer, 1990; O'Reilly & Chatman, 1986). Research in externalised working relationships such as temporary work and contract work have indicated that employees may be more committed to the client organisation than the “owner” organisation (Liden, Wayne, Kraimer & Sparrowe, 2003). According to McElroy et al (2001) commitment to external organisations through outsourcing is affected by the characteristics of both the organisations, the individual’s characteristics such as his tenure and personality and lastly the nature of his interactions with both organisations.

In research done by Benson (1998) and Kessler et al. (1999) on employee attitudes and perceptions, it was found that outsourced employees maintain their commitment to the old employer and that this commitment was stronger than their commitment to the new employer. Variables that could influence an employee’s level of commitment include stress levels, resource adequacy, role ambiguity and supervisory support.

According to Kessler et al (1999) three elements influence the employees’ perception of an outsourcing transfer and in essence his commitment. The first influence is the way in which the old employer treats employees. Secondly, the new employer’s attractiveness or its “pull” will influence the perception of the employees. Lastly, the reality of the new employer or the “landing” contributes to employees’ commitment. It is understandable that the attitudes and perceptions of employees about their old employer will affect both the “pull” and the “landing” of employees in an outsource transfer.
4.4.2.4 Organisational justice

Organisational justice is a concept described by Morgan (2011) and which will influence an employee’s perception of an outsource transfer. According to Bryne and Cropanzano (2001) there are three concepts of organisational justice that could apply in an outsourcing scenario:

- **Distributive justice** – This relates to perceptions of fairness about the outcome and examples are equity and equality. The focus here is outcome orientated and employees will for example look at who has lost their job and who not? In outsourcing terms, the emphasis will be on who was chosen as part of the outsource transfer and was this fair?

- **Procedural justice** – This issue focuses on the methods or procedures that had been used such as the decision criteria, participation in and control of the outsource-transition process. The emphasis is on how the change had taken place. Did the relevant organisation have a well-thought-out plan or was the process applied haphazardly?

- **Interactional justice** – This is based on the perceived fairness in the interpersonal treatment received during the outsource transfer. For example, were the relevant employees treated with sensitivity, dignity and respect? The focus here is on whether managers and officials displayed compassion and fairness towards those affected by the transfer.

According to Morgan (2011), the perception of justice in case of an outsource transfer may be impacted negatively by the imposed change and the one-way communication by leaders who themselves will experience stress or distance due to their own transition.

4.4.2.5 The psychological contract

The psychological contract can be described as the employee’s relationship with his employer and refers to his perception of the tacit informal reciprocal exchange (Ranganathan & Outlay, 2009). Morgan (2011) defines the psychological contract as the invisible or implicit psychological contract that supplements the formal written employment contract and indicates how people think they should be treated.
According to Rousseau (1995) a distinction can be made between transactional and relational contracts. A transactional contract refers to the employee and employer trading a work-related behaviour for a reward such as compensation. The relational contract refers to mutual obligation where the exchange of loyalty and commitment is traded for certain tenure within the organisation.

Studies on the psychological contract indicate the importance of issues such as commitment, trust, performance and organisational citizenship (Coyle-Shapiro & Kessler, 2002). In a forced change scenario such as an outsourcing transfer, the break in the psychological contract may go against the employee’s need for connectedness and affiliation (Morgan, 2011).

According to Morgan (2009), the concept of the psychological contract may be linked to the organisational-justice theory in that anti-citizenship behaviour was identified with employees where the psychological contract breach was based on low procedural and interactional justice. It is furthermore suggested that the term transactional-psychological contract may be linked to distributive justice, whilst the fulfilment of the relational contract may focus on procedural justice.

### 4.5 CONCLUSION

From the empirical research provided in this chapter it is clear that Section 197 of the Labour Relations Act has not availed itself to an easy interpretation in the outsource arena. Since the establishment of the concept of Section 197 and its applicability to outsourcing transfers in 2002 and the subsequent application in 2011 of second-generation outsourcing, the impact of outsource transfers on employees has increased in importance for outsource services, employers and scholars alike.

Empirical research on outsourcing transfers is heavily rooted in downsizing, mergers and acquisitions and indicates a significant influence on employee satisfaction, productivity and identification. However, empirical research on outsourcing and its effect on the transfer of employees is severely limited.
In the literature review, empirical research on job (in) security, identity and identification, organisational commitment, organisational justice and the psychological contract has been examined to provide context for the interpretation of the research data.
CHAPTER 5
CREATING THE
OUTSOURCING STORY
5.1 INTRODUCTION

In this chapter I create the outsourcing story by offering an outsource transfer model. This was developed when I integrated key experiences and viewpoints that I had isolated from what the research participants had shared about their outsource transfer during our discussions. I furthermore supplemented this with research material and particular points which I had extracted from the theoretical work of scholars.

However, before presenting the model, I first offer more particulars of my transition from research findings to theory.

5.2 TRANSLATING THE RESEARCH PARTICIPANTS’ EVERYDAY, EXPERIENTIAL KNOWLEDGE INTO ABSTRACT, SCHOLARLY KNOWLEDGE

I made use of sets of instruments to develop the model which we will now examine.
5.2.1 The three worlds’ framework

The first tool I used was Mouton's (1996; 2001) *the three worlds' framework* which I believe is particularly useful when conducting qualitative research.

![Diagram](image.png)

**Figure 5:** The three worlds’ framework (Mouton, 1996; 2001).

The first world of meta-science can be described as the philosophical, reflective nature of science and scientific practice. This world focuses on improving scientific practice and the sociology of science. The second world has to do with science and scientific research. This is the search for truthful knowledge by using analytical science tools. The third world has to do with everyday life. It is the world of ordinary people. The interest here is pragmatic knowledge that assists human beings, organisations, institutions and social objects to better cope with everyday life demands.

In addition to this framework, I also made use of another “instrument” which had been developed by Mouton in cooperation with Marais (1990). Let's examine this in more detail.
5.2.2 Social science analytical tools

According to Mouton and Marais (1990) instruments or analytical tools are components of research which scholars use to make sense of the phenomenon they had investigated. These tools can be described as concepts, definitions, hypotheses, typologies, models, theories and paradigms (Mouton & Marais, 1990, p.125).

- **Concepts**

Concepts can be defined as the most basic symbolic construction which people use to classify or categorise reality (Mouton & Marais, 1990, p. 126). Humans utilise concepts to classify unstructured experiences into ordered categories or “pigeon holes” so that they can make sense of these experiences. Researchers follow this approach when they sort empirical experiences into ordered categories or constructs (Anfara & Mertz, 2006).

- **Typologies**

Mouton and Marais (1990, p. 137) define typology as a conceptual framework in which phenomena are classified in terms of characteristics that they have in common with other phenomena. Classification is the more basic method of organising concepts in an ordered framework. An example would be the classification of people as introverts or extroverts. Typology allows for the organising of phenomena based on typical characteristics differentiated according to type. The consequence of abstraction is that no type is ever an exact reproduction of all the characteristics of a phenomenon. The relationship between the type (construct) and the phenomenon is one of approximation. Here it must be remembered that the criteria of a good classification are exhaustiveness and mutual exclusiveness.

- **Models**

According to Mouton and Marais (1990), a model is one of the most ambiguous words in the vocabulary of the social scientist. To differentiate between models and theories in the social sciences, models focus mainly on a heuristic function. Explanatory functions are attributed to theories. A model is seen as a framework which suggests that a phenomenon is structured in a specific manner as indicated by
the model. Such a model is a partial representation of a given phenomenon and only agrees in broad outline to the phenomenon it describes. Gorelle (1981) in Mouton and Marais (1990, p. 141) emphasises four characteristics of theoretical models which distinguish them from physical or scale models:

a) Models identify central problems or questions concerning the phenomenon that ought to be investigated.
b) Models limit, isolate, simplify and systematise the domain that is being investigated.
c) Models provide a new language, game or universe of discourse within which the phenomenon can be discussed.
d) Models provide explanation sketches and the means for making predictions.

In using a model to describe the outsourcing transfer experience, it is my objective to provide a framework that will illuminate human experiences in outsourcing transfers. Due to the fact that individuals try to make sense of their everyday world and to develop insight so that they can cope with the challenges experienced, I offer this model in an attempt to isolate common experiences and so guide scholars in understanding outsourcing transfers and practitioners in implementing these changes.

Before I discuss the model, it is important to briefly outline my position in the use of literature and my approach towards the relationship between theory and research. Firstly, let us turn to the literature review.

What is the role of the literature review in qualitative research? Do we need to do a literature review to find a research question? Once we find a research question or a target area, do we turn to the literature to help refine our questions or frame our approach? Or do we avoid the literature altogether, and let the world of experience lead us directly...?

How do you...use the literature to support your research? Whether we realize it or not, a literature review is an argument, and every argument is built by the use of reasoning. But we do know that qualitative research emphasizes different reasoning skills and strategies. How does this affect
the nature of the literature review in qualitative research? (Shank, 2006, p. 116).

It is extremely important that these and similar questions be addressed (Shank, 2006). Consequently, he (Shank, 2006) offers a binary schools of thought typology to address this contentious matter. The two schools are: (i) the "ignorance-is-bliss" school and (ii) the school of thought where the literature on the research topic is reviewed before one embarks on the fieldwork. "Exponents of the "ignorance-is-bliss" school are of the opinion that qualitative researchers should treat field data on its own terms. One way to ensure that one's field data is given proper weight is to set aside one's predispositions, preconceptions and biases and let the data speak for itself (Mahadeo, 2012, p. 19) (emphasis in original).

While allowing the data speak for it is certainly not something that is easy to do neither is it easy for researchers, I did substantial reading on the topic before commencing with the research. Once one has collected a lot of "stuff", it is difficult to set it aside. Therefore adherents to this school suggest that the literature review be broken up into two stages.

At the outset, you need to read only enough research and theory to make sure that you are not doing research that has already been done. Once you are well into your research, or perhaps at the end of your data collection, then you return to the literature and review it, based on what you have learned from your field experiences. So, it is not the case that you are avoiding a literature review. You are simply altering its timing, because of your need for having as fresh a perspective as possible when you do your data collection (Shank, 2006, p. 117).

Closely related to this, but specifically as regards the analysis, is applying "... the Schutzian distinction (Schutz 1962) between members' practically oriented, first-order constructs or interpretations and the more abstract, transcontextual, second order constructs of social science analysis" (Anderson, 2006, p.381). This brings us
to the basic aspects or logics of enquiry, or differently put, how does one go about relating your research findings to theory, or in terms of Mouton's (2001) three worlds’ framework, how do you move from World 1 to World 2?

Eriksson and Kovalainen (2008) point out that there are two basic models of social science research, namely deduction and induction to bring forward knowledge about the social world. Inductive reasoning follows from more general statements about observed cases or general claims about most cases of the same kind. Deductive reasoning is concerned with the formulation of hypotheses and theories from which particular phenomena can be explained (Eriksson & Kovalainen, 2008, p, 21). In line with my approach to the literature, I used both these "ideal types". In my view this is typically what one finds in present day qualitative research where researchers "...move iteratively between these two during a research process... Abduction refers to the process of moving from everyday descriptions and meanings given by people, to categories and concepts that create the basis of an understanding or an explanation to the phenomenon described" (Eriksson & Kovalainen, 2008, p, 23).

5.3 THE OUTSOURCE TRANSFER MODEL

After having reviewed the literature on outsourcing and specifically the human experiences in outsourcing transfers, I was unable to find a conceptual model that included both the phased approach to outsourcing and employee experiences found in the research data. The model presented by the researchers Jenster and Pedersen (1999) which included the interpretation of Maslow’s hierarchy of needs, provided for me the most valuable model interpretation of the experiences of the employees, but did not include other valuable and well-researched psychological models and concepts.

In my proposed model, I brought both similar concepts in data and literature together to provide a model of the Experience of Outsource Transfer Employees. The model is visually presented in Figure 6.
Figure 6: Outsourcing Transition Model

In the literature as well as the research data it became clear that employees struggle to fully move away from early issues during the outsource process to more advanced states such as organisational commitment if perceptions on distributive, procedural and interactional justice have not been met (Morgan, 2008). This would mean that employees who form part of the transfer process, will not reach a high level of commitment to the organisation if their basic need for fairness in equalising the terms and conditions of employment is not met. This is very much in line with Maslow’s priority of needs theory suggested in Davis (1957, p. 40):

“Psychologists recognise that needs have a certain priority. As the more basic needs are satisfied, a person then seeks the higher needs. If his basic needs are not met, they claim priority, and efforts to satisfy the higher needs must be postponed. A need priority of five levels is established by A. H. Maslow. These needs are:
1. Basic physiological needs
2. Safety from external danger
3. Love, affection and social activity
4. Esteem and self-respect
5. Self-realisation and accomplishment"

The arrows in the model represent the relationship that exists between levels of psychological needs that require fulfilment before an employee can progress to the next level of satisfaction and functioning with his new employer.

The following section provides a description of all the levels and phases in the model.

5.3.1 Preparation Phase

The importance of information constitutes the base line of the outsourcing transition model. Accurate and constant information relayed to the employee is of the utmost importance during each step of the transition. Employees have a strong need to make sense of an unclear situation and will make up information rather than feel they do not know. Opinion leaders may construct a different reality to fill the void created by no or wrong information (Morgan, 2009). Throughout the process, individuals must be allowed and encouraged to discuss the impact on their individual situations. The general theme of employees’ need for consistent and clear information was evident in all the data gathered from research respondents:

R3: “Be open and frank. Don’t beat around the bush it creates uncertainty.”

R5: “There were no proper communication.”

R6: “They did not give us information.”

R7: “We were not given all the information, they were not forthcoming…”

It is important that both the NewEmp and the OldEmp strategise beforehand and decide on a proper communication plan with specific messages and information that
will be shared at appropriate stages to enable employees to prepare themselves sufficiently for the change that the transfer process will bring about. The OldEmp’s inability to provide employees with answers to their questions, created an immense and at times traumatic uncertainty:

R3: “OldEmp could not give us answers. When asked questions they have to go find out. They were stressed out.”

The uncertainty created by the lack of information, would probably further fuel employee mistrust which in turn would affect all the other transfer processes.

Section 197 of the Labour Relations Act does not facilitate the provision of information or consultation with employees who form part of an outsourcing transfer. There are no provisions that require the NewEmp or OldEmp to consult or inform employees about the transfer of the business. Under common law an employee’s contract of employment should not be transferred automatically to a new employer without his consent (Patell, 2012). This principle which supports the freedom of choice of employer as legislated in the Constitution of South Africa under the Bill of Rights section (11) *Slavery, servitude and forced labour* and section (22) *Freedom of trade, occupation and profession* was sacrificed to ensure job security.

According to Section 197(6) (a), transferred employees need only be consulted on the transfer and the terms and conditions of employment after the OldEmp and the NewEmp have decided to contract out of the protections afforded in Section 197. If this route is not followed by the respective employers, the only other information provision that is legislated, is Section 197 (7)(c) which stipulates that the written agreement between the old and new employers should be disclosed to the transferring employees.

Since the provision of information is not a legislative requirement, it is not a priority for employers to ensure that all employees are at all times adequately informed.

The distributive justice; “what happened to whom” is determined by the outsourcing rationale communicated to the employees (Bryne & Cropanzano, 2001). In my research, the participants all agreed that they felt the distributive justice was present
as all employees in their team had been transferred to the NewEmp and the rationale for outsourcing made sense to them.

R1: “It makes sense from a business perspective that we are placed at NewEmp.”

According to Morgan (2009), human resources employees should be encouraged to develop clear plans during the preparation phase. These must include different issues affecting the transfer of employees and in particular, the communication with employees. This is imperative as employees require time to prepare mentally and physically for the transfer. Human resource employees should allow employees ample time and provide them with the opportunities to gather information about their future employer. The NewEmp should not only be allowed, but be specifically requested to do presentations about the new organisation, provide as much documentation as possible and answer all questions from the relevant employees.

5.3.2 Negotiation Phase

The negotiation phase signals the start of the development of Maslow’s hierarchy of needs. It consists of a review of the basic-order needs which can be translated into employees’ conditions of employment and job security.

5.3.2.1 Conditions of Employment

The negotiation phase is the most important period in the outsource transfer as it relates to the basic needs or the terms and conditions of employment of the employee. The provisions for these basic needs were legislated in Section 197 of the Labour Relations Act (2) (a) and (3) (a):

“(2) If a transfer of business takes place, unless otherwise agreed in terms of subsection (6):

(a) The new employer is automatically substituted in the place of the old employer in respect of all contracts of employment in existence immediately before the date of transfer
(3)(a) The new employer complies with subsection (2) if that employer employs transferred employees on terms and conditions that are on the whole not less favourable to the employees than those on which they were employed by the old employer.”

This provision protects the employees' basic needs for remuneration, leave, tenure, benefits and other basic terms of employment that they were privy to with the OldEmp. Condition (3) (a), however, allows for some interpretation regarding the wording “on the whole not less favourable”. As a result of the complexity of benefits and the ensuing comparison of these benefits and conditions of employment between different employers, it may allow for some benefits to be less favourable.

For example, in the said case, the allocated leave provision with the OldEmp was 26 to 30 days per annum (depending on employee tenure), whilst at the NewEmp the maximum allocation would be 23 days (Due Diligence document, December 2010). To provide benefits that are on the whole not less favourable, it was decided to add a monetary compensation to the employees’ salary for the extra days above 23. Employees did not have a choice of taking more time off:

R4: “It is different in terms of the personal side. Accrued leave is very different to OldEmp that you forfeit your leave…”

R5: “Section 197 concern is that nothing is taken from you but my leave has been reduced but honestly the benefits have gone down even if added to my basic salary.

Employees’ perceived additional unfairness in their travel arrangements since the move to the NewEmp premises meant that they had to travel 25 kilometres further than previously. No compensation was given to employees for the additional distance they had to travel, as management maintained that all other benefits passed the test of reasonability and consequently all benefits as per Section 197 were on a whole not less favourable. Some of the responses of employees on this issue were as follows:
R2: “The mere fact that it was Midrand, the distance put us off. We have to accept that we were going. This was my stress how am I going to be transported.”

R4: “Travelling is a great issue. It’s far and tiring. I am not use to travelling. We had to create a lift club.”

Employees interviewed also referred to some of the other benefits which they did not consider as being equally beneficial:

R2: “There are no bonuses at NewEmp. I am use to getting a bonus.”

R3: “They made us believe that we are in a better position, because we had a job. They told us we were not losing but we are losing.”

R5: “The work back period for maternity leave is four months with OldEmp at NewEmp it is twelve months. HR said they can’t change it. Even though equalised I don’t feel the value of the benefits.”

In the outsourcing transition model, part of the provision of the employees’ basic needs is the effect of these changes on the Procedural and Interactional justice (Bryne & Cropanzano, 2001). If the basic needs of employees are not met in a procedural and interactional just way, the needs of employees are not satisfied and they will be unable to move to the next level of Maslow’s hierarchy. Procedural justice is rooted in the way employees were treated regarding the provision of their basic terms and conditions of employment and how this had been communicated and discussed with them. Interactional justice is rooted in the fact that employees were treated with compassion (Morgan, 2008). Did the NewEmp consider employees’ individual needs and requirements in a compassionate manner in the equalisation of benefits?

If these requirements of the outsourcing transition model are met successfully, it is likely that employee’s will have a higher level of commitment to the NewEmp. According to Morgan (2009), the perception of justice by the participants is particularly important as regards the credibility of the OldEmp. The experience of this process and the resultant impact on identification with the OldEmp will in all likelihood influence all the remaining transfer phases. If the initial transition is fairly
managed by the NewEmp, there is an increased chance that employees would identify with the OldEmp.

5.3.2.2 Job security

The principle of job insecurity was mentioned in the data analysis and in the literature. The concept of job security is stressed in Maslow’s hierarchy of needs as the need for security and protection of the employees’ livelihood. The employees interviewed as part of the research data made extensive reference to this concept:

R1: “My fear was that me being 43 years old how difficult would it be for me to get another job without proper training.”

“I feel my retrenchment is coming 1 May. Did they take us for the expertise of the client list?”

R2: “At the time I was looking for another job.”

R3: “We can decide whether we want to stay or put our CVs out there to find opportunities for us because now we are sitting and riding that tide and then the tide gets ripped out from under us and we fall, we could have made provision in the time that we were told, send your CV’s out make applications elsewhere.”

According to Sverke et al (2002), job insecurity is commonly experienced during outsourcing transfers and can be a significant contributor to stress.

The Section 197 provision was specifically developed with the aim to ensure job security. However, the security offered could be overridden by an organisation’s operational requirements. Section 197 could not offer protection to transferred employees who faced an organisational restructure or retrenchment. In the relevant study, transferring employees were under the impression that the Section 197 provision offered job security for a period of twelve months after the transfer:

R1: “… we do know that for a period that we are not allowed to be touched.”
R2: “… (the section 197 provision) it’s a good thing but its only for a year we have protection.”

However, this provision is not legislated as part of Section 197. The relevant Section 197 (8) indicates that for a period of twelve months after the date of transfer, the old employer is jointly and severally liable with the new employer to any employee who becomes entitled to receive a payment such as for leave accrued, severance payment and any other payment accrued.

This misunderstanding may have been unintentional by management due to the fact that they themselves were not sure of the provisions and implications of Section 197. Another possible explanation is the fact that the information provided to employees was limited which resulted in misunderstandings and/or the creation of certain assumptions.

5.3.3 Transition phase

The transition phase provides employees with the opportunity to identify with the organisation and to offer their commitment to the employers’ objective, the so-called psychological contract. This phase depicts the needs of employees to belong to an organisation and the concomitant social interaction with colleagues and to move up the hierarchy to the need to be respected for professional achievements.

5.3.3.1 Identification, Commitment and Psychological contracting

According to Morgan (2009), the identification of employees with the employer is influenced by the perceptions of justice. This is found in the first two levels of the outsourcing transition model. Morgan (2009, p.270) indicates that the experience of the distributive, procedural and interactional justice directly influences the identification of the employee with the OldEmp and in turn the identification with the NewEmp:

“… (the) understanding of levels of communication and perceived fairness will lead to differing forms of identification with the Old Company which in turn feed back into the experiences of later stages” (Morgan, 2009, p.270).
The identification, commitment and psychological contracting with the NewEmp can be seen as aligned to Maslow’s hierarchical need for social affiliation which can be explained as the need to belong or gain love and affection (Jenster & Petersen, 1999).

According to the outsourcing employees interviewed in this study, they clearly still identified with the OldEmp, even after having been for six months with the NewEmp:

R1: “We still get labelled as the OldEmp. People refer to us as OldEmp.”

R2: “We are now an OldEmp group sitting in a NewEmp office space referred to OldEmp.”

R3: “I don’t see myself as part of NewEmp.”

R4: “I am not there yet (referring to feeling part of the organisation). Maybe it is because the trust is not yet there where it should be.”

R5: “I don’t feel an attachment to NewEmp. I am sure it affects productivity.”

According to literature, the identification of employees is influenced by higher-order and lower-order identities (Ashforth & Johnson, 2001). The higher-order identities are the view of the NewEmp itself whilst the lower-order identities are rooted in the organisation’s job roles, work groups and departments. It is clear that interviewed employees had not identified with the new organisation at a higher-order level. This may be due to the influence of the procedural and interactional injustice. They had, however, identified with lower-level identities as not much had changed in terms of their work groups or job roles:

R2: “Nothing has changed for us really our colleagues are the same our management is the same our work is the same…”

The organisational commitment of transitioning employees can be seen as the psychological feeling of commitment to the employer (Allen & Meyer, 1990). According to literature, there are many variables which influence the organisational
commitment of the employee to the employer. The following factors may influence his organisational commitment (McElroy et al, 2001; Kessler et al, 1999):

- The characteristics of the old employer;
- The characteristics of the old employer in its treatment of employees;
- The characteristics of the new employer which can also be defined as the attractiveness of the new employer or the “pull”;
- The characteristics of the new employer in its treatment of employees, which can also be referred to as the “landing” or the reality of the new employer;
- The characteristics of the individual employee such as tenure and personality.

From the data analysis of the interviews, it is clear that employees experienced the characteristics of the OldEmp to be more favourable than that of the NewEmp, particularly as regards the provision of terms and conditions of employment and physical location. Two employees, however, referred to the positive opportunities of learning, development or training at the NewEmp:

R1: “Training opportunities are always available in NewEmp.”

R5: “There are some positive things happening like a study loan.”

Only two employees mentioned something positive about the NewEmp and they were the only ones that had been allowed to make use of training and development opportunities after the transfer to the new organisation.

The lack of organisational commitment could have been influenced by characteristics of the employees as regards their tenure with the OldEmp. The average year of tenure with the OldEmp had been 13 years and lengthy period would probably have influenced the commitment levels to the OldEmp.

The employees’ psychological contracts or their relationship with their employer in the form of an invisible or implicit reciprocal agreement seems to be mature on a transactional level, but does not seem to be entrenched on a relational level where loyalty and commitment is exchanged for tenure with the organisation.
It is clear that low levels of trust and commitment were found where the psychological contract with the NewEmp has not yet been formed. On several occasions the employees referred to their trust of the organisation:

R1: “Did they take us for our expertise or for the client list.”

R3: “Get everything in writing … Yes the trust was broken at that point in time. So I take everything that comes my way with a bit of salt and in writing.”

R5: “Trust remains an issue.”

Five of the seven employees interviewed were prepared to return to the OldEmp if they had a choice. This could be an indication that the relational psychological contract was not yet been formed.

**5.3.3.2 Attention from management and professional respect**

The need for management’s attention and respect for professional achievements are aligned to the esteem needs and the desire to be respected as proposed in Maslow’s hierarchy (Jenster & Pedersen, 1999). These employee needs has not been researched properly in an outsourcing context. The relationship between employees and employers after the transfer of business emerged during interviews with research participants:

R3: “Everything starts with managers, we need an open relationship with management at the end of the day we are discussing our careers.”

R5: “There are more involvement now then what it used to be. Managers were not that interested in the past.”

The two employees who had mentioned that they would not want to go back to the OldEmp are both employees that have shown a positive trust relationship with management.

The best way in which employees feel respected and experience management attention or management feedback is through performance management (Fisher et al, 2008). This process involves the alignment of employee behaviours to
organisational objectives. Employees therefore require management to align job roles and objectives to employment achievement in the outsource transfer process. This may further facilitate organisational commitment and the transfer or establishment of the psychological contract.

Another method to fulfill the esteem needs of employees in outsourcing transfers may be knowledge management (Fisher, et al, 2008). This could be seen as both the organisational specific knowledge and knowledge created as part of the outsourced work (Matusik & Hill, 1998). One of the benefits in the outsource transfer of employees to the NewEmp, is the fact that the knowledge of the employees on how to service the current client is transferred with the employees. This knowledge is a valuable asset from a business perspective, should not be lost, but should be recognised and be rewarded as it will most certainly facilitate the execution of future work (Gallgher & McLean Parks, 2001).

Fisher et al (2008) suggest the creation of knowledge-sharing work groups where employees have the opportunity to share knowledge obtained during their tenure with the OldEmp and may meet their need for appreciation and professional respect.

Management’s respect for an employee’s emotions and personal needs during the transition phase may also facilitate his requirement for esteem and respect. Morgan (2009) suggests that employees should be allowed to meet with a counsellor so that they can discuss their feelings of injustice or mistrust. In the interviews with employees, mention was made of the presence of a psychologist during the process:

R2: “They had a psychologist with them, I went to him and said I was scared. As from that day he made me feel better.”

R3: “They had a psychologist. They made sure we had sessions.”

Morgan (2011) suggests that organisations make use of a psychologist in an outsource transfer to assist both employees and management with the change that they are experiencing. Psychologists may help in demonstrating understanding and using relevant theory and evidence to guide staff involved in an outsource transfer.
5.3.4 Stabilisation phase

The last phase of the outsourcing transition model is the professional and personal development phase which is characterised by employees feeling challenged. Continuous learning take place and this phase includes the upgrading of competencies and possible career advancements (Jenster & Pedersen, 1999). The last phase is aligned with Maslow's self-actualisation phase in the needs hierarchy.

The provision of training and career development opportunities to employees that have transferred may facilitate enhanced organisational commitment to the NewEmp. Employees in the research group who have made mention of partaking in training and development initiatives with the NewEmp, are the ones that have indicated that they would not want to return to the OldEmp. The provision of training for employees in outsourcing scenarios may sometimes be difficult, especially since some of this training presents long-term training investments whilst most outsource contracts are only for short period of time.

According to (Fisher et al, 2008), the offering of training and development opportunities for outsourced employees is important to ensure a high level of skills, especially in organisations that are skills intensive such as Information technology. Fisher et al (2008) suggest that a project-specific contract may allow for various training opportunities based on job-specific success as well as for the socialisation of employees with the practices and processes of the new organisation. The availability of training and development opportunities for employees will further enhance organisational commitment to the new employer (Gallagher & McLean Parks, 2001).

5.4 CONCLUSION

In this chapter, I demystified the experiences of employees involved in an outsourcing transfer. Firstly, I provided a description of key-analytical scientific tools used to develop integrated psychological theory and data. Secondly, I suggested an outsourcing transition model which provides a framework for the integration of my research data and research literature.
CHAPTER 6

PRECIS, IMPLICATIONS AND RECOMMENDATIONS
6.1 INTRODUCTION

In this final chapter I review briefly the core arguments and topics covered in previous chapters. Secondly, I provide my view on the consequences of the study as these relate to the different stakeholders in the outsource transfer process. The final implications of the findings as presented in the social construction of the outsourcing transfer will be given.

Thirdly, I will appraise my research critically in an attempt to display the strategies employed to ensure research rigor. In the same vein, I will review meticulously my research in order to comment on shortcomings identified in my research approach, setting and participants. Finally, recommendations for further research are presented which I believe warrant scholarly and practitioner attention.

6.2 RESEARCH SUMMARY

In Chapter 1 I introduced the concept of outsourcing in the South African landscape. I examined the importance of labour legislation in South Africa when considering outsourcing transfers, especially since it provides the employer with a framework within which he may outsource business and subsequently transfer employees. Section 197 of the Labour Relations Act and the implications of this provision in business transfers was of necessity given ample focus.

Secondly, I furnished a description of the context in which the study had been undertaken and discussed, in particular, the protection of employees in an outsourcing transfer. I also provided the context for the concept of second-generation outsourcing. Consequently, I reviewed the possible implications of recurring outsource transfers from one employer to another without management and the relevant officials or practitioners giving due consideration to the effect on an employee and his ability to deal with continuous change.

Thirdly, I considered some scholarly work on the experiences of individual employees during an outsource transfer process. Here I also touched on the difficulties facing employees who were placed at a client site of which they had once formed an integral part. I also examined the difficulties faced by these employees in
having to commit to an employer which they had not chosen, but were forced to accept. To assist with future outsource transfers, I provided a brief overview of general psychological theories that may be helpful, such as the psychological contract and employee identification with the new employer.

I concluded the chapter by indicating the study's theoretical and operational contributions which I had anticipated.

The methodological approach of the study is presented in Chapter 2. Firstly, I outlined my constructionist approach to qualitative research. Thereafter, I described my case-study strategy which I had used to explore the human experience of outsourcing transfers. Thirdly, I offered a description of the research setting. This was followed by an outline of my research role. I described the interviewing, the use of human documents, participant observation and how I had selected the collection of the data. In addition, I indicated that I would record the interviews with the research participants and compile field notes. Thereafter, I outlined how I would analyse the data and indicated the strategies to be implemented to ensure a quality study. In conclusion, I gave an account of the different writing styles which I had considered before writing the dissertation.

Chapter 3, provides the research participants' social construction of an outsource transfer. After indicating the key events of the outsource event, I explored the processes followed during the outsource process. I offered insights and themes derived from interviews with the participants and the process I had followed to make sense of their experiences and views. Finally, I presented a typology which I had constructed from the participants' accounts to provide a structure for the analysis.

In Chapter 4, I examined key outsource studies and discussed the critical constructs which I had derived from the relevant literature and had used to illuminate outsourcing experiences. In particular, I critically reviewed the provisions of legislation that govern outsourcing and lastly I examined the outsourcing process and concomitant operational processes.
Chapter 5 contains my outsource transfer model which I had constructed by integrating the first-order or concrete concepts; categories and themes of the research participants and key second-order or scholarly concepts of outsourcing.

6.2 IMPLICATIONS OF THE STUDY

South African businesses are increasingly being integrated into the international business community and the need to understand the use of outsourcing as a way to optimise business efficiency has become an imperative. On the other hand, the outsourcing phenomenon has been recognised by the legislature and the courts as a possible risk to employees' livelihood.

In response to this business optimisation strategy, the legislature has created Section 197 of the Labour Relations Act with the aim to protect employees who are transferred as part of a business as a going concern. However, we then need to examine the important question of whether the legislature's attempt to protect employees by including this provision, has indeed been successful?

Another way to look at this problem is to consider whether the 76 per cent of organisations that had found outsourcing to be unsuccessful (Greco, 1997), had taken due cognisance of the employees' experiences and feelings towards the outsourcing transfer. Had the impact of the change on the employees not been totally underestimated and was this not the reason for the failure? To better comprehend the psychological and operational effects of outsource practices in South Africa, it is imperative to understand the implications of outsourcing employees under Section 197 of the Labour Relations Act.

In this study I explored the effect of the two organisational phenomena (outsourcing and the legislation) on employees by exploring and describing their experiences and views of an outsource transfer.

While some research of the British law under the TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) is available, outsource transfers in South Africa have, as far as I could establish, not yet been subjected to social
science research. Consequently the present study provides valuable first insights of employees' perceptions and experiences of an outsource transfer of business under Section 197 of the Labour Relations Act. It is apparent that, although the employees value the protection offered by the Section 197 legislation, this provision does not and cannot ensure the transfer of a committed and productive workforce.

From the research findings and literature it is clear that employees who have been moved as part of an outsource transfer; find themselves in a difficult position. In the majority of cases the transfer affects the employees' identification with the new and old employers, their perception of fairness or justice, job security, organisational commitment and their psychological contract. It is evident that if management does not deal with the transfer of the outsourcing business in a responsible manner (i.e. acting responsibly towards the business as well as the employees), employees' sense of meaning and belonging, organisational commitment, cooperation, cohesion, compliance, turnover, job involvement, job satisfaction, stress levels, role ambiguity and citizenship behaviour could be threatened (Ashforth, 2001; Brown, 1969; Dutton, Dukerich & Harquail, 1994; Hall, Schneider & Nygren, 1970; Lee, 1971; Mael & Ashforth, 1995; Morgan, 2009; O'Reilly & Chatman, 1986). From the above-mentioned list of possible negative outcomes, it is clear that a probable successful outsource may be slim if not dealt with properly.

In addition, the NewEmp might accept the transfer of employees into their organisation who will not be committed and probably not achieve the pre-determined performance targets as agreed to in the service-level agreements. The unsuccessful outsource transfer can furthermore lead to a loss of contracts and in turn to job losses.

The lack of performance by the outsourced employees can of course also increase the operational risks for the OldEmp business, especially where critical services such as information technology, is concerned. This could also affect the business’s revenue stream and profitability. The possible impact of unhappy outsourced employees in enterprises providing essential services such as health care and security can be devastating and can range from the partial fulfilment of the contract to sabotage.
I believe that my outsourcing transition model provides the first building blocks towards the scholarly understanding of people's social construction of outsourcing transfers under Section 197 of the Labour Relations Act. Comprehending employees' experience of an outsourcing transition can inform practices and approaches which in turn can be used by organisations to mitigate the negative effects of a badly managed outsource transfer.

By including the psychological theory in the outsourcing transition model, scholars are provided with a framework which they can utilise when deciding on specific processes and procedures during each phase of the outsourcing process. The model encompasses a hierarchical approach to meet the needs of transfer employees.

To illustrate this, one could say that if the preparation phase as depicted in the model, is not fully met, an employee will not readily be able to progress to the next (time) phase in the outsource model. Due to the phased approach of the model, certain activities are implied to be completed before the following activities. This allows scholars and businesses to follow a practical step-by-step approach which, if applied correctly, can lead to a successful transfer and in turn to a fully committed and integrated employee.

6.2.1 Implications of the model for business

The development of a model dealing with employees’ outsourcing experiences should benefit businesses that are considering outsourcing as a method to optimise business costs or business focus. The model can inform the operational processes and strategies used by business managers and human resource practitioners when contemplating an outsource transfer involving employees. It can aid business in understanding the behaviours, attitudes and needs of employees during each phase of the outsource transfer and assist in providing a framework for the development of strategies to address each phase of the process.

The model can be used to sensitise outsourcing partners as to the possible effect of outsourcing on employees and their productivity. In addition, organisational change managers can design programmes specifically geared to assist employees in this process which can sometimes be painful. Finally, the model should aid businesses in
understanding far more than just the procedural and legislative impact which an outsource transfer may have on employees.

6.2.1 Implications of the model for scholars

The outsourcing transition model provides building blocks towards understanding the human experience of operational change as it relates to the outsourcing of businesses. The use of psychological theories and principles within the model should further assist in illustrating human responses to forced change situations such as mergers and acquisitions.

6.2.1 Implications for the legislature

The legislature provides for Codes of Good practices that assist practitioners and employees in managing processes and decisions made within the framework of the Labour Relations Act. The Code provides a step-by-step guidance to practitioners on processes to be followed, e.g. in the case of Dismissals (Code of Good practice on dismissals). However, no such guidelines exist for the application of Section 197 in the transfer of businesses. The outsourcing transfer model provided in this study should sensitize the legislature to take the impact on employees into account when developing a Code of Good practice for the transfer of businesses.

6.3 SELF-ASSESSMENT OF THE RESEARCH

It is practice that qualitative researchers offer an assessment of the quality of their work. I agree with Schurink (2009) that qualitative researcher should assess the rigor and quality of the research undertaken by the standards that have been developed for qualitative research. Therefore I believe it is important to "measure" one’s work against Lincoln and Guba’s (1985) criteria for trustworthiness which they cite as the following:

- **Transferability**: The extent to which the study’s design allows for generalisation to other similar contexts
- **Confirmability**: The extent to which the study’s findings are confirmed by researchers and literature
- **Dependability**: Outlining and documenting a logical research process
- **Credibility**: The accuracy with which the participants’ views are reported in the research data

Seale (1999, p x) refers to quality issues in research and calls these “methodological awareness”:

> “Methodological awareness involves a commitment to showing as much as possible to the audience of research studies… the procedures and evidence that have led to particular conclusions, always open to the possibility that conclusions may need to be revised in the light of new evidence.”

With Seale’s approach in mind, I now review the transferability, confirmability, dependability and credibility of my research.

The **transferability** of research is regarded as the generalisation of the study, thus what is the case in one place or time would also be found elsewhere at another time (Payne & Williams, 2005). According to Lincoln and Guba (1985, p. 316) transferability could parallel external validity which refers to whether the same findings “hold in some other context or even in the same context at some other time”.

According to Silverman and Marvasti (2008) the question is whether the researcher has derived his findings based on a critical investigation of all the data and not only on a few well-chosen examples. This is sometimes known as the problem of anecdotalism. The latter is described by the above scholars (Silverman & Marvasti, 2008) as closely related to the principle of **confirmability**. This concept is concerned with ensuring that the researcher has acted in good faith and not overly allowed personal values of theoretical inclinations to intrude or sway the conduct of the research and the research findings (Bryman, 2004, p. 43). According to Silverman and Marvasti (2008, p. 260), the possible response to anecdotalism is to suggest method and data triangulation and/or member validation.
Bryman (2004, p.275) explains that triangulation refers to the use of more than one method of data collection or data collected from different sources, groups, location and times. In addition to the unstructured interviews used in the study, I also made use of specific documents such as meeting minutes, e-mail documents and an operational project plan document to confirm the discussions with employees. In addition, being part of the research, I had the opportunity to intermittently confirm employees' accounts of the transfer by utilising my reflective field notes.

From a social constructionist perspective, it is important not to interfere with how the research participants made sense of an outsource transfer even if their description of events is not a true reflection as depicted in the documents used in the research. One such example is when the research participants perceived the provision of the Section 197 transfer as offering them protection against dismissal for a 12-month period. There was no documentation which confirmed this fact, yet the majority of the participants had come to this conclusion. One can only deduct that they had socially constructed this "reality" when interpreting the outsourcing transfer.

In an effort to further address the issue of antecdotalism, I made use of respondent validation which means that I confirmed tentative research results and refined them in the light of the respondents' reactions. This approach is also known as member checking or participant validation (Plummer, 2001). According to Silverman and Marvasti (2008), this allows for clarity regarding themes obtained and eliminates the misinterpretation of events and findings.

Dependability in qualitative research can be seen as a substitute for reliability. It can be explained as the concern with technique and consistency and deals with whether similar findings would be obtained, should another researcher repeat the study (Plummer, 2001). In qualitative research, dependability would be achieved if an audit trail can provide evidence that leads to trustworthiness and authenticity (Holloway, 1997). According to Silverman and Marvasti (2008), a researcher should always consider the use of transcribed data to prove the reliability of his interpretation. These researchers maintain that it is possible to misunderstand or miss important details when data is transcribed. In an attempt to ensure that taped interviews were interpreted correctly, I reviewed the audio content of the interviews.
after each interpretation to ensure that themes or connections between themes were in fact evident from the transcribed and audio data.

Another important consideration in the research that could add to the rigor of the data is **peer debriefing**. This process allows for an outsider or another researcher, academic or otherwise, to review data and the analysis of the data. Professor Willem Schurink, the promoter of the research, accompanied me throughout the data gathering and analysis phase of this research. I also tested my assumptions and understanding of the legal principles of the study with legally trained professionals, including one of the professors in the Labour Faculty at the University of Johannesburg.

### 6.4 GENERAL SHORTCOMINGS IN MY RESEARCH STUDY

It is important to consider my role as an insider to the study and the effect this had on the findings presented. Breen (2007) describes an insider-researcher as a researcher that chooses to study a group to which he belongs, whilst an outsider-researcher does not belong to the group that is being researched. Being an insider-researcher has many advantages. Bonner and Tolhurst (2002) point out that this research role offers a greater understanding of the culture that is being studied and that such researchers do not alter the flow of social interaction during the research unnaturally. Finally, insider-researchers have a great deal of knowledge of the group which will take outsiders quite a long time to acquire.

Whilst I took advantage of the benefits as an insider, I was weary of possibly compromising my objectivity. However, I was relieved when I reminded myself that reality is constructed by how the research participants’ made sense of the outsource transfer. I also knew that I could use my best facilitation skills to enable them to share *their* views. In remembering that I was part of the outsource process because of my role at work, I realised that there was some personal benefit in that this would shape my own behaviour and particularly my interaction with the participants.
During the fieldwork I tried my utmost to steer away from any unconscious assumption about the data based on my prior knowledge about outsourcing. By reflecting and writing in my field journal, I reminded myself to focus at all times on what was unfolding. Of course my dual role (Unluer, 2012) and particularly my facilitation of the outsource transfer as employee, influenced the findings.

It is clear that whilst I succeeded in obtaining valuable insight into the participants' experiences and perceptions because of the particular features of the research setting and characteristics of the research participants, these can't merely be transferred to other settings and participants. Firstly, the research participants were South African women. I acknowledge that men's outsourcing experiences may be different. Secondly, the average age of the interviewees were between 31 and 50 years and reflected the outsourcing experiences of the Baby Boomer generation (1946 to 1969) (Cordrington & Grant-Marshall, 2004). It is quite possible that outsourced employees, who were still in their earlier working lives, would probably experience transfers differently.

Thirdly, the average tenure of the research participants was 13 years which imply that the employees who participated in the study were medium to long term staff members. This raises the question as to how outsourced people with a shorter tenure in an organisation would experience outsource transfers.

Fourthly, the study focuses on the outsource transfer experience of employees who have formal qualifications in the information-technology field. People working in different lines of work, such as cleaning or gardening services, may experience outsourcing differently to the research participants who were employed in the information-technology business.

Lastly, the research setting is important as staff may sometimes move from their current premises in case of an outsource transfer. According to most researchers, especially those who examined the organisational identification theories as proposed by Morgan (2008), employees who are outsourced to a new employer, usually remain on the premises of the old employer. This has an influence on their identification with the new employer. The current research setting refers to an
instance where the employees had to move from the old employer's premises to the new employer's head office.

6.4 RECOMMENDATIONS FOR FUTURE RESEARCH

Since the present study remains an explorative one and the model can at best only be tentative, I recommend that it be subjected to further scrutiny. I suggest that this model be applied to other outsourcing transfer processes so that its operational and psychological principles in each of the outsourcing transition phases can be tested.

I furthermore suggest that the model be reviewed and verified in different research settings with research participants who possess more varied demographical profiles, for example, employees in different business environments, and from various cultural, racial, and gender, religious and educational backgrounds.

6.5 CONCLUSION

In my experience, employers who consider outsourcing are normally only concerned about the cost-benefit for the organisation. I believe that the outsourcing process will be much less traumatic for employees if employers were to act more humanely and take cognisance of the possible effect that outsource transfers can have on employees. Managers should realise that this will in turn have an impact on the organisation's productivity and success and as such should be incorporated into their initial cost-benefit analysis.

Before the transition process starts, both the employer organisations, the old and the new, should agree to vital processes as identified in the outsourcing transition model. This agreement containing specific processes should facilitate the fulfilment of the employee’s needs during each phase as depicted in the transition model and should assist in a well-adjusted and productive employee who is successfully integrated into the new organisation.


ANNEXURE A:

MY RESEARCH STORY
1. INTRODUCTION

In this annexure I offer a personalised narrative or research story which I have compiled using a research journal which I had kept at my supervisor's request, Prof Schurink.

Just how important this was became clear to me when I started writing the dissertation. "The purpose of the audit is to "render a judgement about the dependability of procedures employed by the inquirer and the extent to which the conclusions or findings of the study are confirmable. An audit trail is a systematically maintained documentation system (Schwandt, 2007). Often when we met, Prof Schurink would emphasise the importance of updating entries in this project journal, explaining that I eventually needed to provide "a behind-the-stage look at the research in the making or a natural history of the study" (Naidoo, 2013).

I am grateful for his advice since it enabled me to compile a journal that as Janesick (2004, p. 144) points out, generated: "a data set that contains the researcher’s reflection on the role of the researcher... It is a great vehicle for coming to terms with exactly what one is doing as the qualitative researcher. Often, qualitative researchers are criticized for not being precise enough about what they do... Often, we ... are positioned outside the very people and situations about which we write. Journal writing personalizes representation in a way that forces the researcher to confront issues of how a story from a person’s life becomes a public text, which in turn tells a story". In short, it provides an audit trail, or as Plummer (2001) explains it, research knowledge through which one can obtain an understanding of the process through which knowledge has been created.

The research story typically contains confessional tales which "foregrounds the voice and concerns of the researcher in a way that takes us behind the scenes of the 'cleaned up' methodological discussions so often provided in realist tales" (Sparkes, 2002, p. 57). Highly personalised and self-absorbing confessionals "explicitly problematize and demystify fieldwork or participant observation by revealing what
actually happened in the research process from start to finish" (Sparkes, 2002, p.58). This writer continues:

“The fieldworker’s point of view is often represented in confessional tales as part of a character building conversation tale in which the researcher, who had a view of how things might happen at the start of the study, comes to see things very differently as the study progresses. As part of this process of coming to know, and by definition, getting closer to the research participants' view of their world, confessional tales often include episodes of fieldworker shock and surprise. The blunders and mistakes made, the social gaffes committed, and the secrets unwittingly unearthed are also revealed as part of this coming to know” (Sparkes, 2002, p 60).

When relating the stories about their research, researchers more often than not produce some form of autoethnography, or narrative of self. Ellis and Bochner (2003, p. 209) define this writing style as follows: "Autoethnography is an autobiographical genre of writing and research that displays multiple layers of consciousness, connecting the personal to the cultural". According to Schwandt (2007, p.16), scholars who write these tales try to illustrate and evoke, rather than to state or make a claim, in an attempt "to invite readers into the text to relive the experience rather than to interpret or analyse what the interviewee is saying."

In addition to the preceding points and before offering my research story, it is important to keep in mind that one cannot separate one's research from the other facets of one's life, such as career and family life. Consequently, one's research is an extension of one's life (Nguri, Hernandez & Chang, 2010).

In telling my story, I commence by offering a portrait of myself in order to put the research instrument, me, in context.

2. WHO AM I?

Writing the research story and sketching me have proven to be amongst the more challenging parts of writing this dissertation. My natural inclination is to divert
attention from myself to others around me and therefore writing about me was extremely uncomfortable and unfamiliar. However, I understand that by sharing some of my experiences, my frame of reference, my values and beliefs can inform my qualitative research approach and the manner in which I executed it.

I am a white female, 32 years old, married with three beautiful daughters. The roles I play in my everyday life are that of a full-time employee, wife, mother and student. I will attempt to provide insights into each of these roles.

**Employment and academic background**

I have been truly blessed to come from a family that values education and have been socialised from an early age to choose a profession. My decision to become a Psychologist however, was not always positively viewed by my father who is a chartered account did not believe in any other profession than one in the financial field. Fortunately, I have been able to change his current perception of the psychology profession.

I have always been academically strong and even though I had to work hard, I have always performed well and was privileged to complete my undergraduate studies, honours and master’s degree in Industrial Psychology cum laude. After finishing my master’s degree, I completed my psychology internship and registered as an Industrial Psychologist in 2006.

The company which I had chosen for my internship as part of the Health Professions Council was an information-technology outsource organisation. I was initially deployed in the Employee Relations department and dealt with the application and interpretation of labour legislation. At the time, my manager, a labour expert and psychologist, was always acutely aware of the impact of labour legislation on employees in the workplace. During my eight-year tenure with the organisation, I was exposed to all areas of human resources and spent the majority of my time in facilitating outsource transfers.

**Family background**

I am the second child of a middle-class family of four children. I grew up in the southern suburbs of Johannesburg and had a very happy childhood. During my first
year at University in 2000, I met my husband Chris and we got married shortly after I received my master’s degree in 2005. He has always been supportive of my academic career and my love to study. In 2009 just when I had commenced with my second master’s degree in Employee Relations and Labour Law course work, we welcomed twin girls into our family (Lienke and Zoe). They changed my focus from a very driven and ambitious career woman to a mom focussed on the health and happiness of her family. Though a blessing, their needs and hearts are my first priority and this adds to the complexity of managing a full-time work life, marriage and academic studies. During 2011 when I had completed my course work, we welcomed another baby girl (Alexia) into our family.

Figure 10: Zoë, Alexia and Lienke Sutherland, all born during the Masters journey.

Before I offer an account of my master’s research journey, I need to discuss the reasons for me embarking on the study.
3. DECIDING TO FURTHER MY QUALIFICATIONS

After my registration with the Health Professions Council of South Africa in 2006, my then manager urged me to complete a post-graduate degree in Labour Law. In his opinion it would provide me with a better perspective and depth of knowledge when applying legislation in my work. I had never had a great affiliation towards labour law as an academic subject, so it was with some reluctance that I decided to pursue this avenue. Having learnt that one’s development should never stagnate, I decided to complete the post-graduate degree. I completed my honours in labour law in 2006 which wet my appetite for the masters. Knowing that there would be a dissertation component as part of the degree, I instantly knew I wanted to embark on a qualitative study.

At the time of my psychology-honours studies, a lot of focus had been placed on quantitative-research methods and therefore the idea of a qualitative study seemed very appealing. This became particularly prominent after the completion of my master’s in psychology where I utilised quantitative methods. Whilst the experience with these methods had been valuable, I never felt that I really understood the employees' experiences since my contact with the research participants had been limited and had not allowed me to get to know how they constructed their reality.

As an organisational psychologist practicing in business, I was involved in many outsource-transfer processes during my tenure with my information-technology employer. I was always intrigued with the impact this forced process had on employees as well as the value it provided the outsourcing employer.

I wanted to understand the experiences of employees involved in outsource transfers and whether the protection offered by legislation was experienced by them as positive or negative. Furthermore, I wanted to understand how these employees experienced this process, hoping that I could assist them during such transfers. My initial impression was that the Section 197 provision did more harm than good for employees involved in outsourcing. I was of the opinion that neither the new nor old employer was really concerned about the employees’ productivity or what would happen to them after the transfer.
4. THE DISSERTATION JOURNEY

I decided to complete the Master's degree in Employee Relations and Labour Law offered to students at the University of Johannesburg. This degree was jointly offered by the Faculty of Law and the Department of Industrial Psychology and People Management (IPPM) it involved course work and a dissertation. My decision was based on the fact that I had completed all my studies at the University of Johannesburg and felt comfortable with the University and the lecturing Professors.

The affiliated degree between the two faculties posed some difficulty, since the correspondence and requirements for the fulfilment of the degree changed every year and due to my enrolment on a part-time basis, some of the subjects were only available every second year. This prolonged my studies with an extra year and led to the situation where my proposal could only be presented and accepted six months after submission to the University.

I was very privileged to get to know Professor Willem Schurink through one of my work colleagues who had completed his doctoral studies with him as promoter. I have been impressed with his commitment to his students and they have always spoken very highly of his knowledge and engagement with proposed studies.

Having completed a master's dissertation before, I knew how difficult the journey could be if one didn’t have a committed promoter who could guide one in the research process. In several of the meetings which Professor Schurink had had with my colleague at our business premises, I had been impressed with his knowledge about qualitative-research methods. I was very enthusiastic about the opportunity to learn from an expert. Professor Schurink was always kind and approachable and whenever we bumped into each other, he always wanted to know on when I was planning to embark on my doctoral study.

In 2010 I contacted Professor Schurink and asked him whether he would consider being the supervisor for my research study. He agreed, provided that the University approved the research student and study leader match.

After the research proposal phase (discussed in the next section), an additional study promoter was allocated to my study. The new professor - a clinical psychologist -
would assist Professor Schurink and me with the psychological theory and practices employed and analysed during my research. This was of course extremely problematic as we had to coordinate the diaries of three people for meetings to take place. Furthermore, although brilliant in his field, the new supervisor was not familiar with qualitative research methods and this created some confusion regarding my research approach and methodology. In addition, IPPM facilitated all correspondence between me and the new supervisor and at times this was quite challenging.

Due to poor health, the supervisor's employment with the University had to be terminated. I was relieved and thankful that I could continue with only Professor Schurink.

Figure 7: Professor Schurink and me at Mugg and Bean discussing the research study in April 2013.

I would like to provide more insight into my relationship with Professor Schurink during the course of the study. Professor Schurink is a very meticulous individual who lives his word, in other words if he makes a promise to you he will try his best to keep
At the start of the research journey, Professor Schurink found it important to share his philosophy about supervising students. This included discussions about (i) how the student and professor should address one another, (ii) the frequency of meetings, (iii) how to discuss issues within the relationship, (iv) his expectation and standards of work and (v) how to deal with constructive criticism.

As a qualitative researcher, Professor Schurink loves the value of photographs and metaphors. This was something new for me and I had to get used to this, as I don’t enjoy sharing personal information, being in pictures or sharing metaphors about my life. Professor Schurink provided me with examples of how this could be done in research, whilst allowing me to share as much as I felt comfortable with.

4.1 My research proposal and presentation

I completed the research proposal in April 2010 and submitted it during the same month. I was very dedicated and knew exactly what I wanted to convey in the proposal. Professor Schurink had assisted me with the qualitative-research methodology of which I had limited knowledge at the start of the research journey.

I was immensely proud of the finished product and extremely excited to present my ideas to the research panel as I truly believed (and still do) in the value of my study not only to employees, but also to practitioners in the labour-law and human-resources fields.

After having submitted my research proposal to the University in April 2010, I did not hear from them, but assumed their lack of response to be caused by the Soccer World cup festivities and the accompanying extended June/July student holidays. The four-month delay created a lot of uneasiness as I was not sure whether my submission had been adequate. This was quite a blow and I started doubting the value of the research study. When I contacted the University in August 2010, I learnt that the Professor to whom I had submitted my proposal, had been taken ill and that my proposal had never been even reached the University research panel. This meant that I could only present my research proposal to the research panel some months’ later in October 2010.
I was very proud when the proposal was accepted without any major changes and am thankful to Professor Schurink for his input. After the presentation one of the research panel members who had only recently joined the University, called me aside and said she had been most impressed by the excellent standard of the proposal and presentation. I wrote this comment with immense pride in my research journal as it was a great motivation to start my fieldwork as soon as possible.

4.2 Preparing for fieldwork

I was extremely keen to start with the field work as soon as I had received the approval from IPPM. Professor Schurink and I met on several occasions to plan my research approach. I was aware of an outsource transfer with a big banking client that was in the pipeline. Without wasting any time, I endeavoured to get involved in this research opportunity by requesting the organisational stakeholders such as the responsible management and the relevant executive, permission to study the outsource event. All of them were very supportive of the study.

There was only one way that I could gain access to the research participants for my study: All the employees to be studied had to be employees of the NewEmp organisation at the OldEmp’s request. The planned date of transfer was 1 February 2011. Unfortunately, management only agreed with me starting the interview process once the formal transfer of the employees had taken place and this only happened during May 2011.

4.3 Selecting research participants and the research agreement

I realised that the research participants were in a critical stage of transition after the transfer in May 2011, but could not delay discussions with them and run the risk of losing their important insights. I was acutely aware that employees could construe my request for interviews as a fault-finding tactic used by management. In addition, I was unsure about the relationship between the employees and their new employer.

After discussions with Professor Schurink, I decided to send an e-mail to each of the 12 employees explaining my study. To this I attached the informed consent form that Professor Schurink had assisted me in compiling. This emphasised the confidential nature of this study and the fact that the employees could terminate their participation at any point.
Figure 8: Informed consent form

I was very nervous. What if none of the participants agreed to participate in the research? Fortunately, seven of the transferred employees agreed to participate in my study. In my research journal I reflected on several occasions as to why these employees had decided to form part of this study. I was hoping that they didn’t feel obliged or forced because of my position in the company. I need not have worried, but felt a sense of relief when, during the fieldwork, it became clear that this was not the case and that they had decided to participate in the research because it offered them an opportunity to share their outsource-transfer experiences and in this way try and make sense of an unnerving experience.
4.5 Collecting data

I started the interview process during August-September 2011 and was terribly nervous, especially since I had never conducted a qualitative interview beforehand. I reflected extensively on my role as psychologist before commencing with the interviews. Being an industrial psychologist, it is natural and almost instinctive for me to move towards a counselling role by probing and questioning. However, in this new role, I had to ensure that if I remained in researcher “mode” and not fell back to my familiar counselling approach.

In the interviewing process my aim was to use in-depth interviewing without posing questions that had been deliberately formulated beforehand (E. Schurink, 1998). I requested the research participants to share their experiences and views about outsourcing. I started the interview by trying to motivate the employee to participate spontaneously and refrained, to the best of my ability, from sharing my own views on outsourcing. Instead, I focussed on stimulating the interviewee to participate by asking probing questions (E. Schurink, 1998).

After the first interview I phoned Professor Schurink and reflected on how I had facilitated the interview in a natural way without wearing my “psychologist hat”. From our discussion it was clear that, as the research instrument, I would be unable to separate my “psychologistness” from the interview process. At first I was concerned about not being able to be aloof and objective during the interviews, but quite soon I remembered my constructionist stance, namely that people construct their realities. I was reassured in reading that the social researcher is not a “mere medium through which knowledge is discovered; he or she can be seen as a constructor of knowledge” (Plummer, 2001, p. 206). I realised anew that qualitative research is not written by objective entities, but by humans and that it is impossible to be neutral and objective when we study human beings.

Due to my roles in the Human Resource department and in the transfer of employees to the new employer, some research participants queried me about operational HR issues. I was well aware that in this discussion they didn’t make any distinction between what formed part of my research and what not.
At the same time I was aware that if I did not address these queries or operational issues, the participants may be preoccupied which could affect their responses during the interviews. Therefore when the interviewees requested information, I politely dealt with my “human resource hat” on and indicated that I was not linked to the outsource transfer. Thereafter I gently steered the conversation back to their experiences about the outsource transfer. Finally I had to schedule an additional meeting with one of the research participants to discuss operational issues. I was pleased that I could write in my research journal that the employees shared their stories with me and came to see me as somebody they could trust.

4.6 Making sense of data

Once I had concluded the first round of interviews with all the research participants, I started reviewing the tape recordings, making notes and transcribed sections which I had identified as significant. I took special care to not omit any words or expressions as found in the original recordings and scrutinised the transcriptions thoroughly.

Most of my first-round data analysis was done whilst I was on maternity leave after the birth of Alexia in October 2012. Although this was a challenging time in having to tend to a new baby and two twin toddlers, I enjoyed the stimulation of the initial data analysis and found it sometimes a welcome escape from the world of nappies and bottles.

On my return to work in February 2012, I contacted the research participants to review the themes that I had identified from the first-round interviews with four of the participants. I completed the second round of interviewing. In attempting to verify the insights which I had gained from the first interviews (Schurink, 1998). I found the process to be not as enlightening as the first round interviews, as most research participants agreed with the themes and concepts which I presented to them. I had expected these issues to be debated back and forth and those new insights would be gained. Quite disappointed, I pondered possible reasons for this. In discussions with Professor Schurink, we agreed that the absence of further responses to the themes and concepts by the research participants could simply mean that a point of saturation had been reached and that the employees did not have any additional new experiences and views to share. This possibility is confirmed in Fossey et al (2002) who points out that once themes that had emerged from data have been
verified they might have been fully developed and that no new information would emerge.

After the second round of interviews, I terminated the fieldwork. In my final discussion with them I invited them to contact me should anything come to mind. As Schurink (1998) correctly points out that a researcher should be weary of abruptly ending a research relationship and therefore I decided to slowly fade out the discussions.

At this point I started with my research on study areas relevant to outsourcing for constructs and research findings that could assist in illuminating the participants’ concrete concepts. It is important to point out that after, having read the literature at the time of developing my research proposal, I abstained from reading scholars’ constructs and research findings related to employees’ experiences of change as I was afraid that it would contaminate the study; I didn't want to subconsciously search for themes or ideas which could have a bearing on the accounts of the interviewees. Although there were only limited scholarly works, I managed to find some articles during the research process on outsourcing and organisational change that was related to my findings which I really found extremely exciting. I was also a bit disappointed with not being able to make any profound discovery. After some time I realised that the idea was to add to the scholarly understanding of the outsource experience which in itself was of value.

During 2012 the long awaited Constitutional Court ruling in Aviation Union of SA & Another v SAA (Pty) Ltd & 2 Others (2011) 32 ILJ 2861 (CC) was made and was an important discussion point for many labour experts. This was a pivotal point in the study and I was very fortunate to be able to include this in my research. If the Constitutional Court judgement outcome had been in agreement with the Supreme Court of appeal, it would possibly have meant that the Section 197 provision, a pivotal part of my research, would not have been applicable to outsourcing transfer or second-generation transfers.
4.7 Constructing the outsource transfer model

In constructing a model with which one can illustrate an employee’s experience of outsourcing, I set out to provide an overall framework for use by scholars and human resource practitioners. This was hard work and I had to read and reread many psychological principles and theories numerous times before I could establish the phased model. I don't think I will ever forget the great sense of accomplishment when I realised what I had combined to make sense and I trust this will be of great value to scholars, HR practitioners and other role players.

4.8 Writing the dissertation

The writing process of the dissertation started in 2012 after my initial data analysis had been completed. I had the opportunity to intermittently work on each chapter during the evenings and holidays. An accident in March 2012 challenged my already limited time even more. I tore all the ligaments and the cartilage in my knee which meant I had to be hospitalised for surgery and subsequently had to receive daily physiotherapy for six weeks. The recovery process was long and tedious and to this one must still add a 6-month old baby and the twins that were now in their “terrible two's”. My study had to take a back seat and I could only spend time on it after I was again active in June 2012. At this time I received a final extension from the University and worked extremely hard to complete the study within the timeframes provided.

In my case the final dissertation writing routine consisted of me waking up at 4:30 and starting work at 6:00, returning home at 15:00, fetching kids from school, tending to the house and kids, putting the kids in bed by 20:00 and working on my dissertation from 20:00 until 24:00. Professor Schurink was my constant companion throughout this writing journey, always offering advice and inspiration with regards to the chapters written or just in general.
Figure 11: Professor Schurink and Jeanie his dog reviewing my Chapter 4.
Figure 12: Alexia and myself reviewing Professor Schurink’s comments on my Chapter 4.

This email illustrates the guidance I received from Prof Schurink at this point.

"From: Willem Schurink [mailto:wjs@webafrica.org.za]
Sent: 08 July 2013 08:41 PM
To: Riette Sutherland
Subject: RE: A few considerations as you move toward the final chapters

Good evening Riette,

It is a pity you haven't got: Bloomberg, L. D., & Volpe, M. (2008). Completing your qualitative dissertation: A roadmap from beginning to end. United States of America: Sage There are a few really good points they make with regard to the concluding chapter. Firstly, they point out that this chapter is one of the most important ones. Not only is it the product of one's endeavour but it presents you with a chance to have the last word and to assist the reader to decide what to make of your study. Secondly, the conclusions one offers should preferably flow directly from the findings. Conclusions are not restating the findings; they form a higher level of abstraction. Thirdly: "Drawing conclusions from your findings pushes you to consider broader issues and make new connections among ideas. In effect, by doing this, you are expanding on the significance of your findings" (Bloomberg & Volpe, 2008, p157) (emphasis added). They also note that one recommendation can apply to more than one finding but more importantly. Fourthly, with regard to recommendations one needs to be rather explicit as to how they could be implemented. One can offer a range of recommendations but it is important to bear in mind that what you propose should make an impact and be doable. Finally, it is practice to conclude a qualitative thesis or dissertation with some final researcher's reflections. As researcher you have the opportunity here to offer your own thoughts on doing the study and compiling the dissertation. There are various things you can reflect upon, for example, how you came to the study, what the research experience meant to you, and what lessons you learnt from doing the study. The fact that you offer a story behind the story as
annexure does not mean you can't have this reflective last paragraph in the concluding chapter.

Take care,

Prof Willem”

The writing of the dissertation had been the most challenging part of this journey since this occurred at a time when I needed to balance my work, motherhood and study. In writing a dissertation, it is important to integrate one’s arguments. This is always a big challenge and to make things tougher for me, I only had a couple of hours in the evening.

4.9 Considering to throw in the towel

Looking back, I can see why I seriously considered discontinuing with my studies. At the beginning of 2013, my progress was immensely slow and I felt that I could no longer give the study the attention it deserved. After meeting with Professor Schurink and discussing what I was trying to achieve with the study and the contribution it could make, I realised that I had come too far to throw in the towel! I will always be thankful for our insightful discussion. It gave me a sense of achievement and pride and also motivated me to continue with enthusiasm. At this time, Professor Schurink sent me the following few lyrics from a song sung by his favourite singer, Sir Cliff Richard, in an attempt to encourage me:

So don't hide, go seek, don't let the grass grow
Under your feet
Get out, get up, get on, get moving out
Don’t surrender - don’t give up the fight

4.8 The examination process

The Internal peer review process:

Never say die

1 Never say die
5. CONCLUSION

In this Annexure, by applying confessional and to some extent the autoethnographical writing styles, I shared what had happened behind the scenes of my research to assist the reader in assessing my work. While it was not possible to cover everything which had occurred during the course of the study, I am satisfied that I have shared the most important issues.

I found the experience of qualitative research a very rewarding one. I enjoyed getting to know research participants and being part of the social construction of their worlds. In some ways the qualitative research process is a personal and rewarding one that changes one’s perception of what can be known about humans and their interactions.