
**RETRENCHMENT NEWS IN THE MINING SECTOR: A COMMUNICATIVE STUDY
OF SELECTED MINING CORPORATIONS IN SOUTH AFRICA**

BY

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DISSERTATION

Submitted in fulfilment of the requirements for the degree of

MASTER OF ARTS

in

COMMUNICATION STUDIES

in the

FACULTY OF HUMANITIES

(School of Languages and Communications Studies)

at the

UNIVERSITY OF LIMPOPO

SUPERVISOR: DR M MAKGOBA

2025

DEDICATION

I wholeheartedly dedicate this research to my beloved mother, Masodi Florence Lebea, who inspired me with her unwavering guidance and support, and my bundle of joy, my son, who has brought happiness and motivation throughout.

DECLARATION

I declare that the dissertation hereby submitted to the University of Limpopo, for the degree of **Master of Arts in Communication Studies**, has not previously been submitted by me for a degree at this or any other university; that it is my work in design and in execution, and that all material contained herein has been duly acknowledged.

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ACKNOWLEDGMENTS

This study would not have been a success without the support of the people mentioned below. Their contributions and guidance are wholeheartedly appreciated. I would like to extend my heartfelt appreciation to the following people:

- ❖ To my supervisor, Dr Metji Makgoba, I appreciate your patience, guidance, support, and for believing in me throughout my research journey. I value your encouragement, wisdom, and expertise, for they contributed to my growth. I thank you for helping me achieve my goals and for being the best supervisor a student could ever ask for.
- ❖ To my mother, Mrs. MF Lebea, I do not know where to begin to thank you for your love and for everything you have done for me. Your unconditional love and patience have shaped me into the woman I am. Your late nights, early mornings, and countless hours helping me with the baby while I write this dissertation instilled in me with energy and determination that will grow with me forever. I love you, Mom, thank you for everything.
- ❖ Above all, I thank the most High God. It would not have been possible, but God's love and wisdom blessed me with knowledge and understanding. I always kept in mind and believed that "because you made it possible for me to register for this degree, I know your favour and mercy will honour me to achieve it"; those words gave me the strength and capacity to start and finish this dissertation.

ABSTRACT

This study investigated and explored how retrenchment is communicated in the South African mining sector through a qualitative analysis of corporate documents such as annual reports, press statements, and news releases. The mining sector in South Africa has been retrenching employees for years now, which makes it important to explore the framing of their messages and communication strategies employed during retrenchment. The study applied Situational Crisis Communication Theory (SCCT) to retrenchment communication, highlighting the importance of adapting communication strategies to a crisis. The theory suggests that companies should prioritise transparency, empathy, and stakeholder engagement to minimise the negative impacts of retrenchment. The study followed the methodology of document analysis to collect data and textual analysis to analyse the data collected. The study revealed that mining corporations tailor their messages using various communication strategies when announcing retrenchment news to various stakeholders and frame their messages using transparent, empathetic, and supportive language. The findings contribute to the development of communication strategies for the mining sector in enhancing organisational reputation, employees' well-being, and sectoral sustainability. The study recommends that companies must always prioritise transparency and empathy when communicating during retrenchment. They must also provide support for the retrenched employees. These findings highlight significant gaps in transparency, empathy, and stakeholder engagement, perpetuating the negative impacts of retrenchment on affected employees.

Key words

Retrenchment News; Mining Sector; Mining Corporations; Crisis Communication; Effective Communication; Stakeholder Engagement.

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CHAPTER 1: INTRODUCTION

1.1 BACKGROUND AND MOTIVATION

This study focuses on how mining corporations communicate retrenchment news to their internal and external stakeholders in the South African mining sector through the study of corporate documents such as press statements, annual reports and news releases. How corporations communicate and legitimate the process of retrenchment to their stakeholders is crucial in ways that may maintain, undermine, or enhance the corporation's reputation (O'Neil & Kelley, 2021). Retrenchment is an economic and sensitive issue that corporations employ with the aim of controlling costs (Pfeil, Setterberg & O'Rourke, 2004). The status quo in the mining sector regarding retrenchment is characterised by unavoidable cost-reduction strategies, with insufficient support for affected employees and economic consequences for the affected employees and communities (Mancini & Sala, 2018). As such, before undertaking the retrenchment process, organisations usually start by contemplating solutions and procedures to save jobs and to cater for the affected employees who must endure the negative impacts of retrenchments (Pfeil et al., 2004). Regardless of the reason for retrenchment, part of managing retrenchment includes the application and development of communication strategies and an extensive crisis management plan that addresses all aspects of retrenchment (Ulmer, Sellnow & Seeger, 2015). These strategies help corporations mitigate the negative effects of retrenchment, such as stress, anxiety, and uncertainty, which affect both the organisation and its employees (Ochieno, 2013; Mthembu, 2019).

The subject of retrenchment has received extensive research attention that mainly focuses on its financial, psychological, and social implications on both employees and corporations (Gerber, 2010; Ochieno, 2013; Sayed, 2013; Choma & Ramafalo, 2015; Mwendu, 2017; Ndeleki, 2018; Mthembu, 2019; Seteni, Joubert & Dhurup, 2021; Mpanza, Adam & Moolla, 2021; Onwughalu & Ojakorotu, 2021; Guek-Nee, Grajfoner, Carter, DeLima, Khairudin, Lau & Kamal, 2022). Other studies have examined stakeholder perceptions and expectations during an organisational crisis (Bies, 2013; Seteni, 2016; Kitz, Barclay & Breitsohl, 2023; Sulaiman, Abdullah & Man, 2023). Studies that have addressed the issues of communication have focused on how

corporations invest coping resources and extensively use communication tools to avoid the negative impact of poor and ineffective communication during retrenchments (Pfeil et al., 2004; Tourish, Paulsen & Bordia, 2004; Casilla, Moreno-Menendez & Clinton, 2018; Mujtaba & Senathip, 2020; Klyver & Nielsem, 2021). Despite this extensive research, there has been limited research on how companies communicate during retrenchment.

The mining sector is a significant contributor to the South African economy, and effective retrenchment communication has become a pressing concern, particularly in light of the sector's recent mass retrenchments (Prahhaladaiah, Udayakumar & Soni, 2023; Wang, 2011). The sector has been distressed by numerous crises that are affecting both the environment and local communities. The 2022 Jagersfontein mine accident in Free State highlights the importance of effective crisis communication (Bloomberg, 2022). The Jagersfontein mining company delayed the crisis communication response during the collapsing dam accident, which resulted in widespread criticism and reputational damage. This case study example shows that mining companies in South Africa must prioritise effective crisis communication and stakeholder engagement in order to mitigate the negative effects of a crisis situation. Zembe and Barnes (2023) assert that mining corporations often struggle to communicate retrenchment effectively with stakeholders. For this reason, this study attempts to close the previous research gaps by analysing how South African mining corporations such as Anglo-American Platinum, Samancor Chrome and Sibanye-Stillwater communicate retrenchment news to both their internal and external stakeholders.

According to Sarupria, Manjare, and Girap (2018), different mining companies face unique communication challenges due to their complex operations, dispersed workforce, and high-stakes decision-making. The selected mining corporations will provide a comprehensive understanding of the different communication strategies and the framing messages during retrenchment. Samancor Chrome is a mining company that smelts and produces chrome ore and has six ferrochrome plants and two chrome ore mining operations located in different provinces in South Africa (Samancor, 2018). Samancor Chrome started with its mass retrenchments in 2016 and has continued to retrench employees to date. Meanwhile, Anglo-American Platinum is the world's largest producer of platinum, which has several sites across the country, including

Mogalakwena and Polokwane in South Africa (Anglo-American Platinum, 2024). This company has also been dealing with mass retrenchments since 2012. Sibanye-Stillwater is a platinum operation located in Rustenburg, Kroondal, and Marikana. It has been retrenching since 2017 to date (Sibanye-Stillwater, 2024). These mining corporations will provide an opportunity to examine how corporations communicate retrenchment news to their different stakeholders, since they communicate retrenchment through their corporate documents. Research on retrenchment communication can help organisations that may be forced to retrench employees plan how they are going to communicate and handle all the retrenchment procedures (Cohan, 2020).

1.2 RESEARCH PROBLEM

Due to the changing economic, social, political, and environmental conditions in South Africa, retrenchments are not just occurring in the mining sector, but also in several industries (Mthembu, 2019). According to Bayardo, Reche, and De La Cabada (2013), neglecting strategic communication – one of the most fundamental aspects during the retrenchment processes – may result in the destruction of an organisation's reputation during the process of retrenchment. Effective communication in the mining sector is likely to mitigate against anxiety, uncertainty, apprehension, and stress among workers. Providing information to key internal and external stakeholders during the process of retrenchment is important. The framing of this information through corporate documents is even more crucial. Yet, studies tend to focus on how corporations invest their communicative resources in damage control rather than proactively communicating their messages in ways that may help legitimatise their strategies of retrenchment (Pfeil et al., 2004; Wagner, 2005; Appelbaum & Donia, 2011; O'Neil & Keylley, 2021; Guek-Nee et al., 2022). This approach not only undermines organisational reputation but also threatens employees' well-being, ultimately compromising the sector's long-term sustainability. The lack of research on communication strategies during retrenchment processes in the South African mining sector underscores the urgency for investigation. In this context, being proactive ensures consistency between a variety of management messages and an organisation's rhetorical behaviour (Wagner, 2005). This study aims to explore the communication of retrenchment in the mining sector in South Africa to analyse how the mining corporations communicate retrenchment news to their key internal and

external stakeholders, with the aim of providing valuable insights into effective communication strategies.

1.3 LITERATURE REVIEW

1.3.1 The Role of Communication During Retrenchment Implementation

Communication is an important component during retrenchment as it keeps all organisational stakeholders informed, demonstrates employers' ethical responsibility, and ultimately lessens the negative effects of retrenchment (Hussain & Rawjee, 2014). Several studies documented instances where effective and clear communication during retrenchments were essential in managing public perceptions and re-establishing trust and the reliability of information to the public (Wasserman & Hyde-Clarke, 2016; Cain & Leach, 2021).

According to Onwughalu and Ojakorotu (2021), communication sustains a good working relationship within an organisation to keep employees informed, integrated, and motivated for the purpose of managing the negative impacts of retrenchments. Sadri (1996) indicates that communication during retrenchment provides strategies and measures for proper coordination by an organisation to its different agencies (the media, employees, sponsors, customers, suppliers, board of directors, stakeholders, and unions).

A study based on the art of downsizing conducted by Pfeil et al. (2004) clearly stated that the appropriate measure from the management is to communicate more openly with employees, which will enable and ensure that their voices are taken into account. Pfeil et al. (2004) further stated that maintaining open communication with employees can prevent unrealistic expectations that ultimately lead to strikes and disputes. Communication is key in the corporate world as it helps deliver information to the employees about any changes occurring in the company. Wang (2011) further asserts that effective communication is important during a crisis as it manages employees' behaviour and reaction. Previous studies have shown that communication during retrenchment is crucial for managing and preserving the company's reputation and shaping the perceptions of multiple stakeholders (Ochieno, 2013; Jamal & Bakar, 2017).

1.3.2 The Impacts of Poor Communication During Retrenchment

When an organisation is about to retrench, the initial communication of retrenchment must be handled responsibly and sensitively, and managers must ensure that they provide support for both the retrenched employees and survivor employees (Gerber, 2010). Failure to handle retrenchment responsibly and with care can put an organisation's reputation at risk (Distaso, 2013). According to the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) (2020), employers must be cautious of the following: they must be sensitive when they communicate with the affected employees to cater for the employees' prospects of suffering from psychological, financial, social distress, anxiety, and uncertainty.

Poor communication during retrenchments leads to bad press and the spread of information about how mismanaged the organisation is, which will result in reputation loss (Casillas et al., 2018). The findings by Wang (2011) assert that poor communication leads to the negative impacts of retrenchment, such as reputation damage, loss of productivity, and decreased performance. Retrenchment decisions should be handled correctly from a communication point of view to avoid long-term detrimental consequences on the company's reputation (Onwughalu & Ojakorotu, 2021).

However, Bayardo et al. (2013) perceive that poor communication during retrenchment implementation can be attributed to a lack of success and efficacy in the communication process and that poor communication can affect the organisation's reputation. Ulmer et al. (2015) argue that poor communication can cause a lack of predictability and stability for the remaining employees. This echoes Mthembu's (2019) view that ineffective communication can lead to misunderstandings, mistrust, and disagreements.

1.4 THE ROLE OF THEORY IN THE STUDY

The theory of Situational Crisis Communication (SCCT) is applied to this study. SCCT is a framework used to understand and respond to organisational crises. According to the theory, organisations must be prepared for any crisis that may arise to ensure that the managers quickly and effectively communicate so that the situation can be quickly rectified and managed (Sellnow & Seeger, 2013). According to Coombs (2007), SCCT can help organisations effectively communicate with stakeholders during a crisis

through different communication platforms. Coombs and Holladay (2010) expatiate that during a crisis, the communication frontrunners develop the precrisis plan to make sure that the information reaches both the internal stakeholders (employees) and the external stakeholders (the media, the customers, and others) to limit the negative impact of retrenchment. Johansen, Aggerholm, and Frandsen (2011) further stated that managing the crisis that threatens the organisation's reputation requires effective communication.

This theory is relevant to this study because any organisation may go through a crisis at some point, and it is crucial for organisations to have a crisis communication strategy to effectively communicate what is expected and the changes that may occur due to the crisis encountered to protect an organisation's reputation (Coombs, 2014). According to the theory, there are three factors to consider when communicating during a crisis, which are: crisis type, crisis severity, and stakeholder attitude. This study chooses the theory of situational crisis communication to guide the research in the formulation of research questions. The theory will also help the study to better locate how the mining corporation communicates retrenchment 'crises' to its various stakeholders.

1.5 PURPOSE OF STUDY

1.5.1 Aim of the Study

The study aims to analyse how mining corporations in South Africa communicate retrenchment news to their internal and external stakeholders.

1.5.2 Research Objectives

- To analyse how mining corporations in South Africa frame their messages to both their internal and external stakeholders when they announce retrenchment news.
- To explore the role of communication and communication strategies used by mining corporations in South Africa to manage the impacts of retrenchment on their internal and external stakeholders.
- To examine the impacts of communication during retrenchment implementation in the South African mining sector.
- To recommend communication strategies that can be used to help corporations that are faced with retrenchments.

1.6 RESEARCH METHODOLOGY

1.6.1 Research Design

This study employs a qualitative research approach. Qualitative research aims to study a subject of interest by trying to understand and interpret the meaning of actions and words (Sileyew, 2019). The study uses two types of research designs, which are the explanatory research design and the interpretivist paradigm. Explanatory research design aims to provide a clear explanation of the topic at hand and predict the future occurrences for a phenomenon that has not been extensively studied and well explained (Du Plooy-Cilliers, Davis, & Bezuidenhout, 2014). Mohajan (2018) further elaborates that explanatory research delivers a central analysis to elucidate reasons, perceptions, and motivations. The interpretivist paradigm focuses on understanding and interpreting the meanings and experiences of stakeholders involved in retrenchment communication (Otani, 2020).

1.6.2 Sampling

The study employs the non-probability sampling method called purposive sampling to allow the researcher to intentionally choose the items they intend to include in their study (Gerald, 2013). Purposive sampling involves looking at a certain mandate when selecting items that have the characteristics that the researcher needs in their sample (Gerald, 2013). The researcher selected corporate documents such as annual reports, press statements, and news releases, because they serve as primary documents used to communicate details of the company's activities, financial results, and strategies to stakeholders. The selected South African mining corporations are Samancor Chrome, Anglo-American Platinum, and Sibanye-Stillwater, which have retrenched employees in the past. Annual reports, press statements, and news releases are made publicly available on each of the company's websites. The study purposively sought only corporate documents that match the description of retrenchment news communication based on how they report on retrenchment. The researcher focused on those that were published between 2015 and 2024, searching keywords such as 'retrenchment', 'retrenchment communication', or 'communicating retrenchment' in order to select relevant documents. The sample was selected for inferences to find out how the mining corporations communicate retrenchment news to their key stakeholders.

1.6.3 Data Collection

This study applied document analysis as a data collection method. Since the data were collected from press statements, annual reports, and news releases. Keywords such as 'retrenchment', 'communicating retrenchment', or 'retrenchment communication' to locate relevant data. All the data was downloaded from the selected corporation's websites.

1.6.4 Data Analysis

This study employed textual analysis to analyse the data. Textual analysis is the technique that involves reading and recognising written text to extract meaningful information from unstructured text data to get insights and patterns in the text data (Gerald, 2013). The study followed qualitative text analysis steps by Kuckartz (2019) to analyse the documents. This method enabled the researcher to assemble diverse and unorganised data to a structured and simple form for quicker and reliable analysis.

1.6.5 Quality Criteria

1.6.5.1 Credibility

Credibility in qualitative research ensures that the study findings are accurate and trustworthy (Kortjens & Moser, 2018). The study achieved credibility by examining annual reports, press statements, and news releases that come from the official website of the selected mining corporations in order to validate the study's findings.

1.6.5.2 Transferability

Transferability refers to the degree to which data can be applied or transferred in other circumstances (Holloway, 2005). To achieve transferability, the study provided a thick description of the methods and procedures followed during data collection to enable other researchers to assess and use the results of the study.

1.6.5.3 Confirmability

Confirmability is the degree to which the study's conclusions can be corroborated by other researchers (Kortjens & Moser, 2018). The study achieved confirmability by providing details of each step of the data analysis process to ensure that no biased data are used, and other researchers will be able to verify and confirm the findings of this study.

1.6.5.4 Dependability

Dependability is the implementation of a consistent, transparent, and understandable research procedure (Holloway, 2005). The study selects only corporate documents that can be easily accessed on websites for consistency.

1.7 SIGNIFICANCE OF THE STUDY

Organisations need to follow communication procedures when handling retrenchment to protect the organisation's reputation and avoid miscommunication. The ultimate goal of the study is to provide an overview of how retrenchment news is communicated in the mining sector to the internal and external stakeholders to protect the company's reputation. As such, effective communication during retrenchment maintains trust among all stakeholders in an organisation (Benoit, 2015). Retrenchment can impact different stakeholders negatively; as such, transparent and empathetic communication can help minimise these impacts (Coombs, 2007). This study will contribute significantly to the awareness of students and practitioners in the communication field to develop a communication plan that can be used in the corporate world when dealing with a retrenchment crisis. Moreover, effective communication can also help mitigate the negative impacts of retrenchment on affected individuals and communities, as retrenchment has social and economic impacts (Pfeil et al., 2004). This study can also help identify the best practices for communicating retrenchment in the mining sector. Retrenchment is an organisational crisis, and studying communication strategies can contribute to the broader field of crisis communication (Coombs, 2007).

1.8 ETHICAL CONSIDERATIONS

It is important for the researcher to adhere to ethical principles throughout the study to ensure that the ethical standards and procedures are followed (Wexler & Largent, 2023). For the purpose of this study, the ethical elements stated below represent how the study adhered to ethical principles throughout the study:

1.8.1 Permission to Conduct the Study

Considering that the nature of the study involves textual data as the source of information, the researcher obtained permission from the School of Languages and Communication Studies at the University of Limpopo. An ethical clearance certificate was obtained from Turfloop Research Ethics Committee (TREC) of the University of Limpopo to confirm that the study is ethical.

1.8.2 Crediting the Used Sources

The study complied with ethical standards and avoided copying other writers' ideas. By doing so, the study used in-text citations and a reference list to acknowledge and give credit to the original sources.

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CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

The South African mining sector is a crucial part of the South African economy, contributing significantly to the country's Gross Domestic Product (GDP) and employment. However, the sector is facing major challenges that lead to retrenchments, which have now grown as a parasite within the mining sector nationwide (Mason, 2020). Retrenchment has been practiced globally by most organisations for cost control and has severe consequences for affected employees, communities, and the broader economy (Naidoo, 2018). Ineffective communication during retrenchment can lead to mistrust, conflict, and damage to reputation (Pfeil et al., 2004). It is thus necessary to explore the communication of retrenchment in the South African mining sector. This study aims to explore how the South African mining corporations communicate retrenchment news to their various stakeholders.

This chapter reviews literature on retrenchment news communication and examines the theoretical context used in the study. The review begins by providing the context of the issues within retrenchment in the mining sector and the contribution of the mining sector in the South African economy. The second heading is the causes of retrenchment in the South African mining sector, which forms the focus of this study. Literature on the causes of retrenchment helped comprehend what causes these mass retrenchments in the mining sector. The literature further elaborates on the legal framework for retrenchment in South Africa according to the Labour Relations Act 66 of 1995. The third heading is a review of the South African mining companies that experienced mass retrenchments in the past years. The fourth heading is stakeholder perspectives on retrenchment, wherein the study reviewed studies on the impacts of retrenchment from both corporate and employee perspectives. Thereafter, it provides a critical review of the role of communication during retrenchment implementation. The sixth heading provides an overview of communication strategies used during retrenchment implementation, crisis communication strategies, and the impacts of poor and ineffective communication during retrenchment. This section helped to connect with the study's objectives. The seventh heading provides an overview of how retrenchment is managed to ensure that fair retrenchment practices are exercised, and the alternative measures to avoid retrenchment are discussed. Lastly, the study discusses the role of theory in the study, where the necessary attributes of the

Situational Crisis Communication Theory (SCCT) and its relevance to the study are discussed.

2.2 THE MINING SECTOR AND RETRENCHMENT: ISSUES AND CRISIS

Since Jan Gerrit Bantjies' discovery of gold in 1884 on the Witwatersrand riverbanks, South Africa has been awash in the precious metal. The United States Geological Survey (USGS) (2020) reports that South Africa has surpassed all other countries as the world's top gold producer. As more mines were discovered, the industry swiftly grew to be the largest and most significant sector of the South African economy. In more than one hundred nations around the world, mining is a substantial industry, with South Africa being one of the top fifty mining countries in the world (Khubana, 2021). Statistics South Africa (Stats SA) (2021) reports show that the mining sector was the second-largest contributor to the country's GDP in the 1980s, contributing 22 percent per year. After that, the number of mining employees fell to 400,000 in 2001 (South African Institute of Race Relations (IRR), 2019). The mining sector has experienced significant job losses, with some estimation of over 100,000 jobs lost between 2012 and 2018 (Mangale, 2018). The Mineral Council of South Africa (MCSA) (MCSA, 2018) reports that there were fewer job openings in the mining sector in 2018. From 2020 to 2024, the South African mining sector experienced an estimated 26,000 job losses, primarily due to declining commodity prices, increased production costs, and ongoing restructuring and automation efforts (Stats SA, 2024). Even though the mining employment has declined, Price Waterhouse Coopers (PwC, 2019) states that the mining sector remains a foundational industry in South Africa because of its distinctiveness and capacity to supply the chains of strategic manufacturing, engineering, energy, technology, transport, construction, and other productions. The industry also supports the socio-economic priorities of government and communities (IRR, 2019).

The South African mining sector has been built on migrant labour from the rural areas of South Africa and neighbouring countries. These migrant labour miners come from four neighbouring countries, which are Botswana, Mozambique, Lesotho, and Swaziland (Mpedi & Nyenti, 2013). In 2020, an estimated 130,000 migrant workers were employed in the South African mining sector, which accounts 30% of the total mining workforce (Stats SA, 2020).

The numbers as well as the geographical origin of these miners have changed over time in response to the changing needs of the sector and to political and economic shifts in the country (Nelson & Murray, 2013). There has been a decline of 7% in migrant workers' employment over the five-year period between 2015 and 2020 (Stats SA, 2020). Most migrant workers are now employed on fixed-term contracts, which range from 6 to 24 months (Stats SA, 2020). This consequently led to job insecurity and limited access to benefits and social services, as they are paid lower wages than local workers (Crush, 2018). Between 2015 and 2020, 20,000 migrant workers were retrenched in the South African mining sector (Stats SA, 2020). In 2020 alone, 15,000 migrant workers were retrenched, and mass retrenchments occurred in the Gold and Platinum mines (Stats SA, 2020).

South Africa is continuing to work to reform the economy and guarantee a sustainable distribution of wealth among South Africans after 20 years of democracy through the 2003 Broad-Based Black Economic Empowerment (BBBEE) Scorecard, the National Development Plan (2012), and the 2018 Mining Charter. As a result, there is a lack of ideas and tactics that mining corporations in South Africa can use to guarantee favourable economic, social, and environmental outcomes (Mpedi & Nyenti, 2013). These changing conditions led to low production and demand instability, social and environmental circumstances, lack of maintenance skills, globalisation, financial crisis, and decreased employment (Sadri, 1996). Both globally and locally, the mining sector is constantly evolving, and as such, organisations need to develop strategies for adjusting to these changes in order to remain profitable. Mining corporations practice retrenchment as a coping mechanism to maintain and control costs (Pfeil et al., 2004). Literature highlights that the mining sector is hindered from producing long-term value for all its stakeholders by the uncertainties brought on by political policies and economic instabilities (Federation for Sustainable Environment, 2018).

Retrenchment has severe consequences for affected employees, communities, and the broader economy (Naidoo, 2018). As such, ineffective communication during retrenchment processes can worsen these consequences, leading to mistrust, conflict, and damage to reputation (Khubana et al., 2022). Despite its importance, there has been limited research on crisis communication during retrenchment in the mining sector. Effective communication plays a vital role during retrenchment processes as existing literature emphasises the need for transparent and empathetic

communication (Bennett, 2017). However, mining companies often prioritise shareholder interests over stakeholder engagement, neglecting effective communication (Moodley, 2018). South Africa's legal framework, Section 189 of the Labour Relations Act, guides retrenchment processes (Department of Labour, 2020). While this framework provides guidelines for fair retrenchment practices, its effectiveness relies on proper implementation and communication. MCSA (2020) emphasises the importance of engaging stakeholders during retrenchment, which includes timely and transparent communication. However, IRR (2019) found that mining companies often fail to engage meaningfully with their employees. As such, effective communication during retrenchment requires a strategic approach, considering both legal compliance and employees' needs (Erasmus, 2019).

2.2.1 Contribution of the Mining Sector in the South African Economy

The mining sector is a vital part of the South African economy as it provides employment opportunities for its people. MCSA (2020) found that it employs approximately 450,000 people and generates substantial revenue for the economy. This shows that the sector provides mass employment. According to Stats SA (2020), the sector employed around 7,5% of the country's total workforce and generated a significant R443 billion in 2020, solidifying its position as a crucial sector in the country (South African Reserve Bank, 2020). The South African mining sector contributed 8% to the country's GDP in 2020 (Stats SA, 2020). The World Bank reports that the mining industry's contribution to GDP has fluctuated between 7.5% and 8.5% from 2015 to 2018 (World Bank, 2018).

Studies have shown that the mining industry plays a crucial role in the country's economic progress and expansion (Baxter, 2017; Crush, 2018). A study conducted by Mwaura (2019) has found that mining operations generate considerable revenue, having a far-reaching impact on the economy. Similarly, Vearey (2018) found that the mining sector's revenue generates significant tax revenue for the government, which is used to fund various public services and infrastructure projects. The mining sector offers mass employment opportunities, both directly and indirectly (Mwaura, 2019). The export of mining products constitutes a significant source of foreign exchange earnings for the country (Rensburg, 2018; Sitas, 2018). The mining industry fosters innovation and technological advancements in extraction methods and environmental management (Macleod, 2017). Mining provides access to vital energy resources,

including coal and uranium, essential for power generation (Baxter, 2017; Rensburg, 2018). According to Mwaura (2019), mining companies invest in community development initiatives, enhancing local living standards and quality of life.

According to Stats SA (2020), the mining industry’s contribution to the GDP has been impacted by various challenges, leading to a decline in its overall contribution to the economy. These challenges include declining commodity prices, increasing operational costs, and regulatory uncertainty. Although the literature mentions regulatory uncertainty as a factor contributing to retrenchment, there is a need for more detailed analysis of how other regulatory frameworks, such as those related to environmental and labor standards, impact the mining sector. Cameron (1995) notes that regulatory frameworks can influence the competitiveness of mining companies, but the study does not examine the implications of these frameworks for retrenchment. The MCSA (2020) notes that these challenges have affected the sectors’ GDP contribution. Despite these challenges, the mining industry remains a critical component of the South African economy. The sector accounts for approximately 60% of the country’s exports, making it a vital part of the country’s trade balance. Additionally, the sector’s importance extends beyond economic benefits, supporting social and environmental development and sustainability (Vearey, 2018). This makes the mining sector a very important industry in the South African economy.

Figure 2 – Contributions to growth in GDP, Q4 2023 (% points)

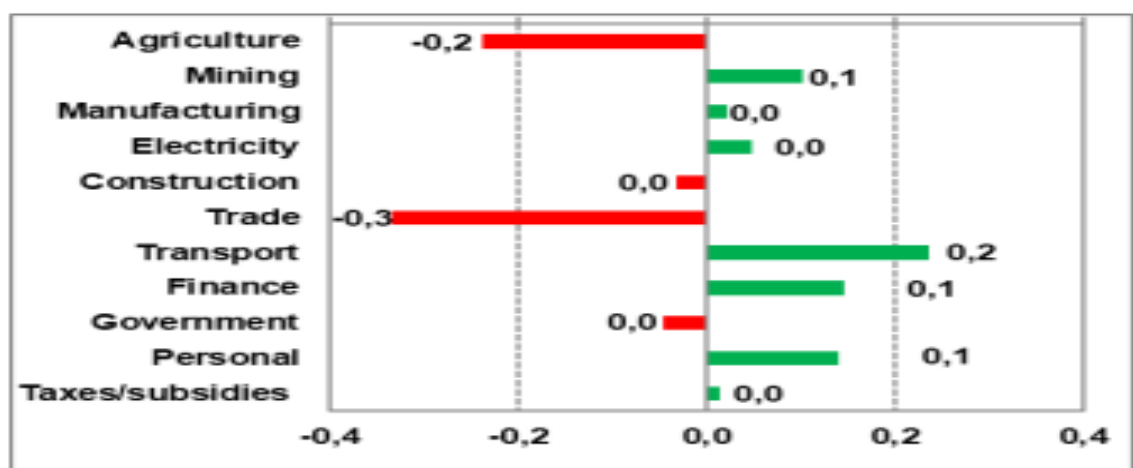


FIGURE 2.1: Contribution of the mining sector in the country's GDP (Stats SA, 2023).

According to the above graph from Stats SA (2023), the mining sector's contribution to the country's GDP in the 4th quarter (Q4) 2024 was 0.1%. This means that the sector's nominal value is R1.4 billion. This shows that its contribution has been fluctuating over the years as the sector faces challenges like infrastructure deficits, regulatory uncertainty, and political instability (PwC, 2022). The South African Reserve Bank (2022) has found that the mining contribution to the country's GDP has declined over the past decade.

2.3 RETRENCHMENT IN THE SOUTH AFRICAN MINING SECTOR

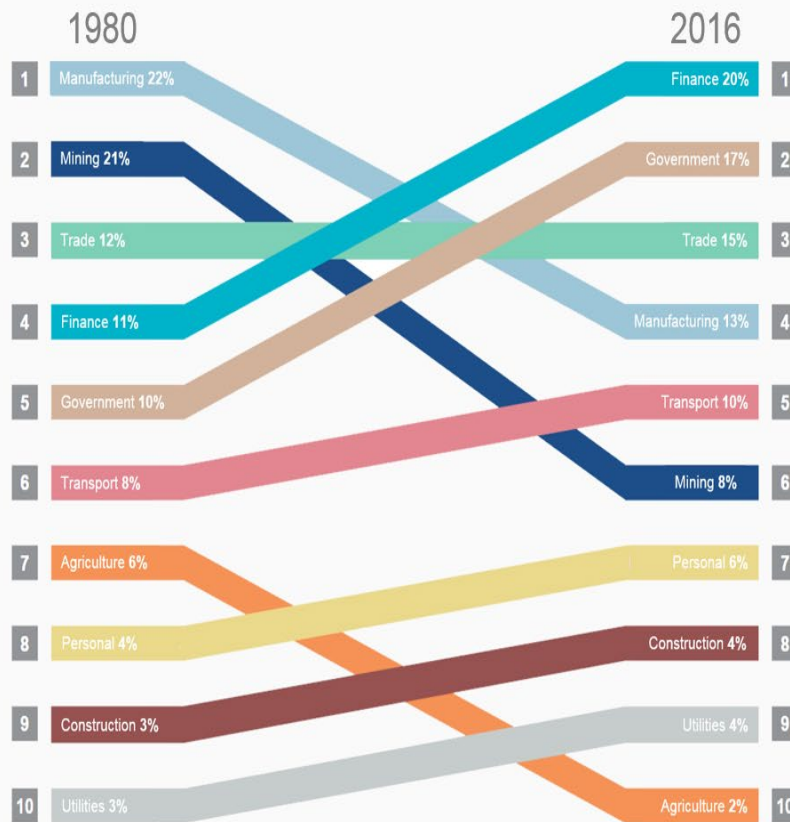
2.3.1 Causes of Retrenchment in the South African Mining Sector

The mining industry in South Africa has changed in the past decade, driven by factors such as declining commodity prices, rising operational costs, technological advancements, regulatory uncertainty, and global economic pressures. Omwenga (2017) explains retrenchment as a set of activities carried out in the mining sector that are deliberate and involve a reduction in staff through layoffs, retirement, and transfers. Omwenga (2017) further states that these activities are done by corporations to increase their efficiency in order to control costs, maintain competitiveness in the market and finally alter the process of how work is done with fewer employees. Ms. Nkanbule Rebone, Chief Director in the Western Region, highlighted in a briefing that one of the generic causes of job losses in the mining industry includes the tendency of multinational companies to focus on declaring dividends to shareholders rather than retaining employees. Most literature does not examine the impact of environmental factors, including climate change and environmental degradation, on the mining sector and retrenchment. Dunn & Partners (2001) has reported that retrenchment can also happen because of a plant shutdown, organisational restructuring, reduction in operations, or a decline in the need for employees due to factors including falling demand for specific products or services, but the study does not explore the implications of these factors on retrenchment. Vearey (2018) argues that due to widespread retrenchment measures brought by the Coronavirus (COVID-19) outbreak, many workers have lost their jobs in the mining industry. This shows the reliability of the projections provided following the COVID-19 outbreak, and South Africa is no exception (South African Revenue Service, 2022).

According to the UNCTAD secretariat (2009), the retrenchment crisis is characterised by collapsing stock markets, financial institution closures, rising inflation, weak economic growth, and a fall in consumer expenditure. Jehoma (2009) stated that the retrenchment crisis caused an economic slump in South Africa and led to the following: significant drop in crucial mine exports, which caused the price of export commodities to fall; share prices at the Johannesburg Stock Exchange (JSE) fell sharply; and portfolio investments in equities displayed negative growth values. McKinsey MineLens (2019) state that direct mining's contribution to the GDP, employment, production, export sales, and fixed investments of the nation decreased because of the development of secondary and tertiary industries as well as the declining level of mining production. IRR (2019) estimations have shown that in 2016, the composition of GDP had significantly changed, with the financial services sector accounting for the majority of GDP contributions (21%) followed by the government (17%), trade (15%), manufacturing (13%) and transportation (10%) in that order. As a result, the mining sector contributed 8% of GDP, placing it in sixth place overall. The mining sector's largest GDP contribution during a period of ten years was in 2009 (8%) although it steadily declined over the following years, reaching 7% in 2018 (Stats SA, 2018). The mineral export sales also decreased, from 35% reported in 2009 (R175 billion), the highest level seen during the preceding ten years, to 27% in 2018 (R333 billion) (MCSA, 2019).

The fall of mining and manufacturing in South Africa

Ranking of industries according to their percentage contribution to GDP, for the years 1980 and 2016



Powered by ZingChart

Sources: South African Statistics, 2015 and Gross domestic product (GDP), 4th quarter 2016



THE SOUTH AFRICA I KNOW, THE HOME I UNDERSTAND

FIGURE 2.2: The fall of Mining and Manufacturing in South Africa (Stats SA, 2016).

According to the picture above, the mining sector's contribution to GDP has declined over the past decades, from a peak of 21% in 1980 to 8% in 2016. Minerals Council South Africa (2022) found that the decline is caused by various factors such as production costs, commodity prices, rising production, and regulatory uncertainty. Moreover, according to Deloitte (2019), mining has frequently had major negative environmental and social effects that have not been adequately acknowledged or addressed, raising doubts about the genuine socio-economic contribution of miners. The convergence of these socio-economic factors has prompted mass retrenchments in the South African mining sector due to dynamic economic, social, political, and

environmental pressures (Khubana et al., 2022). Lane et al. (2015) further state that the sector faces lower commodity markets, rising costs, policy instability, labour tensions, aging assets, and infrastructure deficiencies, which limit the growth of the South African economy.

Organisational retrenchment is driven by both internal and external factors. McKinsey MineLens (2019) believes that both internal and external issues in the mining industry contribute to retrenchment and that the external challenges include the declining productivity of South Africa's mining sector, lack of operational and cost competitiveness brought by aging mines, declining grades and deeper deposits, vulnerability to volatility (South Africa's currency has the highest volatility) and mounting infrastructure issues. Furthermore, McKinsey MineLens (2019) states that the mining sector in South Africa faces internal challenges that are made worse by a flat global growth outlook for the key exports of the nation as well as global trends like the expansion of renewable energy sources, China's shifting economic priorities, changes in investor sentiment, and the disruptive effects of technology. Their study would have been more interesting if it had not just focused on internal and external factors contributing to retrenchment, with limited examination of global economic trends and their impact on the mining sector. Vearey (2020) notes that the COVID-19 pandemic has highlighted the impacts of technological advancements on employees, but the study does not explore the implications of this interconnectedness for retrenchment in the mining sector.

Omwenga (2017) notes that most mining companies implement retrenchment as a strategic measure due to a variety of reasons, including financial struggles, escalating operational costs, government policies, economic downturns, and restructuring brought by mergers and acquisitions. Vermeulen (2010) supports this view by stating that mergers and acquisitions are frequent examples of company coping methods. As a result, some roles are eliminated, more especially unneeded roles. During mergers and acquisitions, some working units are phased out because they no longer align with the new organisation's strategy and objectives (Wilkinson & Redman, 2009). Mthembu (2019) argues that the primary justification for retrenchment in many organisations is to boost business profitability. This perspective is reinforced by Ikechukwu and Chijindu (2016), who suggest that technological developments have increased efficiency, making businesses productive even with a smaller workforce and

forcing businesses to retrench. This somewhat eliminates the requirement for middle management ranks.

Sitas (2018) suggests that uncertainty around the future of the mining sector, including the impact of technological advancements and globalisation, adds to challenges. Although technological advancements are cited as one of the factors contributing to retrenchment, there is a need for more in-depth analysis of how specific technologies, such as automation and artificial intelligence, are impacting employment in the South African mining sector. Omwenga (2017) notes that technological advancements have increased efficiency and reduced labor costs, but the study does not examine the specific technologies causing these major changes in the sector. As such, addressing these uncertainties can promote a more stable and sustainable mining sector.

Brand South Africa (2012) states that the mining industry is also confronted by a combination of policy instabilities, recurrent anxieties about nationalisation, and labour militancy. Studies on Policy instabilities revealed that policy instabilities aggravate retrenchment difficulties in the mining sector, leading to confusion and mistrust among stakeholders (Crush, 2018; Vearey, 2018). Ulmer et al. (2015) argue that unclear guidelines on retrenchment procedures, inconsistent application of policies, and lack of transparency in decision-making cause conflict among stakeholders. Mwaura (2017) notes that uncertainty around labour laws and regulations prohibits effective management of retrenchment, creating confusion and obstacles. That results in companies facing uncertainty regarding social responsibility and community engagement expectations, leading to inadequate communication and consultation (Macleod, 2017). Given the complex issues of policies and laws affecting retrenching mining corporations, it is essential to understand the legal framework governing retrenchment. The Labour Relations Act (LRA) provides the primary legislative framework for retrenchment in South Africa (Department of Labour, 2018), and it is critically explained below.

2.3.2 Legal Framework for Retrenchment in the Mining Sector: Section 189 of the Labour Relations Act 66 of 1995

The Labour Relations Act (LRA) 66 of 1995 states that an employer can retrench employees because of “operational requirements” in South Africa, including economic, technological, or structural needs. The company’s decision to retrench should be

based on economic downturn, a drop in demand for a business's products or services, or new technology that replaces workers at less cost (Van Niekerk, 2017). According to Smith and Basson (2019), a company must follow a "fair retrenchment" procedure when retrenching employees. This includes consulting with employees and their union representatives and issuing a written retrenchment notice to the employees (LRA, 1995). The written notice of retrenchment should be in terms of section 189A of the LRA, consisting of information about reasons to retrench, the number of employees to be retrenched, and details of the severance package.

In terms of Section 189A of the LRA, employers are required to provide termination notice only after the 60-day consultation period has expired and all consultation obligations have been fulfilled. The consultations between the employer and the employees should be made in order for employees to have common grounds on ways to avoid, change the timing of retrenchment, mitigate the effects of retrenchment, or at least reduce the number of employees to be retrenched (Van Niekerk, 2017). The LRA (1995) states that an employer can only retrench employees based on reasonable options, which means there must be ways to avoid retrenchment. This includes putting the hiring process on hold, avoiding extra hours, or transferring employees to other jobs. Most organisations use the LIFO principle ("last in – first out") to retrench employees, which means the recently hired employees will be retrenched first. Other selection principles include the length of service, performance or qualifications. The selection principles are followed to make the retrenchment process fair and objective (Smith & Basson, 2019).

2.4 THE RETRENCHING MINING COMPANIES IN SOUTH AFRICA

Reports have shown that out of all retrenching companies in South Africa, the mining industries in South Africa are indeed amongst the most affected by retrenchments. According to Solidarity Research Institute (2016), employees in the mining sector have been severely impacted, with 36 companies implementing retrenchments since 2015. The MCSA (2020) reported that they accounted for the largest share of retrenchments in 2020, with over 14,000 job losses. The mining sector has experienced a significant increase in retrenchments in recent years. This trend is reflected in the data presented in Table 2.1, which lists several mining companies that have faced mass retrenchments over the past years, and the mining sector is no exception.

#	Name of Company	Number of Retrenched Employees	Date
1	Telkom	8055	2015/16
2	Lonmin	5108	2016
3	South African Post Office	5065	2015
4	Harmony Gold	3100	2015
5	Kumba (Sishen)	2633	2016
6	Bokoni Platinum	2600	2016
7	Anglo-American	2000	2016
8	UNISA	2000	2015
9	ABSA	1952	2016
10	Samancor Mines	1700	2016

TABLE 2.1: 10 COMPANIES FACED WITH MASS RETRENCHMENTS (Solidarity Research Institute, 2016)

As illustrated in the table above, there are several mining companies retrenching employees. Lonmin mine, which is now acquired by Sibanye-Stillwater, has been dealing with mass retrenchment and is on the list; there is also Harmony Gold, Kumba (Sishen) mine, Bokoni Platinum, Anglo-American, and Samancor mines. This clearly outlines that the mining sector dominates the list when it comes to retrenchment. Harmony Gold, for example, retrenched over 3,100 employees in 2015, while Anglo-American Platinum retrenched 2,000 employees in 2016. These major retrenchments reflect to broader trends of cost-cutting and restructuring in the mining sector, which are driven by economic challenges such as declining commodity prices and increasing production costs (Omwenga, 2017). The trends and patterns of retrenchment in the South African mining sector highlight the need for mining companies to adopt more sustainable and responsible approaches to managing their operations.

2.5 STAKEHOLDER PERSPECTIVES ON RETRENCHMENT IN THE MINING SECTOR

2.5.1 The Impacts of Retrenchment in the Mining Sector: The Corporate Perspectives

Retrenchment has become a strategy that mining companies use to cope with economic changes and shifting global demands. Retrenchment possesses a substantial long-term implication from a corporate perspective. Studies have shown that retrenchment can lead to reduced costs, improved financial implications, and increased shareholder value (Vearey, 2018; Mthembu, 2019). Retrenchment has been used by corporations in reaction to economic downturns, merger and acquisition-related restructuring, low profitability, growing corporate costs, and legislative or regulatory changes (Cameron, 1994). It is proposed that most miners retrench because of restructuring and modernisation initiatives to maintain appropriateness and profitability (Khubana et al., 2022). Khubana et al. (2022) further stated that retrenchment provides certain short-term or immediate benefits to companies, which include increasing revenues, preventing bankruptcy, forging new connections, reorganising, and getting rid of "deadwood" or disengaged workers. Sadri (1996) agrees that retrenchment implementation can be advantageous because corporations use it to meet customer demands, compete for business, and change the organisational structure from what it is now to what it should be (Sadri, 1996). The cited studies prioritise the perspectives of mining companies and other shareholders over those of affected stakeholders, such as employees and local communities (Sadri, 1996; Sadri, 1996). This bias can result in a lack of understanding of the emotions and experiences of affected stakeholders. Furthermore, the cited studies neglect the power dynamics and social relations that shape the impacts of retrenchment, and this can result in a lack of understanding of how retrenchment affects different stakeholders in different ways.

Dun (2001), states that over 50,000 local jobs have been lost as a result of retrenchment, affecting the local economy and mine workers in South Africa. There has been a substantial social and economic upheaval as a result. The mining sector in South Africa faces several difficulties that contribute to retrenchment implementation which includes: a migrant workforce, challenging geography, a general economic downturn that makes it difficult for the development of alternative economic

opportunities, traditional gender roles and responsibilities because some work requires labour, a low level of literacy, and unlawful struggle (Mpedi & Nyenti, 2013; Khubana et al., 2022). Department of Mineral Resources (DMR) in 2018 reported that retrenchment created job losses and that job losses led to crises in the mining sector.

In addition, there have been suggestions that the need for change in businesses is due to re-engineering of business processes, increased global rivalry, and the impact of information technology (Sayed, 2013). Khubana et al. (2022) asserted that retrenchment is a tactic that corporations use to restructure and reorganise the corporation in order to achieve specific goals. Retrenchment has been utilised by organisations recently as a response to competitive situations, for restructuring, and to boost organisational performance to build adequate human resources and improve work systems (Malik, Ahmad, & Hussain, 2010). However, retrenchment also has operational consequences that can impact the mining company's long-term sustainability.

Researchers and empirical studies show that businesses that rely heavily on retrenchment frequently fail (Maungadze et al., 2013; Sayed, 2023). Retrenchment can damage a company's reputation and brand, leading to negative consequences (Sadri, 1996). The departure of skilled and experienced employees can result in a loss of talent, impacting the company's long-term success (Maunganidze et al., 2013). According to Jomah (2020), retrenchment can negatively impact the remaining employees' motivation and engagement, leading to reduced morale and productivity. In some instances, companies may face legal risks and potential legal claims and disputes related to retrenchment, leading to a long-term consequence that can potentially damage a company's culture and values (Hussain & Fourie, 2021).

The departure of key personnel can disrupt business operations, causing delays and inefficiencies – making it harder to attract top talent and customers (Maunganidze et al., 2013). According to Appelbaum and Labib's (1994) research, many companies have undergone organisational changes during the previous few years, which resulted in retrenchment activities that attracted increased attention and have detrimental effects on organisations. Several studies emphasises that retrenchment can create a culture of fear and uncertainty, leading to increased stress, turnover among remaining employees, and difficulty in maintaining business continuity and stability (Hitt et al.,

2001; Sullivan & Gouldson, 2017). Schweizer and Nienhaus (2017) argue that retrenchment can further damage the company's social license to operate, leading to reputational damage and potential loss of business. Understanding these challenges is important to develop effective strategies to mitigate negative consequences and capitalise on opportunities to ensure long-term sustainability and success (Wang, 2011). Additionally, future research should explore the relationship between retrenchment and economic outcomes, including the impact on GDP, employment, and poverty rates.

2.5.2 The Impacts of Retrenchment in the Mining Sector: The Employees' Perspectives

Retrenchment in the mining sector has overwhelming effects for employees, leading to substantial emotional, financial, and social distress. Maunganidze et al. (2013) state that the execution of retrenchments causes unemployment. Similarly, Kabanoff, Palmer, and Brown (2000) studied 300 retrenchment situations in United States organisations in the eight years up to 1996. The researchers came to the following conclusion:

"Retrenching organisations that express no sustained improvement in financial performance are those in which managerial focus is only on cost-cutting, while those that show improvement have a managerial focus on increasing productivity or reorganising and restructuring."

This shows that companies that practice retrenchment affect everyone in that company, as retrenchment leads to job losses yet benefits the company. Palmer and Brown (2000) further state that the loss of jobs due to retrenchment leads to financial hardship, reduced standard of living, and increased stress levels. Omwenga (2017) conducted a study on the impact of retrenchment on employees in the Kenyan mining sector. The study found that retrenchment led to significant psychological distress, including anxiety, depression, and post-traumatic stress. Although Omwenga's study provides valuable insights into the psychological impacts of retrenchment, it has several limitations. One of the limitations includes the study's reliance on a relatively small sample size of 100 participants. This may limit the generalisability of the findings to other contexts.

The psychological impacts of retrenchment on mining employees cannot be overstated. Research has shown that less skilled workers and bad morale might result from retrenchment because employees may feel conflicted, shocked, stressed, guilty, or even envious (Elliot, 2010). This includes the development of a new psycho-social issue known as "survivor syndrome" (Wassernan & Hyde-Clarke, 2016). In addition, this might lead to survivors becoming self-centered, risk-averse, and narrow-minded, which would cause them to show little devotion and self-worth and ultimately ruin the organisation. Sayed (2013) further stated that retrenchments in the mining sector will always have a detrimental effect on survivors.

Khubana et al. (2022) found that effective stakeholder communication during retrenchment is crucial for maintaining trust and credibility. Their study also highlights the challenges of communicating retrenchment decisions to diverse stakeholders with competing interests. The authors noted that corporations often struggle to balance the needs of different stakeholders, including employees, shareholders, and local communities. As such, they found that retrenchment can also weaken current workers' loyalty to the company and level of satisfaction, which could translate into poorer performance. A critical analysis of Khubana et al.'s (2022) study reveals several implications for stakeholder communication during retrenchment. Firstly, the study highlights the importance of considering the diverse needs and interests of different stakeholders. Secondly, it suggests that corporations need to develop context-specific communication strategies that take into account the complex power dynamics and relationships between stakeholders. However, Khubana et al. (2022)'s study also has several limitations. For example, the study focuses primarily on the perspectives of corporate managers and executives, without fully exploring the experiences and perspectives of other stakeholders, such as employees and local communities.

The mere act of executing retrenchment can easily ruin an organisation's reputation (Onwughalu & Ojakorotu, 2021). Researchers go on to say that retrenchment's immediate financial difficulties may have an impact on employees' physical and mental health, as well as cause bankruptcy, despair, and more serious ailments (Elliot, 2010; Sayed, 2013). Mthembu (2019) investigated the impact of retrenchment on employees. The study found that retrenchment led to significant psychological distress on employees. Mthembu's study highlights the importance of effective stakeholder communication during retrenchment, particularly in terms of providing emotional

support and counseling to affected employees. However, a critical analysis of Mthembu's study reveals several limitations and gaps in the research. The study focuses primarily on the experiences and perspectives of employees, without fully exploring the viewpoints and interests of other stakeholders, such as management and shareholders.

Many of the studies cited in this literature review rely on quantitative methodologies, such as surveys and statistical analysis, to examine the impacts of retrenchment (e.g., Omwenga, 2017; Vearey, 2020). While these methodologies provide valuable insights into the scope and scale of retrenchment, they often neglect the context-specific experiences of affected stakeholders. In contrast, qualitative methodologies, such as case studies and in-depth interviews, offer a more detailed and contextualised understanding of the impacts of retrenchment (e.g., Mthembu, 2019; Sitas, 2018). However, these methodologies are often limited by their small sample sizes and lack of generalisability.

2.5.3 The Impacts of COVID-19 in the South African Mining Sector

Due to the COVID-19 pandemic, many South Africans have been forced to seek jobs because of unemployment, which is a common reaction strategy during economic downturns. Despite being a health pandemic, COVID-19 has developed into a historic, global, social, and economic calamity (Galas, Kot-Niewiadomska, Czerw, Simic, Tost, Warell & Galas, 2021). Statistics SA (2021) states that the number of workers employed in the mining industry decreased noticeably in 2020. Sadri (1996) argues that in many resource-rich nations, mining is a pillar of the economy, benefiting both developed and developing countries due to its significant contribution to social development, inclusive growth, and poverty reduction. COVID-19 highlighted the gaps in the world's labour marketplaces, because employees were required to stay at home while mining companies of all sizes were drastically slowing down or stopping their activities (Deloitte, 2020). Laing (2019) states that workers were being retrenched at mines due to mining operations scaling down as national lockdown restrictions took effect. These significant changes to the global economy caused severe uncertainty, jeopardised output and productivity, and had an impact on employees, suppliers, and local economies (Jowitt, 2020). Despite advancements in technology and internet connectivity enabling remote work, its adoption is limited to specific businesses, industries, and occupations (Warell, 2021).

As shown in Figure 2.1, research by the Intergovernmental Institute for Sustainable Development (2020) highlights labour intensity and employment risk disparities across different worker groups at various stages of the mine life cycle.

FIGURE 1. EMPLOYMENT RISK HEATMAP FOR MINING COMPANIES ALONG THE MINING VALUE CHAIN

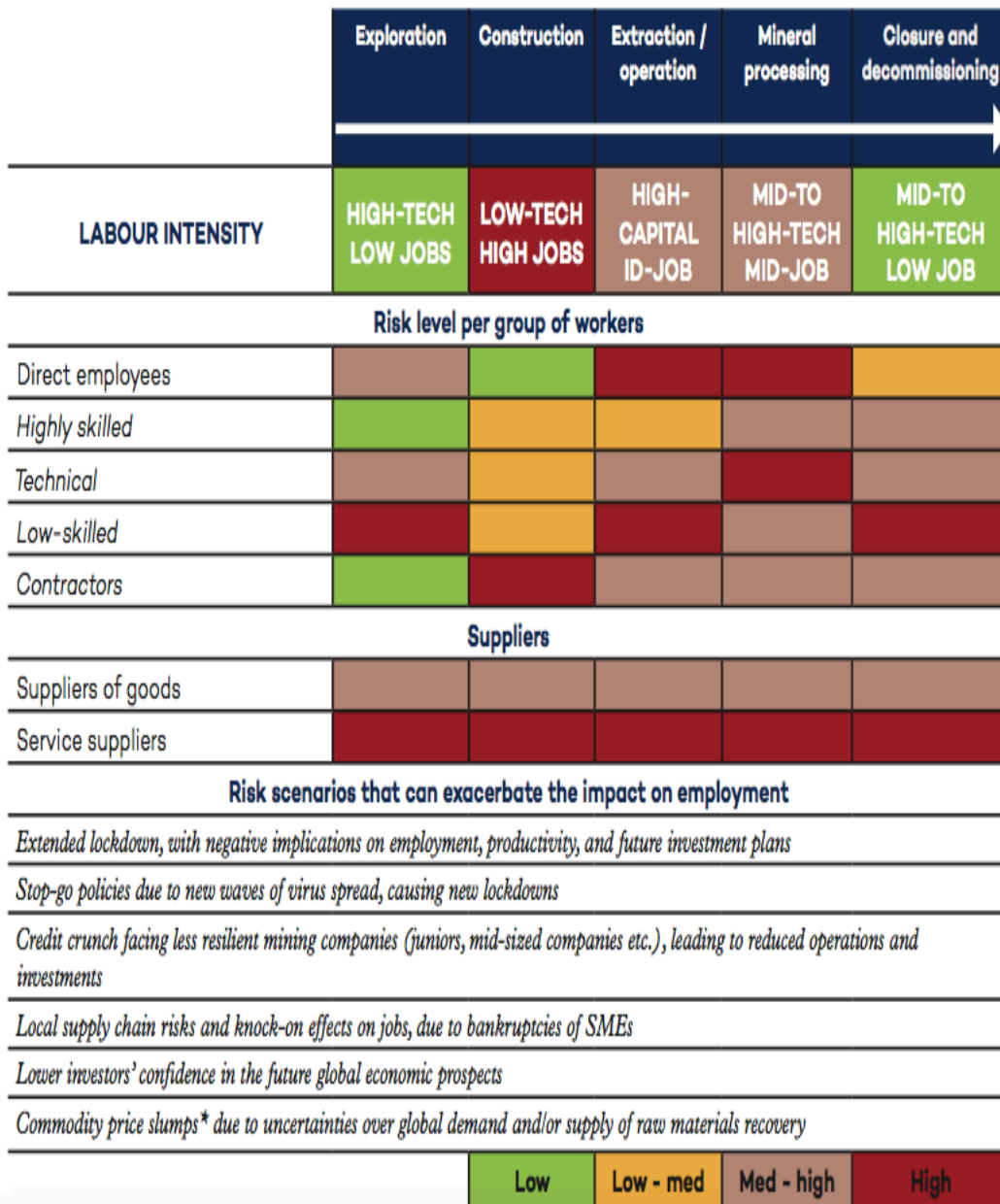


FIGURE 2.3. EMPLOYMENT RISK HEATMAP FOR MINING COMPANIES ALONG THE MINING VALUE CHAIN (Intergovernmental Institute for Sustainable Development, 2020)

As shown in the table above, low-skilled service suppliers and direct employment are affected. According to the Intergovernmental Institute for Sustainable Development (2020), COVID-19 impacted the mining sector negatively by affecting its day-to-day

activities, direct employment and salaries, local suppliers, causing severe uncertainty, jeopardising output and productivity, and community economic activities. The Intergovernmental Institute for Sustainable Development (2020) further revealed that COVID-19 had the following impacts on the mining industry: disrupted mining activities (government regulations required lockdown, putting everything on hold to stop the spread of the virus among employees and the communities and some sites had to stop operating), severely affecting the sourcing of local and global inputs – at the local level, slowed economic activities and temporary business closures considered “non-essential”, severely affecting employment in the large-scale mining sector as a result of current investments and CAPEX (Capital expenditure) forecasts, securing local access to critical supplies in supply chain and technology, and potential long-term changes to the sector’s labour market, including increased automation and reduced labour demand.

2.6 COMMUNICATION AND RETRENCHMENT IN THE MINING SECTOR

2.6.1 The Role of Communication During Retrenchment Implementation

Communication is the most significant part of any organisation during organisational changes and crises. Khubana et al. (2022) state that the success of the change effort depends on the organisation's capacity to alter the employees' behaviours. Sayed (2013) further asserted that communicating about the change and providing employees with transformation should include effective and transparent communication. De Ridder (2003) mentioned that there are different goals in an organisation. Firstly, organisations should always inform employees, as it is essential if organisational change involves how to modify the specific tasks of individual employees. According to Mthembu (2019), employees should be provided with adequate information about any retrenchment, and the information should be accessed through different communication tools, such as communication channels and formal bureaucratic channels, rather than informal channels and interpersonal communication with peers. The study by Tourish et al. (2004) indicates that practitioner-oriented research has advised the broad use of communication strategies to moderate the detrimental consequences of retrenchment. Communication can be seen as a crucial precursor to the self-categorisation process, which aids in defining a group's identity and cultivating a sense of community that satisfies organisational needs (Wang, 2011). Studies conducted by McKinley (2023) clearly outlined that

communication creates a situation for commitment and hence should be seen as one of its significant antecedents. Shahram et al. (2013) states that communication is all about informing the employees before and after the organisational change, and the information provided should address the reasons to address any worries and changes that the organisation's employees will initially have. Communication is a crucial aspect in determining the efficacy of organisational transformation. Researchers indicate that employees prefer to receive information from their managers and that organisations should train managers to successfully communicate with their stakeholders to avoid chaos during retrenchment (Sayed, 2013; Bayardo et al., 2013).

Choma and Ramafalo (2015) indicate that to avoid legal action from ex-employees or witnessing the resignation of the remaining employees due to the failure of launching effective communication, employers must communicate retrenchment to all its stakeholders properly. Communication can be seen as a crucial precursor to the self-categorisation process, which aids in defining a group's identity and cultivating a sense of community that satisfies organisational needs (Jamal & Bakar, 2017). McKinley (2023) clearly outlined that communication creates a situation for commitment and hence should be seen as one of its significant antecedents. He reiterates that it is the most important development factor in an organisation. Communication today is perceived as an approach with the ability to inform the external and internal public of an organisation (Messenger, 2001). Given its importance, this means that there is a rationale for communicating all procedures to be followed during retrenchments to avoid misunderstandings, court orders, disputes, and unlawful struggles.

Similarly, McKinley (2023) explained that communication can be used as a strategy to inform internal employees about any organisational change occurring during a crisis or restructuring. Communication has been viewed as a significant approach since we are living in a world of different events or situations; so, corporations are aware that employees have the right to access information and be knowledgeable enough about certain situations (Shahram et al., 2013). Finally, in their study of the art of downsizing, Pfeil et al. (2004) proposed that the converse to management is communicating more openly with employees, and that they should assure them that their voices are heard. They further stated that keeping the lines of communication open for employees can prevent the formation of expectations that are never fulfilled, which at worst could end in strikes and union engagement. In conclusion, communication in an organisation

during retrenchment is key, which must be used to deliver information that needs to be communicated to the employees about any change occurring in the company that affects the members.

The literature on stakeholder communication during retrenchment is characterised by differing viewpoints and gaps in research. Some studies emphasise the importance of transparent and timely communication with affected stakeholders (Bayardo, Reche, & De La Cabada, 2013), while others highlight the challenges of communicating with diverse stakeholders during a crisis (Ikechukwu & Chijindu, 2016). Pfeil et al. (2004) highlight the importance of stakeholder communication in the context of retrenchment, but further research is needed to understand how effective communication strategies can be developed and implemented to support affected stakeholders. However, much of the research up to now has highlighted that communication is critical in managing the consequences of retrenchment (Ojakorotu, 2021). Sadri (1996) suggests that practitioners have broadly accepted and empirically supported the overall necessity of communication during planned change, as ineffective communication within an organisation can result in rumours, frustration, uncertainty, resistance to change, and exaggerating the negative aspects of the change.

2.6.2 Guidelines to be Followed When Implementing Retrenchment

Before the implementation of retrenchment, there are guidelines that must be followed, which serve as a blueprint for communicating with stakeholders and the public (Messenger, 2001).

1. Communicating with stakeholders in a transparent manner

Clear communication is crucial during retrenchment to minimise uncertainty and anxiety (Bayardo et al., 2013). Transparent communication helps maintain trust and credibility with stakeholders (Coombs, 2007). Transparency is a communication strategy that companies use to manage retrenchment, and effective communication should include regular updates, clear explanations, and empathetic language (Ulmer et al., 2015). Communicating frequently and often using a transparent, empathetic, and professional tone when addressing employees is crucial (Wang, 2011). Managers occasionally believe that they should keep employees in the dark when things are not going well, yet people frequently know much more about a company's profitability than senior executives believe. An unexpected retrenchment might come as a far bigger

shock and can cause much more severe reactions than one that has been long anticipated. As such, transparency is important during retrenchment (Prahaladaiah et al., 2023).

2. Using a fair retrenchment criterion

Fair selection criteria are one of the most significant strategies used by organisations in order to ensure that retrenchment decisions are objective and unbiased (Heaney, 2010). The selection criteria should be based on business needs, performance, and skills (Olanrewaju, Tan & Kwan, 2017). Jamal and Bakar (2017) highlight the importance of fair treatment and procedural justice during retrenchment. Transparent selection criteria can help maintain trust and reduce perceptions of unfairness (Vermeulen, 2010). Fair selection is important to ensure that retrenchment decisions are not biased. Prior to defining the retrenchment strategy, this examination should be carried out. If an employee was employed unfairly, the way out may be to fire employees disproportionately as well. This could result in a lawsuit known as a "disparate impact" claim, which alleges that one group of employees was negatively impacted. This is based on the supposition that the business conducts routine, impartial assessments that assess employee performance (Sahin et al., 2015).

3. Designing a comprehensive retrenchment strategy for mining corporations

Clear corporate goals will help defend against claims of "disparate treatment". It might be stated in the plan, for instance, that the corporation would retain workers who have the abilities to keep it competitive and successful (Hussain & Faurie, 2021). This strategy can be used to specify which employees would be retrenched. Accurate documentation of the crisis communication process is essential for transparency and accountability (Coombs, 2014). Documentation should include reasons for retrenchment, selection criteria, and support provided (Freeman, 1999). Research highlights the importance of maintaining records to ensure fairness and legality (Coombs, 2014). Effective documentation can also help maintain trust and credibility with stakeholders (Liu, 2012).

4. Complying with labour laws and regulations during retrenchment

Companies must clearly state the requirements for retrenching and then send the strategy to the corporation counsel. Compliance with relevant employment laws, regulations, and collective agreements is crucial during retrenchment (Donyale, 2013). Organisations must ensure that retrenchment decisions are fair, lawful, and transparent (Rawjee, 2014). Ulmer et al. (2015) emphasise that the importance of legal compliance to avoid reputational damage and legal challenges can also help maintain trust and credibility with stakeholders.

5. Consulting and engaging employees during retrenchment implementation

All severance information should be written down, and justification should be given. There should be no room for errors because individuals in charge of directly delivering the word to the affected personnel must have received training (Pfeil et al., 2004). They must be able to follow the same script and comprehend it, so that they do not say anything wrong or illegal to employees during the leave meeting. They should be aware of issues relating to discrimination and termination. Employees must be given relevant information that explains the company's financial situation and commercial justifications for retrenchment (Lager, 2010). Communicating those motives can help prevent misunderstandings within an organisation. Consultation and engagement with employees, unions, and other stakeholders are critical during retrenchment (Coombs, 2014). Involving stakeholders in the decision-making process can build trust and credibility (Seeger, 2013). Lager (2010) outlines that consultation and engagement can lead to better outcomes for employees and organisations. Effective engagement strategies can also help mitigate the negative impacts of retrenchment (Sellnow & Seeger, 2013).

6. Mitigating harm: strategies for responsible retrenchment in the mining sector

Prevent employees from hearing about it in the news media. The corporation owes it to its employees to provide direct news to them because they depend on the employer for their livelihood; this becomes a moral obligation (Pfeil et al., 2004). Benoit (2015) concurs with Lager (2010) that employers need to communicate with their employees, who generate wealth and productivity for their company directly. They must avoid videotaping, they must insist on a live broadcast or meetings, issue press statements to ensure that everyone is reached, and make sure that managers and supervisors

follow up with each employee, in person (Benoit, 2015). Organisations should maintain dignity and respect in all interactions (Liu, 2012). A study conducted by Rawjee (2014) highlights the importance of empathetic treatment to minimise harm and maintain trust between all stakeholders, which will result in a positive reputation and credibility within the organisation.

7. Communicating with stakeholders during retrenchment

Retrenchment is a business decision based on business. As a result, human resource staff members must be prepared by professionals in communication about outplacement. By acknowledging these diverse behaviours and being familiar with them, managers can anticipate employees' reactions, which might range from shock to flight, elation, or aggression, assuring that they are ready to respond appropriately, regardless of the response (Messenger, 2001). They must maintain open channels of communication. Employees who have been retrenched or retained must know who to contact if they have any questions. All matters pertaining to payment continuation, health insurance, severance benefits, outplacement consulting, and other relevant matters must be understood by managers (Mpedi & Myenti, 2013). Effective communication with all stakeholders, including employees, customers, investors, and the wider community, is essential during retrenchment (Bayardo et al., 2013). Communication should be transparent, timely, and empathetic (Coombs, 2007). Effective communication can also help minimise harm and maintain a positive reputation (Cohan, 2020).

8. Support for the affected employees during retrenchment

Organisations should concentrate on what the surviving employees need (Benoit, 2015). Survivor employees need to be encouraged to keep working well and to be productive. This can be done through communication by making it clear that the decision to retrench other employees will not affect them (Pfeil et al., 2004). They should not be left to constantly worry about becoming the next victim (Messenger, 2001). Providing support for remaining employees is crucial to maintain morale, motivation, and productivity (Wang, 2011). Support can include reassurance, training, and development opportunities (Nelson & Murray, 2013). Effective support can also help minimise turnover and maintain a positive work environment (Holloway, 2005).

9. Reviewing and evaluating the retrenchment process

Reviewing and evaluating the retrenchment process is crucial to identify lessons learned and areas for improvement (Manson, 2020). Evaluation should include feedback from stakeholders and assessment of outcomes (Wang, 2011). Sellnow & Seeger (2013) emphasise that it is in the best interest of the organisation to learn continuously and seek alternatives to improve prior events during retrenchment.

10. Exit packages for the affected employees during retrenchment

Offering fair and reasonable exit packages to affected employees is essential to maintain trust and credibility (Khubana, 2021). Exit packages should include severance pay, outplacement services, and career transition assistance (Vermeulen, 2010). Effective exit packages can also help minimise harm and maintain a positive reputation (Mthembu, 2019).

11. Offering outplacement assistance to the affected employees during retrenchment

Providing outplacement assistance to affected employees can help them transition to new roles and maintain their well-being (Ngirande, Terera & Mutodi, 2014). Outplacement assistance can include career counselling, job placement services, and training (Hussain & Rawjee, 2014). Effective outplacement assistance can also help maintain trust and credibility with stakeholders (Coombs, 2014).

12. Monitoring and follow-up strategies for retrenchment outcomes

Monitoring and follow-up are crucial to assess the impacts of retrenchment and identify areas for improvement (Gibbs, 2017). Monitoring should include feedback from employees and assessment of outcomes (Donyale et al., 2013).

2.6.3 Navigating Retrenchment Through Crisis Communication

Crisis communication is an interdisciplinary research field encompassing various strategies employed by organisations to communicate effectively before, during, and after crises, aiming to restore normal operations (Stephen & Tyler, 2016). The primary objectives are reputation protection, public trust maintenance, and harm minimisation. Crisis communication involves sharing information with stakeholders, facilitating decision-making within crisis management teams, and guiding organisational communication with internal and external sources (Vermeulen, 2010). Research by Hussain and Rawjee (2014) highlights crisis communication's critical role in

coordinating internal and external communications through established guidelines and procedures. Effective crisis communication is a distinguishing characteristic of High-Reliability Organizations (HROs), where employees are trained to develop decision-making protocols for communication processes among key areas and stakeholders during crises (Hale, Dulek & Hale, 2005).

Vermeulen (2010) indicates that during, prior to, and after retrenchment, employers should ensure that the lines of communication are open, as there are multiple channels of communication that can be utilised. Spradley (2017) further mentioned that the employers must further explain openly the organisational challenges and the reasons or objectives behind the retrenchment in a transparent manner. Given the fact that retrenchment is not easy, employers should provide more information about the retrenchment processes to help victims and survivors know what to expect going forward. In a qualitative study exploring banking executives' perceptions of crisis management efforts, 25 percent (the highest frequency) of participant statements identified effective crisis communication as crucial in managing crisis events (Reilly, 1998). Additionally, in the SHRM DP Survey, 81 percent of participants (the highest for any component) reported having emergency crisis communication plans in place, which included proactive strategies for disseminating information and directives to all stakeholders (Fegley & Victor, 2005).

Hussain and Rawjee's (2014) study show how communication can become distorted and may not accurately reflect the facts during a crisis. Thus, clear communication needs to be pre-planned and increased during a crisis. In addition to having a crisis communication plan in place, Donyale, Padgett, Cheng, and Parekh. (2013) suggested that public relations professionals should develop strategies and processes to influence the sources of conflicts for the benefit of the organisation and its stakeholders. Donyale et al. (2013) further suggest that in a crisis, organisations must engage both internal and external stakeholders by communicating information about the severity and nature of the crisis. This necessitates implementing a response strategy, as the organisation bears responsibility for the crisis. According to Wodak (2021), crises can be exaggerated by the media and politics, leading to fear, panic, insecurity, and powerlessness. Johansen et al. (2011) elaborates that organisations must deal with uncertainty and challenges during a crisis, as everyone expects clear instructions, plans, explanations, and ultimately security through communication.

Abraham (2011) suggests that communication during a crisis in an organisation is complex, and responding in a transparent manner while addressing political and ethical challenges can be difficult. Wodak (2021) further pointed out that, when information is communicated, civilians and individuals, including employees, become concerned about what they are hearing; as such, effective communication is crucial. These concerns can, however, result in potential errors and mistakes (Masson, Vaidya & Bean, 2020). Cohan (2020) asserts that communication, particularly during times of crisis, must convey clear and consistent messaging. The founder and co-director of the National Preparedness Leadership Initiative (NPLI), Leonard Marcus, summarised the significance of consistent messaging during a crisis, which can reduce confusion and enhance understanding of crucial directives. Research has shown that transparent, empathetic, and timely communication can mitigate negative outcomes, such as reputational damage, employee turnover, and decreased customer loyalty (Barton, 2001; Coombs, 2007; Mowrer, 2011). Conversely, poor communication can exacerbate the crisis, leading to long-term consequences for the organisation (Ulmer et al., 2015). Therefore, it is essential for organisations to develop a comprehensive crisis communication plan that addresses the needs of all stakeholders during retrenchment.

2.6.4 The Impacts of Poor Communication During Retrenchment Implementation

There has been evidence showing how poor communication during retrenchment implementation can affect the organisation and its employees. For instance, a survey by Carrer Arc found that 72% of employees who were retrenched experienced negative feelings about their employer and uncertainty. Ulmer et al. (2015) argue that poor communication can cause a lack of predictability and stability for the remaining employees. Ulmer et al. (2015) further state that ineffective communication can lead to misunderstandings or disagreements. Miller and Heath (2004) stated that poor communication can be frustrating to employees, creating a breeding ground for distrust and confusion. Lager (2010) argued that productivity and good working relationship between co-workers can be affected by poor communication during the implementation of retrenchment.

However, Sulaiman et al. (2023) further state that poor communication during retrenchment implementation can be attributed to a lack of success and efficacy in the communication process. This aspect of organisational reputation, according to Pfarrer,

Pollock and Rindova (2010), is the outcome of assessments of "the firm's demonstrated ability to create value". A previous study conducted by Maor, Gilad, and Ben-Nun Bloom (2013) has shown that communication is crucial for managing and preserving the reputation of government organisations and for shaping the perceptions of multiple stakeholders of their bodies' reputation, especially in crisis situations (Liu et al., 2012).

Poor communication is a major issue that plagues many industries, especially during a crisis, and its effects on the company's success cannot be overstated (Raymond, 2013). Coombs (2014) recognises that a crisis is a high-consequence event or series of events with little to no predictability that either seriously or perceivably endangers an organisation's performance or public perception and requires a multidisciplinary approach to understanding organisational crises. As a result, the organisation must engage in sense-making to lessen uncertainty and restore stability. Organisational crises have an impact on an organisation's leadership, its stakeholders, employees, and the community in which it operates (Miller & Heath, 2004). Orla (2013) further asserted that the lack of communication from the operative management or the communication frontrunners can destroy the company's reputation due to a lack of information between the management, stakeholders, and employees. According to Nouri (2020), reputation has a substantial impact on a company's ability to succeed in the marketplace, which is why corporate communication aims to protect and enhance the reputation of the organisation (Argenti, 2009).

2.7 RETRENCHMENT MANAGEMENT IN THE MINING SECTOR

Commonly, companies offer support services to employees impacted by retrenchment, encompassing both those who have been let go and those who continue to work for the organisation. Transparent communication is extremely important for the organisation's morale, reputation, and commitment (Grunberg, Moore & Greenberg, 2006). There are ways in which organisations could manage retrenchment, which are as follows: using strategic communication, treating retrenchment fairly, providing care packages for the retrenched, and trying to come up with strategies to avoid retrenchment (Mthembu, 2019).

2.7.1 Strategic Communication in Mining Retrenchment

Since retrenchment is perceived as an organisational crisis, it must be efficiently managed (Sayed, 2013). Strategic Communication apprehends organisational front-runners' action and communication strategies to diminish the probability of a crisis in order to model activities, agreements, and verdicts that influence the cause of the crisis and expedient ways to tackle them (McDonald, Sparks & Glendon, 2010; Kim & Rhee, 2011). Retrenchment is a reputational crisis because of its potential for publicity and bad press (Hussain & Rawjee, 2014). Schwarz (2012) believes that corporations retrenching workers often get attention in the press. However, if they proactively put strategic communication plans in place, their publicity or the crisis that may come from it will last for a short period of time (McDonald et al., 2010). Hussain and Rawjee (2014) state that proper planning and strategic communication means communicating and addressing the fact that any organisation may face a crisis caused by either internal or external predicament. Strategic communication has become a common content for the managers of organisations in view of the nature of the current business environment, which is influenced by the impact of globalisation and high market dynamics (Rais, 2007). In response to globalisation's impact and heightened market volatility, organisational managers now recognise strategic communication as an essential component of successful business operations (Coombs, 2021).

The study by Sahin et al. (2015) critically explains strategic communication as a process that directs an organisation's activities for the purpose of capturing and evaluating the warning signals of a potential crisis. Similarly, Valackiene (2011) mentioned that strategic communication intentions and procedures include the creation of preventive mechanisms that prevent a potential crisis, deal effectively with losses and damage, and restore business performance. Mikušová and Horvathova (2019) further asserted that an important role of crisis management is played by a crisis team that can effectively and flexibly respond to the situation. Crisis management procedures and mechanisms should be integrated into the overall organisation strategy, which should be revitalised after every new crisis (Crandall, Parnell & Spillan, 2013; Mikušová & Horvathova, 2019). Moreover, the researcher thinks that a retrenchment crisis needs proper crisis management in order to save the organisation from negative outcomes. In one of the few empirical studies conducted on crisis planning, Cloudman and Hallahan (2006) revealed that employees in

organisations with established crisis plans exhibited increased confidence in their crisis response capabilities.

From a management perspective, Schwarz (2012) argues that organisations that do not include strategic communication as part of a strategic assessment of risk factors that could support or impede organisational sustainability are limiting the organisation's ability to be competitive. Elsubbaugh et al. (2004) conducted a study on crisis management: planning for the inevitable and found that when managers use a strategic communication plan, they can easily frame perceptions and interrelate with stakeholders through communication to avert, solve, and grow from a crisis. Several studies have indicated that strategic communication establishes strategies for facing a variety of situations and ensuring that employees and managers recognise the procedures and their roles during a crisis (Schwarz, 2012; McDonald et al., 2010; Kim & Rhee, 2011).

2.7.2 Ensuring Fairness During Retrenchment

The retrenchment process is considered fair when it adheres to ethical, legislative, and moral standards and is carried out transparently and consistently, ultimately benefiting both employers and remaining employees (Heaney, 2010). Heaney (2010) further states that a fair retrenchment process benefits both the employer and the surviving employees. Vermeulen (2010) has shown that the perceived fairness of the retrenchment process has a strong bearing on the attitude and behaviour of the retrenched employees and survivor employees. In other words, when a company decides to retrench employees, it takes the matter to court, where the court decides whether or not the decision for the employer to retrench was fair or not by considering avoiding retrenchment as well as the process followed and the reasons for retrenchment. There are three main and most important steps to be followed by an employer identified by NEASA (2020), which are invitation to consult, notice of retrenchment, and notice of termination.

Jamal and Bakar (2017) identified the following factors as significant contributors to employees' perceptions of the fairness of retrenchment: the necessity to retrench, the absence of any feasible alternatives, the type of notice provided by management, the selection criteria used by management to choose the employees to be retrenched, the type of communication used and the treatment of the victim and survivor employees.

Conversely, Ngirande et al. (2014) proposed alternative approaches to retrenchment, focusing on best practices that mitigate negative impacts. To achieve this, they suggest ensuring fairness and transparency throughout the process, avoiding favouritism and promoting impartial decision-making. Ngirande et al. (2014) further state that employees must first comprehend and embrace the need for staff reductions for them to view retrenchment as fair. Similarly, Heaney (2010) mentioned that employees must be convinced that there are no less drastic alternatives to retrenching, such as attrition with a hiring freeze, retraining and redeployment of current employees, job-sharing, small pay cuts across the company with or without working-hour reductions, voluntary early retirement with compensation, and long leaves of absence with little or no pay but with the right to return to work after a certain date.

According to Hussain and Rawjee (2014), employees should view not only the choice to retrench but also the selection process (procedural justice) and the treatment of the retrenched (interactional justice) as fair. Procedural justice concerns the perceived fairness of the processes leading to a particular event, decision, or action, focusing on the methods and procedures employed to achieve that outcome (Harris, 2008). Companies are seen as fair when they comply with such legislative obligations. According to Vermeulen (2010), some of the principles of procedural justice that makes employees to perceive retrenchment as fair if organisations adhere to key principles of procedural justice, including: advance notice, accurate information, regular feedback, open communication channels, clear explanations, employee involvement in decision-making, consideration of employee perspectives, opportunities for appeal and review, dignified treatment, and consistent application of procedures.

On the other hand, Vermeulen (2010) states that even though it is not required by law, employees may view the company's aid with job transitions as part of receiving fair treatment. Hickok (2001) had noted that no matter how unfair a retrenchment is perceived, some retrenched employees may accept it with grace, particularly in businesses where disgruntled retrenched employees have a reputation for wreaking havoc with crucial installations or systems during the notice period. Hickok (2001) further elaborated that retrenchment without warning would typically be seen as harsh and could even result in legal action against their employees. Heaney (2010) concurred with Hickok (2001) that the chances of retrenched employees taking legal

actions against their employer reduce significantly if the process was regarded as fair. NEASA (2020) states that compensation for job loss is a crucial component of fair treatment during retrenchment. NEASA (2020) stated that the amount of compensation that should be given for any premature termination of services may be specified by labour laws, agreements with unions, and any contracts with specific employees.

Over the past years, the South African mining industry has been using different legislation in order to retrench employees fairly. South Africans have rights published in the Bill of Rights, which affirm the democratic issues of human dignity, equality, and freedom (LRA, 1995). Employees' and employers' rights are found in the labor relations rights and acknowledge that, should a company decide to retrench its employees, there must be a reason for the dismissal and employees must be informed in time (Choma & Ramafalo, 2015). There are procedures that must be taken before the employer decides to retrench staff to avoid unfair retrenchment (LRA, 1995). Employees who will be affected by or are likely to be affected by retrenchment must first be consulted by the employer. Legal Wise (2022) states that the notice that must be issued to the affected employees containing all relevant information regarding the reasons for the intended retrenchment must include options.

2.7.3 Retrenchment Avoidance Measures in the Mining Sector

The mining sector has been impacted by retrenchment, which has consequently affected it socially, economically, and environmentally. Empirical evidence has shown that many organisations fail to achieve the assumed benefits of retrenching, and that increasing profitability and financial gains are the most common reasons for retrenching (Ngirande et al., 2014; Harris, 2008). Although the retrenchment practice benefits the company. Mthembu (2019) has emphasised the need to explore retrenchment avoidance measures to minimise the negative impacts of retrenchment. Mthembu (2019) further stated that courts in South Africa and globally have become increasingly intolerant of employers who fail to explore alternative solutions before resorting to retrenchment, emphasising the need for organisations to exhaust all other options. As highlighted by Martin and Davis (2013), effective alternatives to retrenchment can be categorised into six key areas: adjusting compensation and benefits, implementing talent management strategies, investing in training and development, restructuring organisational design, optimising supply chain

management, and streamlining business processes and operations. By prioritising these alternatives, organisations can avoid legal repercussions and ensure a more equitable approach to workforce management. Considering the judicial trend, employers are encouraged to investigate these measures, proven effective in various contexts, before making a final retrenchment decision (Legal Wise, 2022).

Training and upskilling programmes have also been identified as effective measures to enhance employee productivity, as they reduce the need for retrenchment (Mthembu, 2019). Moreover, internal measures such as partnerships and collaborations have been seen as key avoidance measures. A case study by Anglo-American (2020) displayed a successful collaborative initiative with local communities and suppliers. In this case, employees can be afforded the chance to purchase company shares. This means that employees will thus get the company's money and its productivity. According to Martin and Davis (2013), another way of reorganising is by connecting retrenched workers with other prospective employers and simplifying the organisational hierarchy to help avoid and manage retrenchment. World Bank (2018) further states that government initiatives also play a very important role in avoiding retrenchment by helping mining companies navigate economic downturns.

Furthermore, Mthembu (2019) highlighted that companies must always request employees' input on cost-cutting measures and ways of increasing business, evaluating business operations, and identifying where costs can be cut and make use of the new technology. A study by McKinsey MineLens (2019) highlighted the importance of transformation by digitalising the work environment to improve operational efficiency. Compensation is another way to avoid retrenchment as companies do by eliminating overtime, freezing salaries, delaying raises, eliminating temporary and part-time employees, giving sabbatical leave with partial salary, and getting rid of huge salary posts that are not income-generating (Martin & Davis, 2013). Most companies practice talent management by freezing hiring employees, creating new and alternative workflows, and firing employees who underperform (Mthembu, 2019). Companies can avoid retrenchment by also reducing benefits, paying for employee benefits only, providing health and wellness programs to ensure employees are healthy, productive, and efficient, and closing businesses over holidays (Martin & Davis, 2013). Mining companies can thrive through economic downturns and remain sustainable by adopting innovative strategies to minimise the negative impacts of

retrenchment. Martin and Davis (2013) further discovered that the above-mentioned alternatives to avoid retrenchment have been found effective in several organisations and should be explored by companies before taking the decision to implement retrenchment.

2.7.4 Support Packages for the Retrenched Employees

Retrenchment packages are a crucial aspect of organisational retrenchment because they help minimise the negative impacts of retrenchment on affected employees. Retrenching companies are legally obligated to pay retrenched employees “severance pay,” which is one week’s pay for each complete year of service, leave pay, notice pay, or UIF (Oliver & Strydom, 2018). Other forms of assistance to offer the retrenched employees to mitigate the effects of retrenchment include providing psychological counselling to employees and education (MCSA, 2018). Referral letters and positive references can also aid in future job searches (Van Niekerk, 2017). According to Legal Wise (2022), if employees are retrenched without a fair reason or a fair procedure, they can take the matter to the Labour Court by contesting the retrenchment at the CCMA or relevant Bargaining Council. Legal Wise (2022) states that if retrenchment is found to be unfair, the employees will be reinstated, or they may receive compensation.

As part of the retrenchment procedure, employees are entitled to payment packages. These packages can serve as financial assistance while the affected employees are looking for a new job opportunity (CCMA, 2020). According to Mthembu (2019), the payment package may include severance pay which is received by the retrenched employee, at least one week’s pay for each completed year of being employed in the company; leave payment which includes receiving money for the leave an employee has not yet taken; thirdly, notice pay which includes receiving money from your employer for six months after termination; lastly is other pay which includes having payment arrangement with your employer or the Unemployment Insurance Fund (UIF) claim.

There are care processes that the mining industry uses where employees are briefed about the care project on exit and offered training and counselling (MCSA, 2018). The retrenched employees and local governments are often visited at their homes to determine alternative measures that can aid them during retrenchment. According to

Oliver & Strydom (2018), there are community development facilitators to help the selected employees who are liable to interact with the TEBA to assist with the identified economic opportunities. Financial resources for training programs are also being used to increase the overall capacity support to the retrenched mine workers in South Africa (Legal Wise, 2022). The MCSA (2018) states that the retrenched mine workers are also offered career development initiatives, economic life skills workshops, skills and business training, job hunting skills, micro finance and support, and aftercare business counselling.

2.7.5 Intersectional Approach: Economic challenges, legal frameworks, and Communication Strategies

There is a link between economic changes, legal frameworks, and communication strategies as they are the interconnected themes that collectively inform the study's objectives. As such, this section employs an intersectional framework to examine the interconnected relationships between economic changes, legal frameworks, and communication strategies in the context of retrenchment in the South African mining sector.

Economic Changes

The South African mining sector is facing major economic challenges such as, declining commodity prices, increasing production costs, and fluctuating exchange rates (Deloitte, 2019). These challenges have led to a decline in profitability, forcing mining companies to implement cost-cutting measures, including retrenchment (MCSA, 2019). Retrenchment has had a devastating impact on affected employees and local communities, leading to job losses, reduced economic opportunities, and increased poverty and inequality (Sayed, 2013). In the context of retrenchment in the South African mining sector, an intersectional approach highlights the need to consider the multiple and intersecting factors that shape the experiences of affected employees and stakeholders (Isa, Kakkar & Sharma, 2016). This includes considering the economic changes that drive retrenchment decision are shaped by legal frameworks (IRR, 2019).

Legal Frameworks

The legal framework in South Africa is governed by the Labour Relations Act (LRA) (1995). According to Section 189 of the LRA (1995), retrenching companies should

follow the retrenchment procedures, which include requirements for consultation with employees and trade unions. The LRA also requires employers to consider alternative options for retrenchment, such as restructuring or redeployment (Section 189(2) of the LRA, 1995). Despite the existence of these legal frameworks, the implementation of retrenchment in South Africa is often inconsistent and unfair as mining companies may exploit loopholes in the law to minimise their obligations to retrenched employees, leading to further hardship and inequality (Jamal & Bakar, 2017). The legal frameworks of retrenchment are influenced by communication strategies, as companies are expected to navigate complex regulatory requirements through effective communication (Heaney, 2010).

Communication Strategies

Effective communication is critical during retrenchment, as it can mitigate the negative impacts of retrenchment on affected employees (Hussain & Rawjee, 2014). Research highlights the importance of transparent, empathetic, and inclusive communication during retrenchment (Tourish et al., 2004). However, mining companies often fail to communicate effectively during retrenchment, leading to mistrust, conflict, and reputational damage. The above-mentioned factors can inform the study's objectives as they highlight an understanding of the economic challenges facing the South African mining sector; an examination of the legal frameworks governing retrenchment and their implications for mining companies and affected employees; and an analysis of effective communication strategies during retrenchment (Sadri, 1996).

2.8 THE ROLE OF THEORY IN THE STUDY

Theory plays a very important role in shaping the framework, guiding the research questions, and helping researchers decide the methodology of the study by ensuring a deeper understanding of the phenomena being studied (Giles & Harrison, 2023). There are different approaches to crisis communication. This study pursued Situational Crisis Communication Theory (SCCT) by Coombs (1995). This theory is important in this study as it provides a framework for understanding how mining corporations communicate retrenchment news to stakeholders. SCCT identifies the strategies that organisations can use when encountering a crisis and the preconceived notion of how the organisation's communication frontrunners will respond to the crisis (Coombs, 2007). The theory further stipulates that effective crisis communication

depends on the crisis type, severity, and stakeholder expectations (Coombs, 2007). At the centre of SCCT is an initial crisis responsibility that accentuates organisational ethics and the role they play in crisis communication. Ethics undergoes decision-making and can often be overlooked because of the chaotic nature of crises. As such, organisations must be ethical when handling retrenchment.

To operate with empathy and social responsibility, organisations must carefully consider how they communicate sensitive information, including risks, facts, perceptions, and images, which can potentially perpetuate stereotypes, infringe on privacy, or cause harm through reckless assumptions or misinformation (Steinberg, 2007). SCCT helps the researcher gain an understanding of the dynamics involved in crisis communication and identify best practices for mining corporations to adopt. Several researchers had identified lists of both crisis response strategies and crisis types (Steinberg, 2007; Coombs & Holladay, 2010; Sellnow & Seeger, 2013), which are explained in full below.

2.8.1 Crisis Types in Situational Crisis Communication Theory

SCCT argues that crises are negative events that lead people to make attributions about the crisis responsibility of the organisation involved in the crisis (Coombs, 2007). SCCT posits that the amount of crisis responsibility generated by the crisis situation determines the nature of the crisis response that will be appropriate for the crisis (Coombs, 2014). Effective crisis communication is critical to protecting an organisation's reputation and customer loyalty, as argued by Sellnow and Seeger (2013). The Situational Crisis Communication Theory (SCCT) recommends analysing crisis type and intensifying factors to anticipate stakeholder perceptions of organisational responsibility. Coombs (2007) emphasises that the crisis type serves as a framing device for interpreting the crisis situation. Furthermore, Coombs and Holladay (2010) identified three crisis responsibility categories - minimal, low, and high - providing valuable insights for crisis communicators.

2.8.1.1 Minimal crisis responsibility

Minimal crisis responsibility is often called a victim crisis cluster. Coombs & Holladay (2010) believe that a victim crisis cluster is characterised by violence at work (an attack on co-workers by current or former employees), malevolence (an outside attack on the organisation, such as product tampering or terrorism), natural disaster, and distribution

of inaccurate information about the organisation in circulation among stakeholders. In the context of retrenchment, when an organisation is forced to retrench due to a circumstance that is beyond its control, such as economic downturns or industry changes (Coombs, 2007). Stakeholders may understand, and the organisation needs to be empathetic to control stakeholder perspectives.

2.8.1.2 Low crisis responsibility

A low crisis responsibility scenario typically arises from unforeseen technological failures, such as system glitches (technical-error accidents) or defective products (technical-error product harm), which can unexpectedly trigger a crisis (Coombs, 2007). In such cases, a retrenchment crisis becomes necessary due to the unintended consequences of internal decisions or actions. Stakeholders may still hold the company accountable, demanding a response that acknowledges responsibility, outlines corrective measures, and demonstrates a commitment to preventing similar incidents in the future.

2.8.1.3 High crisis responsibility

They are also called intentional crisis clusters, which are preventable crises that may occur because of human error accidents by employees, human error accidents causing product harm (a defect and potentially dangerous product created due to the human error of employees) and management misconduct (Coombs, 2007). In the context of retrenchment, the organisation is seen as deliberately choosing to retrench, prioritising profits over people, and stakeholders are likely to criticise and blame the organisation, demanding a response that addresses concerns, provides support, and rebuilds trust.

Mitroff and Anagnos (2001) indicated that having a crisis communication plan helps to place the organisation in a better equilibrium. Clear and consistent communication leads to a successful organisation which can be trusted (Pfeil et al., 2004). Crisis communication is said to be helpful in an organisation to effectively respond to the crisis positively and provide up-to-date, credible, authentic, and transparent information (Sellnow & Seeger, 2013). This helps maintain the relationship between different stakeholders in an organisation, and a company can recover by effectively communicating relevant information to different stakeholders (Coombs, 2014). Figure 2.3 below illustrates the predicted relationship among the key variables in SCCT.

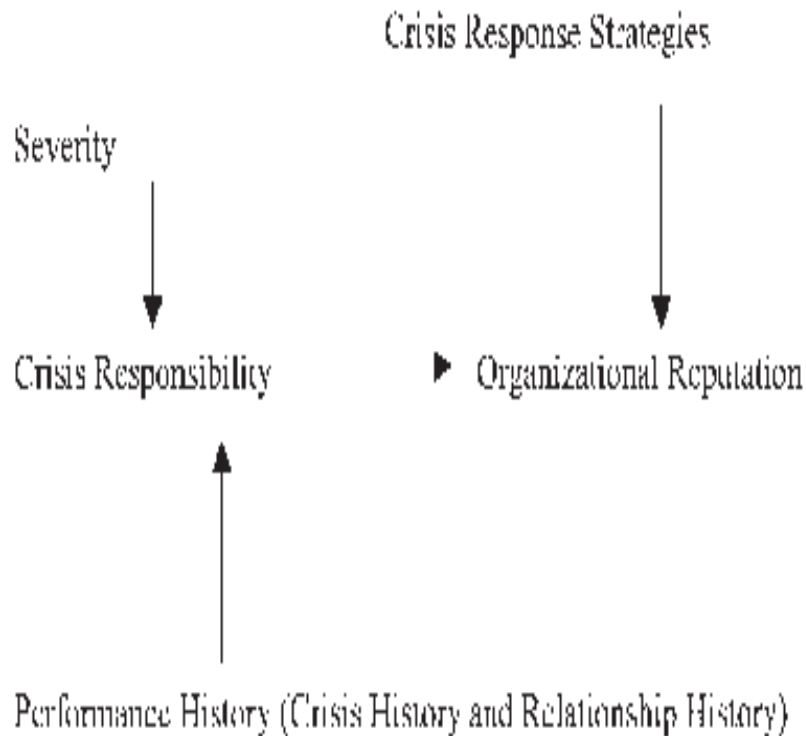


FIGURE 2.4: Model/Variables of Situational Crises Communication Theory (Coombs, 2007)

When a crisis arises in an organisation, the crisis manager will begin to select a crisis response strategy by identifying the crisis type. Evaluating crisis responsibility involves assessing the extent to which an organisation can be held accountable for a crisis, considering factors such as personal control and organisational capabilities. This assessment is crucial, as crisis responsibility directly impacts potential reputational damage (Coombs, 2007).

According to SCCT, crisis managers should adopt response strategies that accept responsibility and address victim concerns as reputational threats intensify (Coombs, 1995; Coombs & Holladay, 2001; Sellnow & Seeger, 2013). Moreover, studies highlight the crucial role of an organisation's crisis history in determining reputational threat levels, underscoring the need for crisis managers to consider past experiences (Coombs & Holladay, 2010; Holladay & Johansen, 2010). SCCT argues that information about past crises is a significant factor that can affect perceptions of a more recent crisis (Coombs & Holladay, 2001). That is why most organisations must first check if there are other alternatives to prevent them from implementing retrenchment.

2.8.2 Crisis Response Strategies

Effective crisis response strategies aim to achieve three key objectives: safeguarding organisational reputation, influencing crisis attributions, and altering perceptions of the organisation. Drawing from SCCT, organisations can adopt one or more of four postures - denial, diminishment, rebuilding, or bolstering - to address crises (Coombs, 2007), as seen in Figure 2.4 below, each type of a crises has its own response strategy.



FIGURE 2.5: SCCT's Crises Response Strategies (Coombs, 2007)

2.8.2.1 Deny

According to Coombs (2007), denial strategies in crisis management involve refuting responsibility and identifying the true accountable party. This approach aims to dissociate the organisation from the crisis, leveraging a lack of involvement to avoid reputational damage. Managers employ denial by refuting false information,

countering allegations of immoral conduct, or addressing critics. If stakeholders and the media accept the denial narrative, the organisation avoids reputational harm. As Sellnow and Seeger (2013) note, successful denial strategies rely on convincing stakeholders that the organisation is not involved in the crisis, thereby sparing its reputation.

2.8.2.2 Diminish

Diminishing crisis response strategies involve downplaying the crisis's severity and organisational responsibility (Sturges, 1994). This approach aims to reduce the perceived connection between the organisation and the crisis or reframe stakeholders' negative views. To succeed, managers require robust evidence; however, failure can occur if media or online stakeholders reject the narrative. Stakeholders evaluate competing frames and choose the most credible source. Diminish strategies are most effective when reinforcing existing crisis frames but offer limited reputational protection, particularly in cases with low crisis responsibility. According to Coombs (2007), diminish strategies have limited applicability, mainly suitable for technical error accidents or product harm crises, which are relatively rare.

2.8.2.3 Rebuild

To rebuild is to accept public responsibility for the crisis and its effects (Sturges, 1994). This may be done by offering an apology publicly or by compensating employees in the way that the organisation gives victims aid, material goods or money.

2.8.2.4 Bolstering

To bolster is to accentuate the positive history of the organisation to its stakeholders (Sturges, 1994). This may be done by reminding stakeholders about the history of the organisation's good work and ingratiating praise to stakeholders for helping during the crisis.

How an organisation communicates during a crisis is a major issue in organisational crisis communication. Previous research found that crisis communication on social media reduces undesirable customer reaction (Fitzpatrick, 1995; Fearn-Banks, 1996; Coombs & Schmidt, 2000). The SCCT advises crisis managers to tailor their response to stakeholders' attributions of crisis responsibility (Coombs, 2007). By understanding how crisis communication safeguards reputational assets, managers can effectively

navigate crises. SCCT provides a framework for anticipating stakeholder reactions to crises and response strategies, enabling proactive reputational threat management (Coombs, 2004). This theory offers guidance on matching crisis response to reputational risk and outlines ethical guidelines for crisis communication (Coombs, 2007).

2.8.3 Ethical Responsibilities for a Crisis Response

In crisis management, prioritising stakeholder safety and well-being takes precedence over protecting organisational reputation (Pfeil et al., 2004). Effective communication is crucial to help stakeholders cope with psychological distress, providing timely information to alleviate uncertainty and stress caused by the crisis (Sturges, 1999). Stakeholders need to know what happened, what is being done to protect them, and what corrective actions are being taken to prevent similar crises in the future (Sellnow & Seeger, 2013). Expressing concern without admitting guilt is essential, as stakeholders expect empathy. Ethical crisis management begins with addressing victims' physical and psychological concerns, not organisational reputation. Once initial obligations are met, crisis managers can address reputational assets, guided by principles of responsibility, accountability, fairness, honesty, and responsiveness to build stakeholder trust (Fearn-Banks, 1996; Coombs, 2004; Patel & Reinsch, 2003).

2.8.4 Crisis as a reputational threat

A reputation develops through the information stakeholders receive about the organisation (Fombrun & Van Riel, 2004). Stakeholders receive information through interactions with an organisation, mediated reports about an organisation (including the news media and advertising) and second-hand information from other people (e.g., word of mouth and weblogs). Most information stakeholders collect about organisations is derived from the news media. That is why media coverage is an important feature of reputation management (Carroll, 2004; Meijer, 2004). Reputations are based on how stakeholders evaluate an organisation's ability to meet their expectations for treating stakeholders.

2.8.5 Threat Posed by a Crisis

A crisis is a sudden and unexpected event that threatens to disrupt an organisation's operations and poses both a financial and a reputational threat. Crises can harm stakeholders physically, emotionally, or financially (Mthembu, 2019). A wide array of

stakeholders is adversely affected by a crisis, including community members, employees, customers, suppliers, and stockholders. The SCCT serves to protect and produce strategies to fight the crisis encountered as the crises threaten to damage reputations because it gives people reasons to think badly of the organisation (Coombs, 2014). Again, the news media and the internet play a critical role. Most stakeholders will learn about a crisis from news reports. In a smaller number of crises, stakeholders learn about crises through online social media (Sellnow & Seeger, 2013). The exceptions would be victims or potential victims who are more likely to experience the crisis or to be informed directly by the organisation about the crisis. If a reputation shifts from favourable to unfavourable, stakeholders can change how they interact with an organisation (Sohn & Lariscy, 2014). Furthermore, stakeholders may make ties to the organisation or spread negative word of mouth about the organisation.

2.8.6 The Relevance of the Theory in the Study

SCCT provides an evidence-based framework for understanding how to maximise the reputational protection afforded by crisis communication (Coombs, 2014). It identifies how key facets of the crisis situation influence provenances about the crisis and the reputations, and in turn, understanding how stakeholders will respond to the crisis. The empirical research from SCCT provides a set of guidelines for how crisis managers can use crisis response strategies to protect a reputation from the ravages of a crisis (Sohn & Lariscy, 2014; Sellnow & Seeger, 2013),

Since any organisation may go through a crisis at some point, it is important for an organisation to have a situational crisis communication plan in place in order to effectively communicate what is expected and the changes that may occur due to the crisis encountered. The SCCT is chosen in this study to guide the study in the formulation of research questions when analysing data. The theory will help the study to better locate how the mining corporations respond and communicate retrenchment 'crises' to their various stakeholders. The questions formulated referred to the characteristics of the theory. SCCT is initially made to help the managers facing a crisis know how to respond to the crises encountered (Coombs, 2007). As mentioned in the literature that retrenchment is a reputation issue, the theory of SCCT also affirms and explains why a crisis is seen as a reputational dilemma in an organisation. Given that, the study selected SCCT as it lays out answers.

2.8.7 Critical Reflection on SCCT

SCCT is used by researchers as a framework to understand and manage crises. This section will review the limitations and criticism of the SCCT, as well as its application in various studies to provide an understanding of the theory's strengths and weaknesses.

Criticism on the theory

Although the SCCT has been broadly applied and has contributed to our understanding of crisis communication, it has also been criticised by various researchers. Some researchers have argued that the theory neglects the role of power dynamics, cultural context, and social media in shaping and perceiving crisis communication (Boin & Lagadec, 2000). For example, if a crisis involves a big multinational corporation and local communities, the corporation may have more power and resources to shape the narrative, while the local communities may have limited access to information and communication channels to voice their opinions. The theory has been criticised by other researchers for its main focus on organisational reputation and image rather than employees' needs and concerns (Taylor & Perry, 2005). Moreover, some researchers such as Bauman (2011), have noted that the theory's emphasis on timely and transparent communication may not always be effective in crisis communication. The theory has been developed before the widespread use of social media, which is now a critical channel for crisis communication (Taylor & Perry, 2005). As such, the theory does not provide guidance on the management of a crisis situation in a social media environment. Overall, these theory gaps highlight the need for further research to expand SCCT in areas of power dynamics, cultural context, organisational reputation, social media and employee emotions.

Application of SCCT in Other Studies

Despite these criticisms, the SCCT has been applied in various studies to examine crisis communication in different contexts. For example, a study by Wright (2019) applied the SCCT to examine the crisis communication strategies employed by organisations during the 9/11 terrorist attacks. Another study by Holladay and Sherry (2011) used the SCCT to examine how managers protect reputational assets. These studies demonstrate the utility of SCCT in understanding and managing a crises

situation, while also highlighting the need for further research to address the theory's limitations and criticisms.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

This chapter discusses the research methodology utilised in this study to give a description of the methods used by the researcher. It provides an outline and justification of methods, discusses the research design, sampling methods, data collection and analysis processes, qualitative quality criteria, and ethical considerations. As deliberated in chapter one, this study aims to explore how South African mining corporations communicate retrenchment news to their stakeholders through the study of corporate documents such as press statements, annual reports and news releases.

3.2 QUALITATIVE RESEARCH APPROACH

This study employs a qualitative research approach. A qualitative research approach focuses on understanding the experiences, perspectives and beliefs of individuals or groups to gain deeper insights on a topic, rather than just collecting numbers or statistics (Aspers & Corte, 2019). It has the following characteristics: it elucidates and comprehends viewpoints; it uses non-numerical data, such as words, images, and observations; it frequently emphasises in-depth study and interpretation; and it involves interpretation and narrative analysis in data analysis (Sileyew, 2019). This approach provides insights, understanding, and deeper explanation of complex and sensitive topics by helping researchers to generate new ideas and theories that could be tested in future research (Yahya, Arif, & Awan, 2023). Mohajan (2018) states the following about qualitative research approach: firstly, it focuses on how people interpret and give meaning to their experiences; secondly, it is descriptive and aids in identifying what functions effectively and what does not; lastly, it carries knowledge, that one can then take action to develop superior alternatives that would improve the process under study.

This approach is appropriate for this study as it involves the explanation of a topic or issue with emphasis on seeking information from the sources involved, and the reasoning behind its data analysis is inductive, meaning the findings emerge from the data (Creswell, 2016). The study used qualitative research approach to also provide rich insights into perspectives and contexts of the corporate documents collected.

Austin and Sutton (2014) assert that all qualitative research approach should produce explanations or arguments, rather than claiming to offer mere description.

3.3 RESEARCH DESIGN

This study uses two types of research designs, which are explanatory research design and interpretivist paradigm. The reasons for using these designs are as follows: Explanatory research design is chosen to explain underlying causes and effects of a phenomena, and uncover underlying meanings, themes, and patterns (Salkind, 2010); and Interpretivist paradigm is chosen to help extract written information and seeks to understand the meaning and interpretation of the document from the perspective of the author as it recognises that reality is socially constructed and context dependent (Bevir & Rhodes, 2012). These two research designs suit the study's focus on explaining complex and nuanced phenomena. Saunders, Lewis and Thornhill (2009) states that research design is a backbone of a study as it provides a clear plan and strategy for conducting research. Mohajan (2018) describes research design as a framework of the research methodologies and procedures selected by the researcher to carry out a study.

3.3.1 Explanatory Research Design

This study employs explanatory research design, which is a type of qualitative research design that aims to elucidate the researcher's findings and notions in order to explain what, how and why something works or happens the way it does or to find an angle to a research problem (Mohajan, 2018). Many scholars have discussed the importance of explanatory research design. Salkind (2010) has argued that explanatory research is the heart of scientific enquiry which means the researcher will propose explanations looking at the evidence derived from the study's findings. Salkind (2010) further argues that an explanatory study does not simply describe or report, but it offers a genuine explanation for the phenomenon that is being investigated. Other scholars, such as Bentouhami, Casas and Weyler (2021) have stated that explanatory research design is critical for describing, understanding, and predicting human behaviour.

The explanatory research design is suitable for this study because according to Mohajan (2018), it helps researchers understand the causes and effects of a phenomena. Meaning it examines the causes and effects of retrenchment and the

causal relationships between communication strategies to provide rich insights into why and how retrenchment decisions are made and communicated to different stakeholders in the South African mining sector. Explanatory research design is also employed to allow the study to have variables. The study's independent variable is the mining corporation's communication methods, and the dependent variables are the language used, the placement of the retrenchment news, and how it was presented in relation to other information within the annual reports, press statements and news releases.

3.3.2 Interpretivist Paradigm

The explanatory research design works well with the interpretivist paradigm for the following reasons: explanatory research design identifies causal relationships, which are factors influencing effective communication during retrenchment, while interpretivism provides contextual understanding and recognising that communication strategies are shaped by social interactions, cultural norms, and organisational politics. The use of the two research designs enhances validity through triangulation. Bevir and Rhodes (2012) states that reality is socially constructed with interpretivist paradigm, meaning our understanding of communication strategies is shaped by individual or collective interpretation. Interpretivism can be used to analyse documents and other forms of written or visual communication. The study used insights and information coming from the existing literature as context knowledge to help deliver a central analysis about a problem at hand to be able to elucidate reasons, perceptions and motivations. As such, the study sought to understand the meaning and interpretation of the document from the perspective of the author (Walsham, 1995). This included analysing the language used, the context in which it was created and intentions of the author. Interpretivism explains in-depth variables and factors related to context and it aims to provide rich insights from the gathered information (Saunders et al., 2009).

The interpretivist paradigm is suitable for this study because it will be used to examine corporate documents used in the study such as press statements, annual reports and news releases to understand the documents' meaning and implications. This includes looking at the language used, who the statement is aimed at and what the author is trying to achieve with the statement. With annual reports, the focus of interpretivism is on understanding the purpose and meaning of the report. This might involve looking

at things like language used, the financial data and the tone of the report. Like other forms of communication, news releases can also be analysed with the interpretivist approach. News releases are important as they allow companies to share news, announcements, and information with wider audiences and can be used to address crises and provide timely information. An interpretivist approach helps researchers to present reliable information and to trust the analysis (Bevir & Rhodes, 2012).

3.4 POPULATION AND SAMPLING

The population of this study consists of all South African mining companies that have retrenched employees in the past. According to Gerald (2013), population refers to an entire group of individuals, organisations, or entities that the researcher wants to study. In this study, the population is also all the corporate documents of these mining companies that contain news about retrenchment.

This study used purposive sampling strategy under non-probability sampling to draw a sample from this population. According to Rashid (2022) sampling allows researchers to make generalisations from the larger population to a subset of a population that represents the entire population. The non-probability sampling in this study helped with the selection and construction of the study's sample. In this sampling method, researchers are allowed to use their own judgement to select documents that they believe will be most useful for their study (Vehovar, Toepoel & Steinmetz, 2016). Purposive sampling is used to allow the researcher to purposefully select data based on its relevance to the study (Sileyew, 2013). This approach can be useful when the researcher is looking for specific information or insights, rather than trying to make generalisations about the entire population (Kelly, Bourgeault & Dingwall, 2010). It means that the researcher selects subjects or objects for the study because they can purposefully inform an understanding of the research problem (Sileyew, 2013).

The study's sampling process was conducted as follows:

Step 1: Getting the Sampling Criteria

All mining corporations that have been retrenching employees between 2015-2024 and have been communicating their retrenchment news with their stakeholders through corporate documents were selected.

Step 2: Identifying Potential Mining Corporations

The study selected three mining companies which have been retrenching employees in recent years and have available corporate documents which address retrenchment, making them relevant to the study. The selected mining companies are Sibanye-Stillwater, Samancor Chrome, and Anglo-American Platinum. These companies also have diversity of ownership structure, with Samancor Chrome being a private company, Sibanye-Stillwater being a publicly listed company, and Anglo-American Platinum being multinational corporation. According to preliminary research, each company has a distinct approach to communicating retrenchment news, making them suitable for the analysis (Van Ruler, 2018).

Step 3: Selecting Corporate Documents and Determining the Sampling Frame

The selected mining companies have been retrenching employees between 2015-2024 and have corporate documents published between those years. This is a significant period where industry events such as commodity price downturn (2015-2016), industry recovery (2017-2018), COVID-19 pandemic impact (2019-2020), and post-pandemic recovery and restructuring (2021-2024) arose. The selected mining companies have also been communicating retrenchment news to their stakeholders through corporate documents such as press statements, annual reports and news releases. The selected corporate documents are official communication channels used by the mining companies to share information to various stakeholders, including employees, investors, customers, and the wider public. The purpose of all these corporate documents is to give insights and historical records about the company's financial performance, strategies, and operations which can be helpful for understanding trends and patterns over time.

Step 5: Sample Selection

To ensure that the sample contains all the elements and characteristics that answer the research question as there are over hundreds of published press statements, annual reports, and news releases. All the documents were searched and downloaded on the companies' websites and only those published between 2015-2024, mentioning the keywords such as 'communicating retrenchment', 'restructuring', 'retrenchment' or 'retrenchment communication', and addressing stakeholders (employees, investors, communities) were sought out to explore how mining companies communicate retrenchment news to various stakeholders in the South African mining corporations.

These corporate documents are selected based on how they report about retrenchment, and they are made publicly available, which makes them accessible for research purposes. As such, a total number of 52 publications that were published between 2015-2024 were selected including 28 press statements, 13 annual reports, and 11 news releases. The selected documents underwent textual analysis to get rich insights into retrenchment news communication in the South African mining sector.

3.3 DATA COLLECTION

This study uses document analysis to collect corporate documents from the three mining corporations. Johnson and Turner (2003) view data collection as a series of interrelated activities aimed at gathering good information to answer emerging research questions. Document analysis is a powerful search tool that can be used to gain insights into social phenomena, individual experiences or historical events coming from existing documents (Shaw, Elston & Abbott, 2004). Documents are instructive for understanding social realities in institutional contexts' communicative devices produced, used, and reused for specific practical purposes, and they can form a fruitful addition to other forms of data (Willis, 2013). This method is used to conjure up a mental image of a researcher digging around documents (Kuckartz, 2019). There are different ways of generating data through documents, for example using the internet, archives or historical data (Creswell, 2016). The study's data were collected on the internet by searching on the official websites of the selected mining companies. the corporate documents are made publicly available and accessible.

As the study is textual in nature, document analysis is suitable for the study because it allows researchers to gain insights into the past and how people or a company or an institution are doing (Wolff, 2004). To answer the research questions, a document analysis was conducted on several press statements, annual reports, and news releases published between 2015 to 2024. This period allowed the researcher to analyse recent trends and patterns in how mining corporations communicate retrenchment news to stakeholders, and it provided sufficient amount of data for analysis. The corporate documents collected and selected comprise of information about how each mining corporation communicated, addressed or dealt with retrenchment. These corporate documents were downloaded from the official websites of each mining corporation. By doing so, the study was able to add context, enhance information and yield insights into aspects that answer the research

questions and objectives. Since the data is textual, the researcher searched for keywords such as “communicating retrenchment”, “retrenchment”, “restructuring”, and “retrenchment communication” from all the downloaded press statements, annual reports and news releases in order to locate relevant data and generate the desired results.

For assessing the quality of documents during data collection, the study followed Kridel (2015) classification criteria for selecting documents which suggests four criteria, which helped in deciding whether or not to employ a specific document for the study. Kridel’s (2015) classification criteria provided a framework for categorising documents based on authenticity, credibility, representativeness and meaning.

A criterion for documents selection

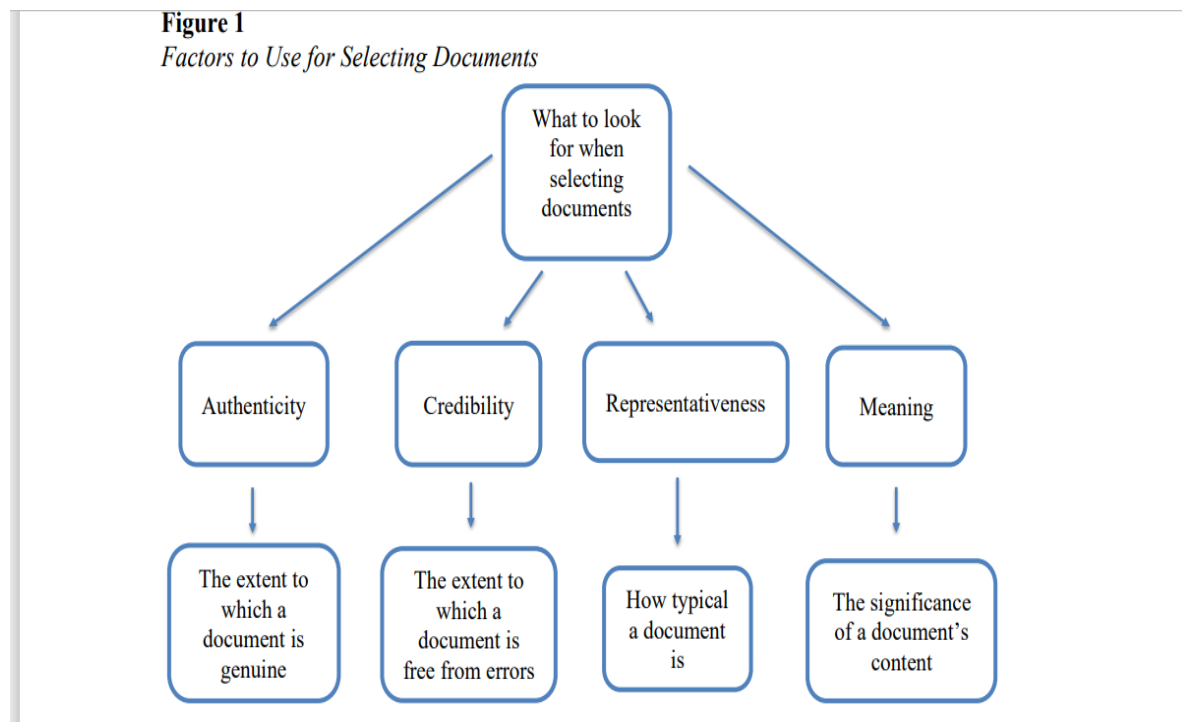


Figure 3.1. Factors to use for selecting documents by Kridel (2015).

Authenticity

Authenticity in research refers to the genuineness and transparency of documents (Dunne et al., 2016). Ensuring document authenticity is crucial, it is like verifying evidence in qualitative methods (Mogalakwe, 2009). Researchers must select relevant documents, verify their legitimacy, and check for inconsistencies, such as typography or language style changes (Dunne et al., 2016). Authenticity can be assessed by

evaluating primary or secondary documents, original reports, internal consistency, errors, and version variations (Flick, 2018). According to Kridel (2015), confirming authorship, date, and publication location can also address authenticity concerns.

Credibility

Credibility assesses the accuracy, reliability, and error-free nature of documentation, as well as the trustworthiness of its producer (Dunne et al., 2016). To evaluate credibility, researchers must verify the reliability of the document's source (Flick, 2018). However, even original documents can contain biased perspectives due to author inexperience or ulterior motives (Scott, 2014).

Representativeness

Representativeness pertains to the typicality of documents, assessing whether they accurately reflect the views and experiences of the population in question (Scott, 2014). A document lacks representativeness if it contains unique or anomalous content, diverging from the common themes found in other documents on the same topic (Payne & Payne, 2004).

Meaning

When evaluating meaning, researchers consider two perspectives: the author's intended meaning and the reader's interpretation. This criterion assesses the clarity and comprehensibility of the evidence. To fully understand a text, researchers must contextualise its literal meaning within the document's creation environment (Mogalakwe, 2009).

The study can evaluate potential documents and decide which ones to collect that meet the study's needs to ensure quality and validity of the selected data by applying this selection criteria.

3.4 DATA ANALYSIS

The study uses qualitative textual analysis as a data analysis tool. Data analysis aids researchers in achieving their goals by reducing the capacity data, identifying key patterns and themes and by picking information of importance and communicating the data results (Zhang and Wildemuth, 2009:319). Textual analysis primarily focuses on the content of text data as it involves reading and recognising written texts in order to

extract meaningful information and patterns from unstructured text data (Gerald, 2013). Textual analysis helps researchers understand and have detailed ideas about how people communicate their ideologies, thoughts and experiences through texts (Kuckartz, 2019). It is the method communication researchers use to describe and interpret the characteristics of a recorded, visual or written message (Gerald, 2013).

Textual analysis is suitable for this study because it helped investigate the framing of messages and language reflected in corporate documents. Textual analysis will enable an in-depth examination of communication strategies used by mining corporations during retrenchment as it provides rigorous examination of textual data (Kuckartz, 2019). It will also help provide a comprehensive understanding of communication strategies during retrenchment. There are studies that have successfully employed textual analysis. Komossa, Kong and Purves (2024) explored news media discourse for managing protected areas in Switzerland using textual analysis approach. Moreover, Friedman and Beasley (2024) conducted a textual analysis to examine student engagement in online learning. These studies demonstrate the value of textual analysis in providing rich insights into the complexities of the research topic.

The study followed qualitative text analysis steps by Kuckartz (2019) during the analysis of the collected corporate documents to determine categories, codes, or themes. The steps made it easy for the researcher to accumulate diverse and unorganised data to a structured and simple form for quicker and reliable analysis in order to be able to get reliable findings that show how retrenchment is communicated in the South African mining sector. The steps also helped the researcher gain valuable insights by providing a clear and structured approach of the communication of retrenchment news in the mining sector and helped analyse the language used in the news releases, press statements and annual reports that were collected.

The study followed the following steps for analysis (Kuckartz, 2019):

Step 1: Preparing, organising, and initiating data for analysis

This is the initial step, which forms foundation for the entire analysis process. This is the point where the researcher starts to develop the data corpus which is going to be used to complete the textual analysis (Kuckartz, 2019). This typically involves preparing all text files (corporate documents) into one location, converting text files

into electronic format (MS Word documents), and conducting an initial read-through the texts. Each file has its own structured naming and data catalogue that lists each data source, its storage location, its creator, and the date of its collection.

Step 2: Forming main categories corresponding to research questions

In this step, the researcher understands and is familiar with the data they collected for analysis. This initial understanding of the data can often inform a more detailed analysis (Erlingsson & Brysiewicz, 2017). When analysing text data, it is important to create the main categories based on research questions. Mogalakwe (2009) states that categorising data helps researchers become familiar with the data corpus so that they become aware of the limitations or gaps in the collected data. Mogalakwe (2009) further stated that researchers must make sense of the data that has been collected by exploring and interpreting the data. As such, the researcher then identifies key themes, subthemes, and patterns through main categories while returning to the raw data to reflect on the initial analysis and to check if the meaning units identified for coding still fit into the category of themes.

Step 2a: Making memos

When creating main categories, researchers record initial thoughts about the data in memos, essentially having a "conversation with themselves" about the findings (Kuckartz, 2019). These memos capture emerging insights, identify potential biases, and invite further analysis (Mohajan & Mohajan, 2022). It is the researcher who has to make sense of the data that has been collected by exploring and interpreting them. With qualitative text analysis, memos can be electronically typed and linked to specific data segments, facilitating easy retrieval of both memos and related data.

Step 3: Coding data categories

A code is simply a short, descriptive word or phrase that assigns meaning to the data related to the researcher's analytic interests (Zhang & Wildemuth, 2009). Corresponding text segments are coded with the main categories. With textual analysis it is important to think of coding as occurring in multiple phases. According to Saldana (2016), there are three phases of coding during textual analysis. In the first phase, a researcher generally assigns codes to the entire data set. This layer of coding serves to identify important statements, experiences, and reflections (Scott, 2014). As

such, the first layer of coding is primarily about seeking to reduce the size of the data corpus by denoting those statements, experiences, and reflections that are of analytic importance. The codes assigned in the first phase are often descriptive in nature and reflect a relatively low level of inference. In the second phase, the researcher will frequently return to the passages/data segments assigned codes to in the first phase and assign additional codes (Kuckartz, 2019). Codes at this stage begin moving to a higher level of inference, particularly as a researcher begins reflecting concepts and ideas that are more related to the focus of the study (Gerald, 2013). The aim of the second phase of coding is to connect statements, experiences, and reflections offered by research participants to the study's analytic interests. Finally, the researcher completes a third phase of coding wherein she makes explicit connections to the study's conceptual literature and theoretical ideas.

Step 4: Compiling text passages of the main categories

In this step we are moving from codes to categories and categories to themes. This means that the researcher will gather relevant text segments and produce their themes once categories have been developed and further compare the study's results with existing knowledge and theoretical ideas. For example, the results from the study by Hussain and Rawjee (2014) support the notion that organisations often prioritise investor relations over other stakeholders during crises. Therefore, it means there should be a use of literature to analyse and make sense of the findings.

Step 5: Presenting result

For transparency, the researcher develops a detailed audit trail, which is a record of all the processes that delineates the connection between data sources, codes, categories, and themes. This approach involves selecting a few representative segments from a data set, indicating which codes were initially applied to this segment, and then articulating which categories and themes the segment is responsive to (Erlingsson & Brysiewicz, 2017). According to Kuckartz (2019), effective presentation is crucial for conveying findings. This further ensures that the researcher's interpretation and coding process is visible to an outside reader and thus builds trustworthiness in relation to the interpretations of the data set (Du Plooy-Cilliers et al., 2014).

3.5 QUALITY CRITERIA

In qualitative research, quality criteria focus on the research findings in order to ensure that the research is of high quality and that the findings can be trusted. According to Kortjens and Moser (2018) quality criteria is necessary to confirm that the research is rigorous and trustworthy. The study strives to achieve quality trustworthiness by looking at quality criteria to maintain research rigour as discussed below.

3.5.1 Credibility

Credibility, also known as internal validity, is one of the most important criteria for assessing the quality of qualitative research. It refers to how accurate and trustworthy the study's findings are (Kortjens & Moser, 2018). To ensure credibility, the study uses multiple sources (triangulation) by examining annual reports, press statements, and news releases that come from official websites of the selected mining corporations in order to validate the study's findings. The study is further transparent about any limitations or biases that might exist in the data.

3.5.2 Transferability

Transferability refers to how the study's findings can be applicable to other contexts (Kortjens & Moser, 2018). The study achieved transferability by providing a detailed description of the research context, data collection methods and findings to enable generalisability. The researcher selected mining corporations that are representative of the sector (Anglo-American Platinum, Sibanye-Stillwater, and Samancor Chrome), allowing for transferability to similar contexts. This enables other researchers to assess and use the study's findings.

3.5.3 Confirmability

Confirmability refers to the extent to which the study's findings can be validated by other researchers (Kortjens & Moser, 2018). To ensure confirmability, the study provided detailed research process and data analysis process for transparency to avoid the researcher's biases. This included keeping a research journal and making comprehensive notes or memos during the study's data collection so that other researchers can be able to confirm the study's findings.

3.5.4 Dependability

Dependability refers to the consistency and applicability of the study's findings (Bless, Higson-Smith & Sithole, 2013). The study ensured dependability through

standardisation (ensuring that the procedures used in the study are kept the same) and maintaining a detailed record of the research process using audit trail (refer step 5 of textual analysis).

3.6 ETHICAL CONSIDERATIONS

When conducting research, it is important for the researcher to consider the ethical implications of their work. This framework refers to issues such as whether you should collect data only for one specific and legitimate purpose and that the data should be guarded against any form of misuse, loss, disclosure, unauthorised access, and similar risks (Wexler & Largent, 2023). When conducting document research, the ethical issues to be considered include permission to conduct the study; confidentiality; crediting used sources; and the potential for misinterpretation of documents (Halevi, Moed & Bar-Ilan, 2017).

3.6.1 Permission to Conduct the Study

Good ethical practice in research is based on two conditions. For the nature of this study, reviews of ethical soundness focused on two aspects which include obtaining permission from the University's Ethical Committee and getting reviews for scientific quality.

3.6.1.1 Ethical Clearance

Codes of ethics regulate the treatment of ethical issues in research; as such, ethics committees are important in assessing research proposals and the rights and interests of the study. The researcher obtained permission to conduct the study from the School of Languages and Communication Studies at the University of Limpopo. The research was approved by the University's Ethics Committee. An ethical clearance certificate from Turfloop Ethics Committee (TREC) at the university to confirm the study's ethical soundness was obtained.

3.6.1.2 Scientific Quality

Any research which is only duplicating existing research, or which does not have the quality to contribute new knowledge to the existing knowledge, can be seen as unethical (Boog, 2005). Scientific quality refers to the rigour and quality of the study's methods and findings (Halevi et al., 2017). In terms of ethics, scientific rigour is important to ensure that the study is accurate and objective and that the study's

findings are not influenced by any biases or agendas (Halevi et al., 2017). The study ensured high scientific quality by ensuring that the study has value, is accurate and used appropriate analysis and can contribute to the body of knowledge in the researcher's field. This was an important ethical issue because it demonstrated the study's commitment to conducting research that is both ethical and meaningful.

3.6.2 Crediting Used Sources

Crediting the sources used in a study is an important ethical consideration in document analysis (Creswell, 2016). This means that the study would properly acknowledge the work of others giving credit for their ideas and findings. The study gave credit to the authors of the documents that were analysed as well as other sources used throughout the study through in-text citation and reference list. This helped ensure transparency and honesty of the study, and that the researcher was not taking credit for the work of others.

3.6.3 Confidentiality

The study obtained appropriate permissions to safeguard and to protect any confidential information. The researcher took steps to de-identify the documents before using them by removing names, locations or identifying confidential information from the corporate documents. The researcher stored the documents securely in her password-protected laptop and only shared them with authorised individuals (the researcher's supervisor). The researcher is aware that these corporate documents were created to mitigate and communicate internal information by providing credible and concise overview of the company's performance and operations. As such, the researcher is mindful of any cultural or social sensitivities that might be present.

3.6.4 Potential for Misinterpretation of Documents

This study acknowledges the potential risks of misinterpreting documents by using multiple data sources (press statements, annual reports, and news releases) to help validate the findings. The study will interpret the documents accurately, objectively, and in context as the researcher is aware of the factors (e.g., biasness) that could influence misinterpretation of the data.

3.7 CONCLUSION

This methodology chapter outlined the research design, data collection, sampling strategy, and data analysis approaches used in the study. The textual analysis and

the two research designs used, which are explanatory research design and interpretivist paradigm delivered an in-depth examination of corporate documents collected and provided insights into how mining corporations communicate retrenchment news. Ethical considerations were also discussed in this chapter. Ethical considerations help in ensuring confidentiality and objectivity throughout the study to help acknowledge potential bias or generalisability issues. The next chapter presents data analysis, interpretation and discussion.

CHAPTER 4: DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.1 INTRODUCTION

This chapter presents an analysis and interpretation of the study's findings using the methods described in Chapter 3. The results of the data analysis are presented, answering the research questions. The study examines how key stakeholders are informed about retrenchment by the South African mining companies such as Sibanye-Stillwater, Anglo-American Platinum, and Samancor Chrome. These mining companies have been experiencing retrenchment and mostly share news of layoffs through their corporate documents. In the face of retrenchment, effective communication is crucial for organisations to navigate the complex landscape of stakeholder expectations, legal requirements, and reputational management (Wassernan & Hyde-Clarke, 2016).

Textual analysis was used to examine these corporate documents, which are press statements, annual reports, and news releases. The study used its systematic coding to categorise and interpret themes that arise when organisations communicate during retrenchment. Emerging key themes were identified, and related subthemes within each key theme were given detailed descriptions. Six key themes emerged, which are: *Communication Strategies Used by Mining Corporations During Retrenchment, Stakeholder Perspectives on Retrenchment by Employees, How Retrenchment is Managed in the Mining Sector, Legal and Contextual Considerations by Mining Corporations, and The Impacts of Poor and Ineffective Communication During Retrenchment in the Mining Sector*. This study provided insights into complex communication dynamics at play during retrenchment and offered guidance for organisations seeking to navigate these challenging situations with empathy, transparency, and strategic acumen by examining these themes. The results of the analysis are presented below.

4.2 RESEARCH RESULTS

This section interprets and discusses the themes that emanated from the study's data collected by the researcher. The themes are established to maintain rigour and transparency of the study.

4.2.1 Communication Strategies Used by Mining Corporations During Retrenchment

This theme discusses communication strategies used by mining corporations during retrenchment, which are the approaches mining companies employ to successfully and efficiently communicate issues, events, or messages regarding particular problems, occasions, or circumstances. These methods support employees and organisations in achieving their objectives, fostering connections, and resolving disputes. The subthemes that emerged from this core theme are strategic communication, tone and language used by mining corporations, and communication channels used during retrenchment. Below is a discussion of the subthemes:

Strategic communication is a communication strategy used by mining corporations during retrenchment

The use of strategic communication emerged as one of the most important themes. Strategic communication refers to an organisation's overall communication approach during retrenchment, looking at how mining corporations construct a narrative around retrenchment, including reasons, consequences, and future prospects (McDonald et al., 2010). The quotes below present how mining companies used strategic communication approaches during retrenchment.

The initiation of Section 189 consultations follows numerous unsuccessful attempts to address productivity and other operational issues at the Beatrix 4 shaft and the depletion of Surface Rock Dumps (SRD) mineral reserves to the Kloof 1 plant, including seismicity and cooling constraints, which together have contributed to sustained losses, even at recent high gold prices (Sibanye-Stillwater, 2023).

Sibanye-Stillwater explains the reasons for retrenchment implementation clearly, which are operational constraints, financial losses, high gold prices and depletion of Surface Rock Dumps (SRD). Explaining reasons for retrenchment is important in strategic communication as it manages stakeholder perceptions – communication, particularly during times of crisis, must convey clear and consistent messaging

(Sellnow & Seeger, 2013; Kim & Rhee, 2011). This can help reduce speculation and rumours, which can damage the company's reputation.

The prospects for mined products have rarely looked better. In the near term, given continuing elevated macro volatility, we are being deliberate in reducing our costs and prioritising our capital to drive more profitable production on a sustainable basis (Anglo-American Platinum, 2023).

In the above press statement, Anglo-American Platinum explains that the prospects for mined products led to an elevated macro volatility, and they are trying to tell stakeholders that they are trying by all means to reduce or control costs by aiming for profitable production. Donyale et al. (2013) stated that companies must engage with both their internal and external stakeholders by communicating information on the severity and nature of the crisis. This could be a strategy to downplay the negative impacts that poor communication may have on the company's reputation and image (Coombs, 2021). As such, a clear explanation helps stakeholders understand the reasons behind a decision, and this reduces confusion and uncertainty. This press statement of Anglo-American differs from Sibanye-Stillwater's press statement because Sibanye-Stillwater's press statement covers operational updates, financial performance, and strategic development. Whereas Anglo-American's press statement highlights sustainability initiatives and innovation.

Commodity prices worldwide are under pressure, and there has been a continuous decline in the commodity markets. Chrome Ore and Ferrochrome prices had dropped drastically during the last three months because of the competition from the Chinese Ferrochrome market which increase the cost of production and the availability of electricity and increase in Eskom prices (Samancor Chrome, 2020).

Samancor Chrome stipulates the fact that commodity prices have declined and, increased the cost of production and electricity prices. The statement above explains that mining companies retrench for several reasons. Explaining these 'reasons' to employees demonstrates respect, empathy, and transparency, ultimately maintaining a more positive and productive work environment (Cohan, 2020). As in chapter two, this confirms Vermeulen's (2010) findings that communicating the causes of a crisis at hand should be part of conveying information about an ongoing crisis event to stakeholders. According to Shahram et al. (2013), communication is all about informing the employees before and after the change, and the information provided should address the reasons for the change and worries employees will have initially. As SSCT is a framework for strategic communication during a crisis, the theory confirms that effective crisis communication considers the crisis type and its severity in order to protect the organisation's reputation and maintain stakeholder perspectives (Coombs, 2007). By doing so, Samancor explained the reasons for retrenchment (crisis type and its severity) so that employees understand the company's decision to retrench.

While the decision to close or restructure operations is never taken lightly, the S189 consultation process encouragingly achieved the necessary requirement of addressing loss-making operations and ensuring the sustainability of our SA PGM operations and the benefits and value they bring to multiple stakeholders, we acknowledge and thank all stakeholders for their constructive engagement (Sibanye-Stillwater, 2024).

The tone in the news release is formal and objective, carrying a sense of relief and triumph. The mentions of S189 consultations show that the company engages with its stakeholders during decision-making. CEOs use language to frame decisions and events in a positive or negative light, influencing stakeholder perception (Hussain & Fourie, 2021). Looking at the statement with regard to strategic communication, the CEO frames the restructuring as a positive outcome, focusing on sustainability and stakeholder value rather than the potential negative impacts on employees or communities. SCCT recommends that companies must always prioritise transparency and empathy during a crisis situation (Mazzei et al., 2012).

This was done in accordance with the Retrenchment Measures Agreement, and our Retrenchment Policy in an attempt to minimise job losses and address skill shortages at our operations. The retrenchment avoidance measures included the transfers to other shafts, voluntary separation, or early retirement packages (Sibanye-Stillwater, 2023, p. 153).

Another way that mining companies use strategic communication is by highlighting the company's commitment to minimising job losses and exploring alternatives (Kim & Rhee, 2011). Looking at the annual report above, Sibanye-Stillwater uses retrenchment avoidance measures and follows its retrenchment policy to minimise job losses. This makes customers perceive the retrenchment process as empathetic, because the company is showing stakeholders that the retrenchment process was conducted fairly and builds trust with stakeholders. One of the strategies to be used during retrenchment includes fairness, lack of favouritism, explaining the reasons for the retrenchment, providing incentives for the survivor staff, and customer involvement, and providing solutions to the company's problems (Casillas et al., 2018). Retrenchment avoidance measures mentioned in the report include transfers to other shafts, voluntary separation, or early retirement packages. Sibanye-Stillwater demonstrates its commitment to social responsibility, transparency, and consideration for employee well-being by communicating these measures (Cohan, 2020). These measures are a way to save the company's reputation and maintain stakeholder perception, as previous literature has shown that the perceived fairness of the retrenchment process has a strong bearing on the attitude and behaviour of the retrenched employees and survivor employees (Vermeulen, 2010).

We are attentive to the sensitivity of the issue at hand, and our stakeholders can rest assured that we will fully support all our employees, as we have done during previous restructuring processes at Kumb (Anglo-American Platinum, 2015, p. 3).

The report acknowledges the impact of retrenchment on all employees and supporting measures for the affected employees. Showing support for employees during retrenchment is a strategic approach that demonstrates the company's commitment to their employees' well-being, encourages loyalty, and shows support for employee transition (Abraham, 2011). Armstrong (2014) asserts that support services should be rendered to the affected employees during retrenchment. Which is another way to foster strategic communication. When comparing Anglo-American Platinum's annual reports, Sibanye-Stillwater's annual reports, and Samancor Chrome's annual reports, the researcher notes that Anglo-American Platinum offers stakeholder consideration as their strategic initiative to handle retrenchment. On the other hand, Sibanye-Stillwater prioritises sustainability when addressing retrenchment. Lastly, Samancor Chrome's reports focus on operational developments and community engagement.

How tone and language are used by mining corporations during retrenchment

Tone and language are important in organisational communication during a crisis as they shape stakeholder perceptions and relationships. This subtheme represents the corporations' careful and measured approach to communicating retrenchment news, with a focus on minimising the negative impacts of retrenchment.

We have restructured the SA region to align with the reduced operating footprint following the necessary operational restructuring for greater regional sustainability and profitability. It is extremely encouraging that our efforts have not only addressed loss-making operations but also limited forced retrenchments significantly (Sibanye-Stillwater, 2024).

The tone of the statement above is objective, presenting facts related to the restructuring process, and it acknowledges the engagement with stakeholders in the restructuring process. The language used emphasises the company's efforts to address sustainability and minimise job losses and is carefully used to avoid the negative impacts of retrenchment. Studies have shown that tone and language can impact how a message is received (Cohan, 2020). That is why organisations aim to use cautious communication to sustain the organisation's reputation and stakeholder trust (Coombs, 2004). Literature has highlighted the importance of tone and language.

Supportive tone increases perceptions of empathy and understanding (Coombs, 1995). Furthermore, that explains that language intensity and complexity can impact the effectiveness of cautious communication, as simple and clear language enhances comprehension and reduces misinterpretations (TAFEP, 2020).

The consultations were initiated to address the sustainability of its operations amidst challenging economic conditions. During these discussions, various measures were considered to minimise job losses, including voluntary separation and early retirement packages, which were taken by 629 employees (Sibanye-Stillwater, 2024).

The tone and language of the statement express commitment to supporting affected employees. This is to ensure sustainability at Sibanye's South African operations. The overall tone of the statement is professional, intentional, and proactive. As such, it emphasises the company's efforts to address challenges and ensure sustainability while minimising job losses. Cohan (2020) asserts that organisations should strive to convey empathy, transparency, respect, clarity, and sensitivity. According to SCCT, the best practice for retrenchment includes training managers to effectively address rumours and misinformation and provide support for the affected employees (Avery et al., 2010).

While the decision to close or restructure operations is never taken lightly, the closure of Kloof 4 shaft was necessary to curb ongoing financial losses. We have taken decisive action to address costs, to ensure the sustainability of these long-life operations during a challenging period (Sibanye-Stillwater, 2023).

The tone and language of the above statement is formal as it has no emotional appeals. The statement does not show an apologetic tone about retrenchment as it is not defensive, but it states facts about the restructuring decision made. Clear

communication of retrenchment news encourages trust, empathy, openness, and compassion amongst all stakeholders involved (McKinley, 2023).

Communication channels used by mining corporations during retrenchment

Effective communication channels are important in retrenchment communication for conveying timely messages, addressing concerns, and facilitating dialogue during retrenchment. This subtheme discusses communication channels used by mining corporations during retrenchment.

Another chrome mining company has announced that it will retrench staff soon. Samancor Chrome issued section 189 notice on 26 April 2016 to all recognised unions representing employees across all operation and corporate offices (Samancor Chrome, 2016).

This announcement was made on a statement, which is a traditional and effective channel for communicating valuable information to stakeholders. The use of a Section 189A notice shows that communication is formal, as it involves consultation with trade unions and affected employees, which will be facilitated by CCMA – this shows a formal legal process. The notice was issued by Samancor Chrome management to the recognised unions – showing a top-down communication approach. By that, it shows that Samancor is following established communication protocols by respecting the role of union representatives. Pfeil et al. (2004) indicate that employees prefer to receive information from their managers, and organisations should train managers to successfully communicate with their stakeholders to avoid chaos during retrenchment.

Spokesperson for the National Union of Mineworkers (NUM), Livhuwani Mammburu, said the union was only notified of the Section 189 process after stock exchange announcement had been published by Sibanye-Stillwater on Thursday afternoon. He said the company had further sent out email notices to workers in the midst of the meeting with union leaders (Sibanye-Stillwater, 2023).

The statement reveals a lack of transparency and prior consultation, as the union was notified after the stock exchange announcement. Although the timing was poor, the company communicated with stakeholders through emails. The company also made

a public announcement on the stock exchange. The statement highlights the lack of transparency and consultation between the company and the union as the union's response is reactive and highlights the need for a more improved communication between the company and the union. Poor and ineffective communication during retrenchment implementation can be attributed to a lack of success and efficacy in the communication process (Bayardo et al., 2013), and poor communication can affect the organisation's reputation (Moreno-Mendez & Clinton, 2018).

National Union of Mineworkers Spokesperson, Livhuwani Mammburu, confirmed that some of their members received retrenchment letters from Amplats. In fact, it's not only 3, 700, it's more than 8000 workers who have received Section 189 letters which means they are likely to be retrenched. So, today we were also issued with Section 189 letters at Kumba Iron Ore where the company indicated that they are likely to retrench 500 workers. With Anglo-Platinum yesterday on top of that there are 620 contractors so as the NUM we are deeply warned about these announcements of retrenchment (Sibanye-Stillwater, 2024).

On the statement, the employees and the unions received "retrenchment letters," which indicates a formal and official communication channel that aligns with the legal process. The letters were sent by the company to the employees – indicating a top-down approach and they were directed to employees – indicating a direct communication channel. The NUM's confirmation of receiving the letters suggests that there is union involvement in the communication process. According to Coombs (2014), timely communication informs employees promptly and protects the company's reputation. Hussain and Fourie (2021) assert that effective communication strategies during retrenchment protect the company's reputation and prevent the company from legal implications.

Tracking of strategy execution was needed for the cost reduction programme and disposals plan by allocating accountability for the individual programmes, tracking key milestones, and reviewing progress regularly at Board meetings (Anglo-American Platinum, 2016, p.77).

The report mentions “reviewing progress regularly at Board meetings”, which indicates that Anglo-American Platinum uses formal meetings as a primary channel for communication and tracking strategy execution. The company is formal and uses a structured approach to communicate by allocating accountability for individual programs, where other individuals were responsible for reporting progress. The company uses project management tools that can facilitate communication among team members and stakeholders by tracking milestones. The communication channels used at Anglo-American Platinum have a top-down structure with regular reporting, which indicates accountability and discipline. According to research, formal communication channels are an essential strategy for execution, as they provide a structured approach to tracking progress and allocating accountability (Ulmer et al., 2015).

According to the follow up actions in 2016, the report states that people and organisation briefed the Board on messaging and communication processes and messaging was kept under review to ensure that it was appropriate and respectful (Anglo-American Platinum, 2016, p. 77).

As the statement states that the Board was briefed by the people and the organisation, this indicates a formal briefing or a formal communication channel. The briefing suggests a top-down approach, where information flows from senior leadership to the Board. The report states that “messaging was kept under review” which implies regular check-ins to ensure that communication remained appropriate and respectful. According to Cohan (2020), regular review is essential for ensuring communication remains effective and appropriate.

A Future Forum (FF) is a site-specific labour management body that will focus on implementation and monitoring of the SLP. The purpose is to provide a formal platform where all affected parties can consult each other and discuss challenges and viable solutions to the problems facing the mine that may have the potential to lead to possible retrenchment in the future (Samancor Chrome, 2020, p. 62).

The establishment of a formal platform “FF” indicates a structured communication approach. The FF facilitates consultation and discussion, which promotes open communication. The company addresses potential problems before they lead to retrenchment, which demonstrates a proactive approach. Formal communication channels allow the dissemination of information to be transparent and easy (Lewis, 1999).

Form of frequency of engagement: all five community engagement forums meet quarterly; community complaints hotline; workshops; open days; written communication (reports and letters); face-to-face engagement/meetings; emails; company briefs; texts messages, podcasts; investor meetings; conferences (Sibanye-Stillwater, 2019).

The company uses different forms of engagement to communicate with its stakeholders to ensure consistent communication and feedback. This demonstrates an inclusive engagement as multiple channels cater to different preferences and needs. Quarterly meetings, ongoing hotlines, and periodic events ensure consistent engagement. SCCT states that during a crisis, providing timely, accurate, and consistent information is important (Coombs, 2007).

Different channels are used to communicate retrenchment news (email, in-person meetings, news releases, internal memos, public statements). They provide regular updates about the ongoing crisis and address concerns and questions. The channels used are appropriate for reaching various stakeholders, including investors,

employees, and the broader public. Social media platforms (Twitter, LinkedIn) are also used for regular updates and feedback to address concerns and questions. Mining companies aimed to maintain transparency, build trust, and demonstrate their commitment to responsible business practices during retrenchment using strategic communication. The table below presents a summary of communication strategies used by the three South African Mining corporations.

Anglo-American Platinum	Sibanye-Stillwater	Samancor Chrome
1. Anglo American emphasises transparency in its communication approach by providing regular updates during the crisis.	1. Sibanye-Stillwater has emphasised transparency through open and timely communication during retrenchment.	1. This mining company emphasised transparency by consulting with employees, which fostered a culture of transparency during retrenchment.
2. The company engages with stakeholders through various channels, such as board meetings.	2. The company engages with stakeholders through various communication platforms such as community engagement forums, community complaints hotline, workshops, open days, written communication (reports and letters), face-to-face engagement/meetings, emails, company briefs, text messages, podcasts, investor meetings, and conferences.	2. Samancor Chrome uses Future Forums to effectively communicate and engage with its stakeholders.
3. Anglo American uses digital platforms, such as its website and social media, to communicate with stakeholders and provide updates on its operations.	3. Sibanye-Stillwater uses digital platforms such as its press statements and its website to post and communicate with stakeholders and provide updates.	3. Samancor uses the Future Forums to effectively engage with its employees digitally.

4. The tone and language of this mining company is formal and unapologetic.	4. The company uses formal language in its communication approach by clearly stating the reasons for retrenchment without emotional appeals.	4. Samancor Chrome uses formal language in its communication approach as it emphasises the need for retrenchment as the only option to ensure future sustainability and growth.
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Table 4.1 Communication strategies used by the South African mining companies.

4.2.2 Stakeholder perspectives on retrenchment in the mining sector

Evaluating, assessing, and resolving the interests and concerns of different stakeholders impacted by the layoff process are all included in the process of stakeholder consideration. This theme analyses the efforts used by mining companies to engage with stakeholders to address retrenchment, efforts taken to address their concerns, together with their interactions with labour unions/employee representatives, and the local community.

At least 4,000 of Sibanye’s total workforce of 46,432 employees in its local PGM operations could be without jobs at the end of the restructuring exercise, which will affect four of its shafts in Rustenburg in the Northwest (Sibanye-Stillwater, 2023).

In the quoted statement above, the tone and language of the press statement address employees directly, acknowledging how retrenchment may impact them. Similar to previous statements, communicating effectively with stakeholders about all retrenchment processes and the impacts they have can minimise the negative impacts of retrenchment on employees by managing their reaction, making them feel supported, supporting the affected stakeholders, and maintaining a positive reputation. Lager (2010) mentioned in his study that employees must be given relevant information that explains the company's financial situation and commercial justifications for retrenchment. Effectively communicating those motives can assist in preventing misunderstandings and bad feelings.

Despite the extensive measures already taken to ensure the continued resilience of the business – Anglo-American Platinum has announced a proposed restructuring process in terms of Section 189A of the Labour Relations Act, 66 of 1995(S189A). The proposed restructuring could impact 3,700 jobs (including fixed-terms employees) across the South African operation. The Section 189A process involves a consultation period with trade unions and affected employees and will be facilitated by Commission for Conciliation Mediation and Arbitration (CCMA). Only when the consultation process is concluded will the final number of impacted jobs be known (Anglo-American Platinum, 2024).

In the above statement, various stakeholders (employees and their representatives) were included. According to literature about stakeholder engagement, effective communication and engagement strategies can help organisations navigate this challenging process (Cameron, 1994). The statement acknowledges the potential impact on jobs and the involvement of the affected employees in the consultation process. Employee engagement, feedback during retrenchment helps maintain trust, minimise negative sentiment, and supports a smooth transition (Khubana et al., 2022). De Ridder (2003) mentioned that there are different goals in an organisation: firstly, is to always inform employees or members of the organisation about changes, policy or issues of the organisation. Secondly, the aim of communication is to create a community in an organisation. It also involves trade unions in the process of ensuring that their concerns are taken into account. The company included the CCMA in the process to ensure fairness and transparency. As we can see from the emphasis on ensuring long-term viability and competitiveness, the company is trying to alert investors that its business is aiming to ensure sustainability in the process. Additionally, Sibanye-Stillwater also considers the interest of the government in complying with labour laws.

Sibanye-Stillwater advice stakeholders that it will enter into consultations in terms of Section 189A of the Labour Relations Act, 66 of 195 (S189) with organised labour and other representatives of affected non-unionised employees at its SA gold operations and its Southern Africa (SA) region services functions (Sibanye-Stillwater, 2024).

The language addresses “stakeholders”, indicating that the company is considering the interests of various groups, including employees and unions. As the plans of the company to restructure may lead to potential job losses or changes in terms of employment, the consultations are a legal requirement to discuss the proposed changes with affected parties. Sibanye-Stillwater is stakeholder-focused and proactive as it is taking a narrative and demonstrating transparency, which can help mitigate potential negative reactions. Corporations prioritise communication with stakeholders, including employees, unions, and shareholders, to manage their interests and concerns (Freeman, 1999).

“Another chrome mining company has announced that it will retrench staff soon. Samancor Chrome issued a section 189 notice on 26 April 2016 to all recognised unions representing employees across all operations and corporate offices (Samancor Chrome, 2016).

The statement mentions that ‘Samancor Chrome issued a Section 189 notice to all recognised unions...’ as such, this suggests that the company has initiated stakeholder engagement by informing the union, which represents employees’ interests. Collaborative relationships with unions can facilitate a smoother retrenchment process (Hanges, 2002).

We will engage with all relevant stakeholders in an effort to avoid job losses while attempting to limit the impact on

the remainder of the operations and employees at the SA gold operations (Sibanye-Stillwater, 2023).

Sibanye-Stillwater states that it will “engage” with its stakeholders. Stakeholder engagement is crucial for the following reasons: to manage the impact of retrenchment on employees and local communities; to identify alternatives to save jobs; to build trust and credibility with stakeholders; and lastly to ensure that its actions are transparent. Research shows that communication is the most significant part of any organisation, when there are certain changes occurring within the organisation (Difonzo & Bordia, 1998). Therefore, companies must engage with all their stakeholders through communication, using different communication channels. As emphasised in the statement, stakeholder engagement helps reduce uncertainty and maintain productivity. Rawjee (2014) asserts that stakeholder engagement helps mitigate the negative impacts of retrenchment on employee morale and reduce uncertainty, allowing employees to understand that the company’s decision to retrench is to optimise its operations and improve its financial position. The statement also mentions “relevant stakeholders”; as such, successful stakeholder engagement using SCCT can reduce crisis severity, enhance reputation, and increase stakeholder loyalty. And improve crisis management (Coombs, 2007). This shows that Sibanye-Stillwater is committed in ensuring its long-term sustainability and competitiveness in the industry by communicating effectively with stakeholders

Constructive consultations were held between the Company and affected stakeholders over 78 days, during which various avoidance measures to mitigate possible retrenchments and minimise job losses at the Kloof 4 shaft and associated services were considered (Sibanye-Stillwater, 2023).

The company engaged in a comprehensive and collaborative consultation process with stakeholders impacted by potential retrenchments at the Kloof 4 shaft and associated services. This 78-day engagement aimed to explore various measures to minimise job losses and mitigate the negative consequences of possible retrenchments. Through constructive dialogue, the company and stakeholders worked

together to identify potential solutions, demonstrating a commitment to transparency and open communication. This inclusive approach ensured that affected stakeholders had a voice in the decision-making process, fostering a sense of ownership and cooperation. Drawing on SCCT, it is clear that consultation and engagement with employees, unions, and other stakeholders are critical during a crisis situation like retrenchment (Coombs, 2014). This shows that stakeholder involvement during decision-making builds trust.

Through a formal Section 189A consultation process, the Company and affected stakeholders will together consider measures to avoid and mitigate possible retrenchments and seek alternatives to the potential cessation or downscaling of operations at the affected shafts. Sibanye-Stillwater management has consistently highlighted the operational and financial risks associated with the underperformance of these shafts at future forum meetings, which have been held regularly with stakeholders, including the unions (Sibanye-Stillwater, 2022).

The company initiates a formal consultation process to address potential retrenchments, which demonstrates a proactive approach to communication. The release emphasises collaboration with stakeholders, including unions, to find solutions, and this shows that the company considers its stakeholders during decision-making. According to Coombs (2014), stakeholder engagement during a crisis is important as it minimises the negative impacts of retrenchment on employees and the organisation itself. The company is transparent as it has consistently communicated operational and financial risks to stakeholders. Lastly, the language of the news release emphasises avoidance measures to mitigate the effects of retrenchments on employees. Involving stakeholders, making sure that they are informed during the retrenchment process, can build trust and credibility (Seeger, 2013).

Having worked through a realistic option, it is apparent that further measures to create critical resilience and greater competitiveness are needed to sustain the business. Anglo-American Platinum acknowledges that the next steps will affect its team, and it understands the socio-economic impact this will have on its employees, their families, and communities (Anglo-American Platinum, 2024).

The statement above indicates that Anglo-American Platinum prioritised transparency, empathy, and support for the affected employees and stakeholders during the retrenchment process. The language used emphasises the need for retrenchment to ensure future sustainability and growth, indicating a primary focus on shareholders' interests. The statement further acknowledges the impact on employees but does not address them directly. They do this by addressing the fact that some of their "team" may be affected by retrenchment, it creates a sense of stakeholder consideration. According to McDonald et al. (2010), it is crucial to consider the needs and concerns of various stakeholders when addressing the impacts of retrenchment. Therefore, the above statement somewhat confirms that Anglo-American Platinum understands the socio-economic impacts that retrenchment has on its employees and its community. As such, according to Omwenga (2017), open communication, support programs, and community engagement can mitigate the impacts of retrenchment. The above key messages found in the press statement aim to communicate the necessary information about the retrenchment, while also emphasising the company's regret, support for the affected employees, and commitment to stakeholders. In alignment to the statement, the SCCT outlines four communication responses that help organisations mitigate crisis severity and protect organisational reputation, which are informing, apologising, correcting, and compensating (Coombs, 2007). The tone of the statement also aligns with the theory because it is acknowledging that it is aware that the retrenchment decision will affect employees. Anglo-American Platinum remains committed to its stakeholders by communicating with them effectively.

These actions are necessary to enable the continued employment of thousands of workers and contractors and to share value with our host communities, pay taxes and royalties to governments, as well as procure goods and services from local suppliers (Samancor Chrome, 2017, pp. 52-57).

The report addresses employees directly, acknowledging the impact of retrenchment and emphasising support. It also emphasises the need for retrenchment to ensure future sustainability and growth, indicating consideration for shareholders' interests. The report mentions the community development initiatives, indicating a commitment to social responsibility and host communities, highlighting its commitment to sharing value with host communities, and acknowledging their significance and the impact of retrenchment on them. According to Robertson et al. (1993), the success of the change effort depends on the organisation's capacity to alter the stakeholders' behaviours. The report further mentions the community development initiatives, indicating a commitment to social responsibility. As the tone is explanatory and justificatory, it emphasises the need for restructuring to ensure future sustainability and growth. Lastly, the consideration of the social and economic implications of retrenchment on the community shows community consideration.

Contact between Board and business unit employees should further improve, including the scheduling of 'deep dives' on key issues at Sustainability Committee, Audit Committee, and Board meetings. Communication of decisions to management and employees, especially those adversely affected by cost reduction and disposal programme could be improved (Anglo-American Platinum, 2016, p. 77).

The company uses an inclusive approach as it suggests increasing contact between the Board and business unit employees. The involvement of employees in discussions at Committees and Board meetings ensures representation of interests. The theory agrees that during a crisis, providing timely, accurate, and consistent information is

important (Coombs & Holladay, 2010). The company's communication approach is focused on engaging with potential shareholders and demonstrating stakeholder engagement. Literature supports the importance of responsive communication in addressing stakeholder concerns (Freeman, 1999). The report identifies management and employees, particularly those adversely affected by cost reduction and program disposal. SCCT categorises stakeholders into victims, influencers, and functional stakeholders (Coombs, 2007). Victims are directly affected by the crisis (in this case, retrenched employees are the victims), influencers shape public opinion (which are the company's communication practitioners), and functional stakeholders have a direct interest in the organisation's operations (Which are the investors and the government). Understanding these categories enables organisations to tailor communication responses.

As Anglo-American Platinum progresses the implementation of the Section 189A process, we will put in place the appropriate well-being support program to help our people through this difficult process, as well as initiate comprehensive social impact mitigation measures. We will approach and implement the process in line with our values and cultural commitments through centring our people and the impact this has on them (Anglo-American Platinum, 2024).

The above press statement acknowledges the social impacts of retrenchment on their "people". Acknowledging the social impacts of a crisis situation demonstrates the company's responsibility to sustain and maintain a positive reputation (Hussain & Rawjee, 2014). The involvement of stakeholders in decision-making maintains stakeholder trust. That is why organisations always have to "centre" employees during retrenchment decisions. Effective stakeholder engagement strategies in SCCT involve building relationships, establishing trust, and identifying potential stakeholders before a crisis occurs (Coombs, 2007).

We will engage with relevant stakeholders in an effort to avoid job losses while attempting to limit the impact on the

remainder of the operations and employees at the SA gold operations (Sibanye-Stillwater, 2023).

Sibanye-Stillwater acknowledges the importance of engaging with stakeholders who will be retrenched. This demonstrates commitment to stakeholder engagement because the company expresses a desire to minimise job losses, showing empathy to employees. Research shows that consultation and engagement can lead to better outcomes for employees and organisations (Sturges, 1994). Empathetic language mitigates the impact of retrenchment on the remaining employees. It reassures employees with the aim of alleviating concerns. When analysing the tone of this report section, the study found that effective engagement strategies can also help mitigate the negative impacts of retrenchment. As such, effective communication during retrenchment requires a strategic approach, considering both legal compliance and stakeholder needs (Erasmus, 2019). SCCT emphasises the importance of stakeholder engagement during a crisis (Coombs, 2007). The theory further identifies and prioritises stakeholders based on their level of involvement and concern.

4.2.3 How Retrenchment is Managed in the Mining Sector

This theme discusses the processes and strategies used to minimise and manage the impact of “retrenchment” crisis on both the organisation’s reputation and its employees. The subthemes that emerged are crisis communication strategies used by mining corporations, transparency and empathy during retrenchment, how mining corporations address reasons to retrench, timing and notice period, and support offered for retrenched employees in the mining sector.

Crisis communication as a strategy to manage retrenchment by mining corporations

Crisis communication emerges as one of the most important themes. This subtheme examines the mining corporations’ response to the “retrenchment” crisis and efforts taken to maintain or restore the organisation’s reputation.

Having worked through realistic options, it is apparent that further measures to create critical resilience and greater

competitiveness are needed to sustain the business. Anglo-American Platinum acknowledges that the next steps will affect its team, and it understands the socio-economic impact this will have on its employees, their families, and communities (Anglo-American Platinum, 2024).

Looking at the above statement, it acknowledges the crisis by recognising the need for further measures to sustain business. The language used in the statement “critical resilience” and “greater competitiveness” conveys a sense of determination and a proactive approach to addressing the crisis (Wagner, 2005). The phrase “having worked through realistic options” suggests that the company has carefully considered its choices, and it is making informed decisions, which demonstrates that having a communication plan in place can facilitate effective response and minimise negative impacts of retrenchment (Sayed, 2013). Solutions and procedures to create job security for both stakeholders and an engagement with stakeholders during the retrenchment process demonstrate effective crisis communication and reputation management.

We are optimistic about the long-term demand for the PGMs we produce and the important role they play in creating a greener world. While navigating the prevailing macro uncertainties, we continue to take the necessary steps to ensure the long-term viability and competitive position of the business and remain committed to our strategic priorities, with our immediate focus on safety, operational excellence, and organisational effectiveness, positioning our company for a sustainable future (Anglo-American Platinum, 2024).

The statement starts with a positive tone as it highlights its optimism about future demand for PGMs and their contribution to a greener world. In the statement, Anglo-American Platinum tells us that it is aware of the current challenges and is taking steps to address them. The statement demonstrates effective crisis communication as it

demonstrates the three strategic priorities, which are safety, operational excellence, and organisational effectiveness, which are important for the company's success and sustainability. SCCT asserts that crisis communication involves the management of information during a crisis to maintain stakeholder trust, credibility, and the company's reputation through clear communication and empathetic language (Coombs, 2007).

At the SA PGM operations, the aim of the Section 189 process was to eliminate duplicated positions following the consolidation of the Rustenburg operation and Kroondal operation within Sibanye-Stillwater. While 332 employees were at risk, ultimately just 17 employees were retrenched, 65 employees opted for voluntary separation and 218 employees were transferred internally (Sibanye-Stillwater, 2017, p. 76).

Sibanye-Stillwater clearly explains the reason for the Section 189 process, which demonstrates a transparent communication – transparency must be a number one objective during a crisis situation (Coombs, 2007). The company communicates the outcome of the Section 189 process by addressing the potential crisis (retrenchment), which shows that they are being proactive in order to manage the situation. Sibanye highlights that “only 17 employees were retrenched”, which emphasises its efforts to minimise harm to employees by informing them. The company communicated the outcome of the Section 189A process to maintain its reputation and to be seen as a responsible and caring employer. Even Legal Wise (2022) has stated that the consultation process during retrenchment is essential as it protects the company from legal complications and maintains stakeholder relationships.

Various avoidance measures to limit the impact on the affected 1,496 employees and 54 contractors were successful as only 65 employees were subjected to forced retrenchment as well as 54 contractors which had been terminated. The retrenchment avoidance measures

include the transfers to the shafts, voluntary separation or retirement packages (Sibanye-Stillwater, 2022, p. 154).

The report provides clear information about the retrenchment process, including the number of employees affected and the support services offered. Sibanye-Stillwater used communication to contain the impact of retrenchment. It also used proactive communication as it announced the potential retrenchment in advance and outlined support measures. According to literature, proactive communication during retrenchment involves anticipating and addressing stakeholder concerns through timely, transparent, and empathetic messaging (Avery et al., 2010; Wagner, 2005).

If challenges arise that may lead the mine to downscaling or retrenchment, it will develop and implement turnaround strategies and mechanisms to save jobs, prevent unemployment and avoid downscaling. This will be done through the following measures: seeking to prevent retrenchments from taking place, where possible; Utilising the FF to identify strategies to prolong the life of the mine or avoid retrenchments and downscaling and consulting with the DoL, the DMREE and surrounding mining companies to assess any potential opportunities to mitigate the effects of retrenchment or closure (Samancor Chrome, 2017, pp. 53-54).

The report above communicates potential retrenchments in advance and outlines the measures to be taken to manage the negative impacts of retrenchment. This shows that Samancor is being accountable by communicating the retrenchment process clearly and adhering to relevant laws, regulations, and industry standards. The statement supports Coombs's (2014) findings, which state that effective communication and accurate documentation of the retrenchment process are essential for transparency and accountability. This tells us that this report aims to maintain a positive reputation by emphasising the company's ways to minimise job loss.

The strike action by the Association of Mineworkers and Construction Union (AMCU) at SA gold operations has continued on Monday, 26 November 2018, and attendance at the operations has improved relative to last week but remains low. An update on the operational impact of the strike will be provided later today (Sibanye-Stillwater, 2018).

The company provides a regular update on the strike situation. The brief updates stakeholders on the ongoing strike, which shows that they are trying to manage their reputation, which is good during a crisis situation. Literature confirms that effective and transparent communication should include regular updates, clear explanations, and empathetic language (Mwaura, 2019).

Subject to the completion of the S189 consultation, the following actions have been deemed necessary in order to ensure the sustainability of this operation: Reducing and optimising the operational footprint, including, inter-alia, the cessation of operations at the East 1 (E1), West 1 (W1), and Hossy shafts and the open-cast operations. These shafts and operations are loss-making and have reached the end of their economic reserve lives. Pending the outcome of the S189 process, it is proposed that these shafts will initially be placed on care and maintenance; Ameliorate associated cost at some of the Marikana shafts which have previously been placed on care and maintenance; Optimisation of downstream concentrators, smelter and refineries, including closure of the Eastern Platinum C-stream (EPC) and Rowland concentrator plants; Rightsising of the related support services and overhead structures associated with the aforementioned shafts (Samancor Chrome, 2017).

The report explains the necessary actions to ensure sustainability. The message also informs us about support services for affected, this shows that it is transparent. The language is clear and concise, effectively conveying the information. It is transparent as it provides detailed information on the retrenchment and restructuring process. The report further explains the reasons for retrenchment and provides processes to manage retrenchment by outlining the support measures and mechanisms to create job security. Explaining reasons for retrenchment is important in strategic communication as it manages stakeholder perceptions – communication, particularly during times of crisis, must convey clear and consistent messaging (Sellnow & Seeger, 2013). It acknowledges the impact on affected employees and communities, expresses support and commitment to minimising effects. It also demonstrates a comprehensive and empathetic approach to communicating retrenchment. Samancor Chrome improves communication by addressing retrenchment in a transparent and empathetic manner.

We will engage with relevant stakeholders in an effort to avoid job losses while attempting to limit the impact on the remainder of the operations and employees at the SA gold operations (Sibanye-Stillwater, 2023).

The statement demonstrates a commitment to crisis communication and reputation management as it acknowledges the retrenchment crisis, and it expresses “efforts” to mitigate its impact (Coombs, 2007). Stakeholder engagement mentioned in the statement is crucial for effective crisis communication (Fearn-Banks, 1996). Showing empathy and concern for employees can help maintain a positive reputation (Larkin & Larkin, 2015).

There is significant pressure on operating mines to provide employment and procurement. An ordained plan has been compiled to communicate the business rationale for shaft closures and retrenchments, to engage with community and leaders on their fears and concerns, and manage

media and NGO responses (Sibanye-Stillwater, 2019, p. 30).

The report shows that the company recognises the potential crisis situation of shaft closures and retrenchments, which demonstrates proactive crisis management. Coombs (2007) asserts that managers must acknowledge and address the concerns of stakeholders. The company also plans to engage with community leaders, indicating an understanding of stakeholder communication during a crisis. According to Freeman (1999), stakeholder engagement builds trust and understanding for the crisis at hand. The report states that the company has a plan to manage media and NGO responses, which indicates a focus on reputation management and minimising negative publicity. Because the company has compiled a dedicated and coordinated plan, it shows a unified response to the crisis. Research confirms that a coordinated response ensures a unified response involving all relevant stakeholders (Mazzei et al., 2012).

How transparent and empathetic language is used by mining corporations during retrenchment

This theme analyses the clarity and directness of language used in retrenchment announcements by the mining corporations and the expression of transparency, empathy and understanding towards affected employees.

Despite the extensive measures already taken to ensure the continued resilience of the business – Anglo-American Platinum has announced a proposed restructuring process in terms of Section 189A of the Labour Relations Act, 66 of 1995(S189A). The proposed restructuring could impact 3,700 jobs (including fixed-terms employees) across the South African operation. The Section 189A process involves a consultation period with trade unions and affected employees and will be facilitated by Commission for Conciliation Mediation and Arbitration (CCMA). Only when the consultation process is concluded will the final

number of impacted jobs be known (Anglo-American Platinum, 2024).

The press statement is transparent about the potential impact of retrenchment on employment (3,700, jobs) and it clearly explains the proposed retrenchment process – which demonstrates transparency. The language used is formal and objective as it indicates legal requirements and consultation of trade unions. The statement further outlines the next steps (consultation process and finalisation of the impacted employees) – which is crucial during retrenchment to maintain trust and credibility with stakeholders (Coombs, 2014).

While employees did endure some hardship during a period of unpaid leave – the length of which varied substantially depending on employees and operations – Sibanye-Stillwater did not initiate forced retrenchments at any of its operations. Moreover, the Group used this unprecedented opportunity to increase its engagement and interaction with employees (Sibanye-Stillwater, 2020, p. 190).

The acknowledgement of “employees endured hardship during unpaid leave” shows that the company is empathetic and understanding. The company is transparent about the impact on employees as it clearly states that there were no forced retrenchments – which may help alleviate concerns and build trust with employees. Transparent and honest communication build trust (Cohan, 2020). Sibanye’s significant emphasis on open communication, honesty and regular communication with employees in order to align the business and employees. One of the initiatives to address the trust deficit that has historically developed between management and employees in the South African mining has been the development of the people as Sibanye strategy, aimed at winning hearts and minds of employees and engendering a sense of ownership and pride in the Group. This strategy is an integrated and solution-based approach that seeks to address key employee-related issues by enhancing the employee value proposition.

The proposed restructuring could potentially affect employees at Beatrix 4 shaft, those employees who provide support services to the shaft, and Kloof 1 and 2 plants. In addition, employees may be affected in associated companies, including Sibanye Gold Protection Services Limited and Sibanye Gold Academy Proprietary Limited. The initiation of S189 consultations follows numerous unsuccessful attempts to address productivity and other operational issues at the Beatrix 4 shaft and the depletion of Surface Rock Dump (SRD) mineral reserves to Kloof 1 plan (Sibanye-Stillwater, 2022).

Sibanye-Stillwater has announced a proposed restructuring that may impact employees at Beatrix 4 shaft, Kloof 1 and 2 plants, and associated companies. The company is transparent about the potential effects on employees, acknowledging that those providing support services to the shaft and plants may also be affected. This openness demonstrates empathy and a commitment to clear communication. Pfeil et al. (2021) state that employees benefit from clear and empathetic communication as it helps them to have job satisfaction and commitment. The restructuring is a response to ongoing productivity and operational challenges at Beatrix 4 shaft, as well as the depletion of Surface Rock Dump mineral reserves at Kloof 1 plant. Despite previous attempts to address these issues, the company has been unable to find solutions, leading to the initiation of Section 189 consultations. This proactive approach shows that Sibanye-Stillwater is taking steps to ensure sustainability and address operational problems.

The possible restructuring of the Kloof 4 shaft could potentially affect 2 389 employees and 581 contractor employees, said Sibanye. Through the formal S189 consultation process, however, the company and affected stakeholders will together consider measures to avoid and mitigate possible retrenchment and seek alternatives to

the potential cessation or downscaling of operations and associated services (Sibanye-Stillwater, 2023).

The statement is transparent as it explains the potential restructuring and its impact on employees and contractors. The statement also provides a number of employees to be retrenched, showing transparency and accountability. Providing detailed information about the retrenchment process and support available can help maintain trust and credibility (McCorkindale & Distaso, 2013). The consultation of S189 shows that the company is committed to following the South African legal requirement for the retrenchment process and that it engages stakeholders to address retrenchment effectively. The language used in the statement is straightforward; it does not have vague terminology.

We do not underestimate the potential impact of any form of restructuring and commit to constructively engaging with affected employees through their representatives in an effort to minimise job losses. Unfortunately, it is imperative that we engage in this process to ensure the sustainability of our SA PGM operations and the benefits and value they bring to multiple stakeholders (Sibanye-Stillwater, 2023).

Sibanye-Stillwater's Chief Regional Officer, Richard Stewart, has acknowledged the potential consequences of restructuring employees, demonstrating a sense of empathy and understanding. He recognises the significance of this process and its potential impact on the lives of those affected. Stewart sets a tone of transparency and openness, paving the way for constructive engagement. Messenger (2001) notes that transparency fosters a positive organisational culture as it reduces uncertainty and builds trust. Furthermore, SCCT supports the importance of transparency during the communication of retrenchment (Coombs & Holladay, 2010). Stewart also emphasised the imperative need for restructuring to ensure the long-term sustainability of the South African platinum group metals operations. This positions the company as a victim of circumstances, and the crisis communication strategy used is victim crisis (Coombs & Holladay, 2010). This process is crucial to maintaining the benefits and value that these operations bring to multiple stakeholders. Stewart

commits to engaging with affected employees through their representatives, ensuring that their voices are heard and their concerns addressed. This proactive approach demonstrates Sibanye-Stillwater's dedication to responsible decision-making and its commitment to minimising the negative impacts of restructuring.

Contemplating the potential restructuring of this nature is never taken lightly and we are aware of the possible impact on our employees. As we said when we announced S189, we have consistently highlighted the operational and financial risks associated with the underperformance of the affected shafts at future forum meetings, which have been held regularly with stakeholders (including the unions) in an attempt to collectively find ways to address on-going losses. Attempts to jointly devise viable alternative measures, have, however, been unsuccessful so far. The S189 process commenced on 14 February 2019, and we urge AMCU and other stakeholders to participate in this process, so that we can jointly find ways to mitigate possible job losses at the operations (Sibanye-Stillwater, 2019).

The message acknowledges the potential impact on employees and shows awareness of the seriousness of the situation. The company explains the reasons for the potential restructuring and the efforts made to address the issues. The message also includes stakeholders, including unions, to participate in the process to find solutions. Context: The company provides background information on the regular meetings and attempts to find alternative measures. Sibanye prioritises transparent and regular communication with its employees to foster alignment and trust. Transparency can help eliminate the negative impacts of a crisis as it gets employees to understand the situation at hand (McCorkindale & Distaso, 2013). In order to protect the company's reputation, the company acknowledged ways to mitigate possible job losses, and it is actively working on bridging it. The above-mentioned strategy emphasises the

company's efforts to build trust and enhance employee engagement by acknowledging the crisis and enhancing employee value proposition.

An active programme of communication with potential shareholders is also maintained – any significant concerns raised by a shareholder in relation to the company and its affairs are communicated to the board (Anglo-American Platinum, 2016, p. 76).

According to the above statement, the company maintains an “active programme of communication” with potential shareholders, which indicates a proactive approach to engagement. The company's commitment to communicating “any significant concerns” raised by shareholders to the Board demonstrates transparent communication practices, which are essential for crisis communication. According to Coombs (2007), transparent communication helps mitigate the negative impacts of a crisis situation of the company's reputation. Coombs (1995) further states that transparency is important during retrenchment as it maintains stakeholder trust and credibility.

Section 189A consultations and potential retrenchment and loss of 5 270 jobs at Marikana. The six-month moratorium on forced retrenchments imposed by the Competition Commission Appeal Court lapsed on 7 December 2019 (Sibanye-Stillwater, 2019, p. 27).

The company uses Section 189A consultation, which indicates a formal communication channel for discussing retrenchment. It is transparent about the potential impact of retrenchment as it included the number of jobs at risk (5270). The company adheres to the Competition Commission Appeal Court moratorium as it is complying with regulatory requirements by conducting Section 189A consultations. The report mentions an exact date at which the moratorium lapsed '7 December 2019', which indicates timely communication about important events. Research emphasises the importance of timely communication during retrenchment as it mitigates the negative impacts of retrenchment (Guek-Nee et al., 2022). The company considers stakeholder engagement through Section 189A, which includes consultation between

the employees and the union about the potential retrenchment. According to SCCT, effective crisis communication preserves trust and confidence (Coombs & Holladay, 2001).

How mining corporations address the reasons for retrenchment implementation

This subtheme investigates reasons given by mining corporations when announcing retrenchment in order to manage and minimise the negative impacts of retrenchment.

The initiation of S189 consultations follows numerous unsuccessful attempts to address productivity issues and other operational constraints at the Kloof 4 shaft, including seismicity and cooling constraints, which together have contributed to sustained losses, even at recent high gold prices (Sibanye-Stillwater, 2023).

Looking at the above statement, Sibanye-Stillwater seems to have made efforts to address operational issues before resorting to retrenchment “the initiation of S189 consultations follows numerous unsuccessful attempts...”. It mentioned several reasons to retrench, which help mitigate the negative impacts of retrenchment. Addressing that can maintain trust, minimise negative sentiment, and a smooth retrenchment process (O’Neil & Keylley, 2021; Cameron, 1994).

According to the company the severe drop in chrome ore prices resulted in a decrease of the ferrochrome market price, forcing it to issue a Section 189 notice, despite the implementation of several measures at all business units of the organisation over the past months. These measures implemented by Samancor included the reduction of overtime, a moratorium on recruitment, and the discontinuance of contractors (Samancor Chrome, 2016).

The company’s statement explains the reasons to retrench. The reasons to retrench can be justified as mining companies seek to adapt to challenging market conditions (Khubana et al., 2022). Samancor mentioned external factors and highlighted previous

measures taken to mitigate the impact; as such, the company aims to demonstrate responsible management and minimise reputation damage (Coombs & Holladay, 2010).

Above inflation increases in key cost components such as electricity and water tariffs, wages, fuel, and other consumables costs over several years, combined with the recent decline in platinum group metals (PGM) prices during 2023 year to date (YTD) have significantly impacted the profitability of the global PGM industry, including Sibanye-Stillwater's SA PGM operations. Certain operating shafts are now loss-making and pose a risk to the sustainability of the remaining operations (Sibanye-Stillwater, 2023).

Sibanye-Stillwater's decision to retrench is driven by a combination of factors that have significantly impacted the profitability of its South African platinum group metals (PGM) operations. The sustained increase in essential costs, including electricity, water, wages, fuel, and consumables, has eroded the company's financial stability over several years. The recent decline in PGM prices in 2023 has further worsened the financial strain, reduced revenue, and threatened the sustainability of the operations. This storm of rising costs and falling prices has resulted in certain operating shafts becoming loss-making, posing a significant risk to the remaining operations. The company's rationale for retrenchment is centred around the need to address the financial unsustainability of these loss-making operations and mitigate the risks to the broader business. Research proves how corporations invest their communicative resources on damage control rather than proactively communicating their messages in ways that may help legitimise their strategies of retrenchment (O'Neil & Keylley, 2021). SCCT emphasises the importance of communication in crisis management to legitimise their actions during retrenchment (Coombs, 2021). This shows that proactive communication can help legitimise the decision by reducing resistance and criticism during retrenchment.

NUMSA - As a union, we are deeply concerned that once again the cost of electricity and the crisis of load shedding have resulted in the threat of job losses at Samancor (Samancor Chrome, 2020).

Inflated cost of electricity and loadshedding are interconnected, as the high cost of electricity is likely contributing to the loadshedding crisis. The statement implies that the energy crisis is having a direct impact on Samancor's business, leading to retrenchments. Explaining these reasons can build trust and reduce uncertainty. The statement is transparent by explaining the reasons to retrench and mentioning measures taken to mitigate the impacts of retrenchment (Mthembu, 2019). Mentioning the reason to retrench to stakeholders provides clarity and understanding of the circumstances leading to the decision. It also helps maintain trust and mitigates the negative impacts of employee morale, which is important as it maintains the company's reputation (O'Neil & Keylley, 2022).

Organisations have to retrench workers from time to time for economic reasons and to remain globally competitive. This is one of the worst things that can happen to a worker, which affects his or her whole life. It is therefore important that employers should first make sure that no other viable options to achieve operational requirements are available before considering downscaling of workers" - SLP guidelines for the mining and production industries (Samancor Chrome, 2017, pp. 53-54).

The statement acknowledges the necessity of retrenchment for economic reasons and global competitiveness, while also emphasising the impact on the affected employees (Khubana et al., 2022). This demonstrates consideration for reputation management by showing empathy and understanding for the impact on employees and highlighting the importance of exploring alternative options before retrenching (Basson, 2019).

Timing and notice period given to employees by mining corporations during retrenchment

This subtheme examines the timing of the retrenchment and notice period given to the affected employees in order to manage employee perspectives and protect the company's reputation.

Having worked rapidly throughout 2023 and are working hard to respond to reposition the business to address both global and local challenges that currently face the PGM industry. It is clear to us, however, that the extensive range of actions we have already taken do not go far enough (Anglo-American Platinum, 2024).

The above statement acknowledges Anglo-American's prompt response to the retrenchment crisis. This demonstrates a sense of urgency and responsibility. This aligns with the theory of SSCT, which suggests that companies should accept responsibility for the crisis and provide a timely and transparent communication that is empathetic and shows concern for the affected employees (Coombs, 2007). The press statement shows that the company admits to its actions and that they tried to confront and address the issues and demonstrate commitment to learning and improvement. Pfeil et al. (2004) assert that organisations should communicate change to employees before implementing retrenchment. The differentiation of local and global challenges shows that Anglo-American Platinum is aware of the broader industry trends and regional concerns. The company's commitment to repositioning its business further indicates a proactive approach to finding solutions and adapting to changing circumstances (Wagner, 2005). The statement conveys a sense of accountability, self-awareness, and determination to address the challenges facing the PGM industry.

Support packages for retrenched employees in the mining sector

Support refers to the assistance and resources provided by mining corporations to its employees who will be affected by the retrenchment process. This support is intended to help employees navigate the transition and minimise the negative impacts of retrenchment.

In addition, those people receiving treatment who are retrenched receive three months' treatment on their departure and their medical history is transferred to a clinic of their choice, within the Southern African Development Community (SADC) (Sibanye-Stillwater, 2019, p. 94).

Sibanye-Stillwater states that it will provide three months' treatment to retrenched employees who are receiving treatment – this is the company's empathetic approach to ensuring that its affected employees receive necessary medical care during a vulnerable period to minimise disruption. The support mentioned shows that the company recognises the potential need for employees to relocate or access medical care in different areas. Literature also confirms that effective support can help minimise turnover and maintain a positive work environment (Kivimaki et al., 2015). The support is also a comprehensive approach to managing retrenchment as it demonstrates the company's commitment to employee well-being beyond their employment tenure. This support aligns with practices in retrenchment management which emphasise the importance of supporting employee well-being (Goh, 2016), providing continuity and choices, offering flexibility (Coombs, 2021), minimising disruption and demonstrating empathy and responsibility (Cohan, 2020).

As Anglo-American Platinum progresses the implementation of the Section 189A process, we will put in place the appropriate well-being support program to help our people through this difficult time (Anglo American Platinum, 2024).

The statement demonstrates a positive approach to retrenchment handling as it acknowledges the difficulty of the process for employees and commits to providing well-being support. It also recognises the social impact of retrenchment, and it is committed to providing a comprehensive mitigation measure. This confirms Mthembu (2019)'s findings that states that effective retrenchment packages should prioritise clear communication, emotional support, flexible payment options, compliance with labour laws, and monitoring and evaluation after retrenchment. This means that

companies should understand best practices, regulatory requirements, and effective packages to give employees during retrenchment.

According to Sibanye, 136 employees accepted transfer opportunities to available positions at their group operations in the SA region; 552 employees were granted voluntary separation or early retirement packages; and natural attrition accounted for 103 less affected employees (Sibanye-Stillwater, 2023).

Sibanye-Stillwater offered various forms of support to the affected employees. 136 employees accepted the offer, this shows that the company has alternative opportunities to help maintain the livelihoods of the affected employees. Another support offered is voluntary separation or early retirement packages, this alternative shows that the Sibanye is supportive of its employees, helping those who choose to leave the company with transition opportunities or retirement. Lastly, Sibanye allows natural attrition to help minimise the number of affected employees. These support measures show that Sibanye-Stillwater is proactive and compassionate when communicating and managing the impact of retrenchment to its employees. Vermeulen (2010) asserts that when the retrenchment process is perceived as fair there is a strong bearing on the attitude and behaviour of the retrenched employees and survivor employees. This manages retrenchment and protects the company's reputation (Goh, 2016).

Samancor ECM as a business unit has one Future Forum across all its operations. Quarterly meetings are scheduled wherein the following key mandate for the Future Forum will be discussed: Identify and analyse issues, problems, challenges and solutions surrounding job losses and retrenchment management in good time for mine closure. Provide a channel of communication between management, employees and their representatives. Ensure that valuable input from the key stakeholders are utilised to develop an appropriate, and, more importantly, acceptable plan of action for production and employment

turnaround strategies, as well as the inevitable downscaling period. To implement this plan of action, it has to be agreed upon by both the employer and worker parties and continuously assess and report on the success and progress of all job loss management and retrenchment management programmes implemented during the closure, and subsequently the post-closure period, through the annual SLP reports (Samancor Chrome, 2017, p. 53-54).

Samancor's report shows that it uses Future Forum (FF) to address retrenchment and come up with turnaround strategies and manage job loss. FF is mainly used to bring together experts, employees, and stakeholders to discuss retrenchment and its implications. Companies use FF to explore alternatives to retrenchment and develop a comprehensive plan to retrenchment and provide support and such as outplacement services, severance packages and career counselling to affected employees (Sahdev, 2004). This is because according to Coombs (2007), companies must effectively communicate with employees during a crisis in order to protect the company's reputation and manage the crisis.

The mine's strategy for providing job security is as follows:
Ensuring that the business remains viable by keeping the cost structure as low and competitive as possible, ensuring a productive workforce through training and motivation, making continuing adjustments to production methods to remain competitive, and seeking ways of growing and extending the business to ensure enhanced future sustainability (Samancor Chrome, 2017, p. 53-54).

Based on the report, the mine's strategy for providing job security focuses on maintaining a competitive cost structure, while these measures aim to ensure business viability and sustainability. According to literature, job security is important for employee well-being, and organisations have a responsibility to protect it (De Witte, 2005). Moreover, SCCT projects how people will react to the crisis response strategies used to manage the crisis (Coombs, 2007).

Mechanisms to provide alternative solutions and procedures for creating job security where job losses cannot be avoided. If, after considering all other alternatives for prolonging the life of the mine, it becomes evident that downscaling and retrenchment is inevitable, an appropriate retrenchment proposal will be formulated in consultation with the relevant parties, and will be finalised four months before this eventuality, where appropriate, except in the event that unforeseen circumstances arise. This phase will be implemented in partnership with the DoL and the representative unions. At this stage, affected employees will be helped to maximise their chances of re-employment. During this phase, the mine will regularly communicate with the FF to direct the retrenchment process and identify a job advice centre, which will provide counselling and support to employees in locating alternative employment, for example, through formulating employee CVs, interaction mechanisms with potential employers, and interview strategies (Samancor Chrome, 2017).

The report outlines a mechanism that aims to save jobs and support employees in the event of inevitable retrenchment due to mine downscaling. These mechanisms can help manage the negative impacts of retrenchment on the company's reputation. They aim to support employees to mitigate the negative impact on employees' morale, productivity, and well-being, which can lead to increased turnover and absenteeism (Jomah, 2020), because retrenchment can have a significant impact on employee well-being, including increased stress, anxiety, and depression (Goh, 2016). Therefore, employees must be supported. According to Martin and Davis (2013), another way of reorganising is by connecting retrenched workers with other prospective employers and simplifying the organisational hierarchy/structure also helps to avoid and manage retrenchment. This supports the findings of Pfeil et al. (2004) which states that all severance information should be written down and the

justification should be given. There should be no room for errors because individuals in charge of directly delivering the word to the affected personnel must have received training (Wang, 2011).

4.2.4 Legal Framework Followed by Mining Corporations During Retrenchment

In the context of retrenchment, legal and contextual considerations are important to ensure that the retrenchment is fair, transparent, and compliant with regard to relevant laws and regulations. As such, failure to consider these factors can result in legal challenges and a negative reputation for the organisation.

The National Union of Metalworkers of South Africa (NUMSA) has warned yet another company invoking section 189 of the Labour Relations Act – Samancor Chrome - that it would fight its plans to cut 595 jobs at its smelting operations (Samancor Chrome, 2020).

According to the statement, legal considerations are as follows: Samancor Chrome invoked Section 189 of the Labour Relations Act, which follows retrenchment due to operational requirements; NUMSA has warned that it will fight the job cuts, which may lead to legal action and potential disputes; and the Labour Relations Act which requires employers to follow a fair procedure when retrenching employees, including consulting with unions and providing adequate notice. With contextual consideration, the statement mentions 'job cuts' – which are common when a company is restructuring or wanting to reduce costs. Organisations must comply with labour laws and regulations (Khubana et al., 2022). As we know that the mining industry in South Africa has faced challenges in recent years, which includes increasing costs, which may have contributed to the retrenchment decision that Samancor Chrome was forced to opt for. Another contextual consideration is NUMSA's opposition to the job cuts, which may be driven by concerns about the impact on its members and the broader community, as well as potential job losses to exacerbate social and economic challenges in the region. Organisations must protect the rights and interests of employees, including the right to fair labour practices and equal treatment (Basson, 2019). Based on the information provided on the statement, Samancor Chrome has followed the correct procedure in invoking Section 189 of the Labour Relations Act. However, the legality of the retrenchment process can only be determined by a court

of law or labour dispute resolution body. As such, NUMSA may still dispute the retrenchment and argue that proper procedures were not followed or that the reason to retrench is invalid. If that happens, NUMSA disputing the retrenchment decision, the matter may be referred to a labour dispute resolution body, such as the CCMA for resolution.

Despite the extensive measures already taken to ensure the continued resilience of the business – Anglo-American Platinum has announced a proposed restructuring process in terms of Section 189A of the Labour Relations Act, 66 of 1995(S189A). The proposed restructuring could impact 3,700 jobs (including fixed-terms employees) across the South African operation. The Section 189A process involves a consultation period with trade unions and affected employees and will be facilitated by Commission for Conciliation Mediation and Arbitration (CCMA). Only when the consultation process is concluded will the final number of impacted jobs be known (Anglo-American Platinum, 2024).

The statement above considers legal and contextual considerations. With legal considerations, Anglo-American complied with Section 189A of the Labour Relations; it involved the CCMA as a facilitator; and consulted with trade unions and affected employees as required by law. With contextual considerations, the company acknowledged extensive measures already taken to ensure business reliance on the statement; it also emphasised on the potential impact on jobs and the need for consultation while recognising the importance of inclusivity and transparency in the process; lastly, it shows consideration for social and economic implications of retrenchment. According to NEASA (2020), the decision for the employer to retrench will be judged considering retrenchment avoidance, the process followed and reasons to retrench.

Through a formal Section 189 consultation process, the company and affected stakeholders will together consider

measures to avoid and mitigate possible retrenchments and seek alternatives to the potential cessation or downscaling of operations and associated services (Sibanye-Stillwater, 2022).

Sibanye-Stillwater has initiated a formal Section 189 consultation process, demonstrating a commitment to transparency, commitment to legal considerations and inclusiveness in addressing potential retrenchments. Through this process, the company will engage with affected stakeholders to explore measures that can mitigate the impact of possible job losses. The company aims to find alternatives to the potential cessation or downscaling of operations and associated services. According to Legal Wise (2022), the consultation process provides a framework for constructive dialogue between the company and affected stakeholders. Lager (2010) argued that productivity and good working relationship between co-workers can be affected by poor communication during the implementation of retrenchment. As such, stakeholder engagement is important during the decision-making process, Sibanye-Stillwater ensures that their concerns and ideas are heard and considered. This collaborative approach fosters cooperation and promotes a sense of shared responsibility in finding solutions to the challenges facing the company. Through this process, Sibanye-Stillwater shows that it seeks to minimise the negative impacts of potential retrenchments and find alternatives that benefit all stakeholders. When the company is being proactive and transparent, the company demonstrates its commitment to responsible decision-making and its dedication to finding solutions that work for everyone (Wagner, 2005).

Sibanye-Stillwater advises that it has concluded a consultation process with relevant stakeholders in terms of section 189A ("Section 189A") of the Labour Relations Act, 66 of 1995 ("LRA"), under the auspices of the Committee for Conciliation, Mediation and Arbitration (CCMA), regarding the proposed restructuring of its gold operations and associated services pursuant to ongoing losses experienced at its Cooke and Beatrix West operations (Sibanye-Stillwater, 2017).

The company follows the legal framework (Section 189A) and involves the CCMA. The language used is formal and professional and message clearly states the purpose of the consultation process. Pfeil et al. (2004) agrees that communicating frequently and often using a transparent, empathetic and professional tone of addressing employees is crucial.

Any downscaling or retrenchment will be done in terms of sections 189 and 189(A) of Labour Relations Act. In this regard, the following will apply: 1. The Labour Relations Act prescribes a 60-day consultation process. 2. In terms of the requirements of section 189 and 189(A), the mine needs to enter into an agreement with unions representing the workforce. This agreement should specifically address the following: a. Prevention of forced retrenchments b. Voluntary separations (early retirement and voluntary retrenchment packages) c. Redeployment of employees 3. Company assistance to alleviate the negative effects of retrenchment (Samancor Chrome, 2017).

The above report considers the South African legal and regulatory context, as well as the social and economic environment. According to the report, they facilitate the Section 189A process between Samancor and trade unions, as per the South African labour laws in order to consult employees and unions about retrenchment. As such, the South African mining corporations follow the Section 189A process and engage the unions so that they announce the retrenchment news to stakeholders which demonstrates legal considerations. The above statement is important because it coincides with Van Niekerk (2017) assertion on the significance of the consultations between the employer and the employees which results to common grounds looking at agreeing on ways to avoid, change timing or retrenchment, and mitigate the effects of retrenchment, or at least reduce the number of employees to be retrenched.

Sibanye-Stillwater is pleased to advise that it has successfully concluded the consultation process with

relevant stakeholders in terms of Section 189A (S189) of the Labour Relations Act, 66 of 1995 (LRA), regarding the proposed restructuring of its SA gold operations and associated services, previously announced on 14 February 2019. The S189 process was a consequence of ongoing financial losses experienced at the Beatrix 1 shaft and Driefontein 2,6,7 and 8 shafts since 2017, with approximately 5,870 employees and 800 contractors potentially being affected upon announcement (Sibanye-Stillwater, 2019).

The message follows a logical sequence, starting with the conclusion of the consultation process. The company explicitly states the reason for the restructuring (financial losses) and the number of affected employees. It also mentions adherence to the Labour Relations Act, demonstrating legal compliance which is crucial during the retrenchment process. The statements agree with Smith and Basson (2019) who stated that companies must follow “fair retrenchment” procedure when retrenching employees. Coombs (2007) mentioned that SCCT is designed to follow the use of instructing information by telling stakeholders what to do during a crisis. That is why organisations choose retrenchment as the means of controlling cost, and by doing so, they must always follow legal procedures.

4.2.5 The Impacts of Poor and Ineffective Communication During Retrenchment Implementation in the South African Mining Sector

The issue of poor and ineffective communication emerged as one of the important themes. This theme is an important and timely topic, retrenchment is a reality in many industries. However poor and ineffective communication during this process can have severe consequences on employees, the communities, and the industry as a whole. As such, effective communication is important to maintain stakeholder trust and minimise anxiety and to protect the company’s reputation. In the South African mining sector, poor communication during retrenchment implementation can have the following consequences:

We are very disappointed with Samancor, the way they are behaving lately – because around the 13th, they met with our national office, trying to seek advice as to how can we jointly try to avert the looming retrenchment. But now surprisingly, we are served with Section 189 notice to come and consult. Then it can tell you, it's a foregone conclusion – even when we go as a trade union to consult with them, that's a foregone conclusion that workers are going to lose their jobs (Samancor Chrome, 2020).

Based on the statement, poor communication during retrenchment implementation led to decreased trust – the union feels that Samancor is not genuinely engaging with them, leading to the breakdown in trust and perception that the company is not willing to listen to their concerns. These echo Mthembu's (2019) view that ineffective communication can lead to misunderstandings, mistrust, or disagreements. The unexpected Section 189 notice suggests that Samancor is not transparent as it did not communicate their intentions clearly leading to a sense of betray and lack of transparency. Poor communication led to increased tension and conflict between the union and Samancor, which may escalate further action and mobilisation. This coincides with Mwaura (2017) who stated that uncertainty around labour laws and regulations prohibits effective management of retrenchment, creating confusion and obstacles. The perception that mobilisation is a “foregone conclusion” can lead to sense of hopelessness and demotivation among workers, impacting their well-being and production. Samancor's retrenchment handling process can damage their reputation and relationships with stakeholders, including employees, unions, and broader community. Because of Samancor's poor communication during retrenchment, there could be delays, misunderstandings, and unnecessary disputes leading to legal and regulatory issues including non-compliance with labour laws and regulations. According to Fombrun & Riel (2004), a reputation develops through information stakeholders receive about the organisation. Going forward, Samancor must improve transparency and communication by communicating their intentions and reasons for retrenchment clearly; they must also engage in meaningful consultations with unions and workers, and address trust and relationship issues with all its stakeholders. The study's results support the notion that mining companies often

prioritise investor relations over other stakeholders during a crisis (Hussain & Fourie, 2021).

Spokesperson for the National Union of Mineworkers (NUM), Livhuwani Mammburu, said the union was only notified of the Section 189 process after stock exchange announcement had been published by Sibanye-Stillwater on Thursday afternoon. He said the company had further sent out email notices to workers in the midst of the meeting with union leaders (Sibanye-Stillwater, 2023).

The statement above reveals lack of transparency and prior consultation leading to lack of trust as the union feels betrayed by the company's failure to inform them before the public announcement. The company's way of doing things is disrespectful and unacceptable towards the union and its leaders. The simultaneous sending of emails to workers during the meeting with union leadership creates confusion and chaos. Ulmer et al. (2015) asserts that unclear guidelines on retrenchment procedures, inconsistent application of policies, and lack of transparency in decision-making causes conflict among stakeholders. As such, poor communication makes future collaboration difficult as it damages relationships – making union leaders feel excluded from the decision-making process and left out; as such, the company's credibility is compromised. According to the theory of SCCT, the company's reputation depends on how stakeholders evaluate an organisation's ability to meet their expectations (Sellnow and Seeger, 2013). In this statement, poor communication may lead to anxiety and stress amongst workers affecting their well-being and productivity while hindering effective problem solving as stakeholders are not well informed, as the union was notified after the stock exchange announcement. Cohan (2020) states that communication has far-reaching consequences that affect the company's reputation.

The retrenchment process had negative impact on our reputation and relationship with stakeholders (Anglo American Platinum, 2017, p. 73-75).

The statement from Anglo-American's annual report mentions the negative impact of retrenchment on their reputation, indicating that retrenchment can pose a serious

damage to the company's reputation. This supports findings by Khubana et al. (2022) that companies may face legal risks and potential legal claims and disputes related to retrenchment, leading to a long-term consequence that can potentially damage a company's reputation. Therefore, retrenchment should be communicated effectively with various stakeholders so that when it reaches the media, the employees already know what is going on to avoid the negative impacts of retrenchment. Moreover, Coombs (2021) mentions how attributes of a crisis situation influence provenances about the crisis and the reputations, and in turn, understanding how stakeholders will respond to the crisis. That can potentially help companies on how to effectively communicate retrenchment.

4.3. CONCLUSION

This chapter provided an analysis of the four research questions of the study. They were all discussed as follows: Firstly, the framing of messages to convey retrenchment news to various stakeholders. Employees receive more empathetic and supportive messages. Secondly, communication used by mining corporations is transparent, aiming to effectively manage the crisis at hand, build trust and maintain a positive reputation. Thirdly, poor and ineffective communication leads to negative attitudes, reduced employee morale, increased turnover among employees, reputational damage, legal issues and delays in the process of retrenchment.

CHAPTER 5: SUMMARY OF KEY FINDINGS AND CONCLUSION

5.1 INTRODUCTION

This final chapter presents the summary of the study's key findings in relation to the research questions and the problem statement. The outcome of the study is presented to summarise the insights gathered from the analysis, discussion and interpretation of the data in chapter 4. This chapter also outlines recommendations for future practice, while acknowledging the study's limitations and identifying avenues for future research.

This study was guided by the following questions:

- To analyse how mining corporations in South Africa frame their messages to both their internal and external stakeholders when they announce retrenchment news.
- To explore the role of communication and communication strategies used by mining corporations in South Africa to manage the impacts of retrenchment to their internal and external stakeholders.
- To examine the impacts of communication during retrenchment implementation in the South African mining sector.
- To recommend communication strategies that can be used to help corporations that are faced with retrenchments.

5.2 SUMMARY OF KEY FINDINGS

This study analysed how the South African mining corporations such as Sibanye-Stillwater, Anglo-American Platinum and Samancor Chrome framed their messages when communicating retrenchment news to their stakeholders. The key findings ka emanated in order to answer the research questions are as follows:

OBJECTIVE 1: To analyse how mining corporations in South Africa frame their messages to both their internal and external stakeholders when they announce retrenchment news.

The study's results show that mining corporations in South Africa use different communication channels, framing strategies and communication procedures to convey retrenchment news to their various stakeholders. Based on the analysis, the South African mining corporations frame their messages when announcing

retrenchment to their stakeholders by aiming to mitigate negative reactions and maintaining the company's reputation using the following framework:

1. Providing reasons for retrenchment by justifying the retrenchment decision and emphasising the need for retrenchment,
2. Expressing empathy for the affected employees,
3. Providing support measures for the affected employees,
4. Emphasising the company's measures to ensure sustainability,
5. Showing commitment to stakeholders,
6. Engaging with both internal and external stakeholders (stakeholder engagement),
7. Stating efforts to minimise the impact of retrenchment on employees and communities,
8. Complying with law and regulations, and
9. Committing to a transparent and honest communication throughout.

Moreover, the findings of this study show that the use of situational crisis communication theory (SCCT) highlights the importance of tailoring messages to specific audiences and demonstrates how corporations navigate complex relationships during a crisis (Sohn & Lanscy, 2014). As such, this study found that the mining corporations tailor their communication strategies to specific stakeholders, using different channels and framing strategies. News releases and annual reports often use persuasive language while press statements use empathetic language to manage public perception and protect reputation. The findings further confirm that the mining corporations maintain a consistent narrative across all channels, demonstrating an effort to manage the retrenchment narrative. With the internal stakeholders (employees and their representatives), the mining corporations used empathetic, supportive, and transparent tone and language to communicate retrenchment in order to maintain trust and minimise uncertainty throughout consultations. However, with external stakeholders (media, investors, communities), they highlighted the economic necessities of retrenchment, compliance with regulations, and stressed commitment to social responsibility. The messages consistently framed retrenchment as the last resort by emphasising the company's commitment to sustainability and highlighted ongoing efforts to support affected employees. Mining corporations offered support services, such as counselling,

outplacement assistance, and financial support to affected employees and community and used various communication channels to reach relevant stakeholders. The communication channels used by the mining corporations according to the findings are emails, community complaints hotline, workshops, written communication (reports and letters), face-to-face engagements, meetings or Sections 189A consultations, company briefs, texts messages, podcasts, conferences, public announcements on stock exchange through various corporate documents. They also used Future Forums (FF) to address retrenchment in a compassionate, transparent, and strategic manner. The study further revealed that the communication channels used at Anglo-American Platinum have a top-down structure with regular reporting which indicates accountability and discipline. These findings suggest that mining corporations in South Africa adopt a stakeholder-specific approach to messaging during retrenchment announcements, balancing empathy and support for stakeholders with focus on economic necessity and social responsibility.

OBJECTIVE 2: To explore the role of communication and communication strategies used by mining corporations in South Africa to manage the impacts of retrenchment to their internal and external stakeholders.

With respect to the second research question, the study revealed that communication plays a crucial role during retrenchment implementation as it builds trust and engrosses stakeholders to understand the company's decision to retrench. As mentioned in the literature review on the role of communication during retrenchment implementation, Sayed (2013) asserted that communicating about a change or a crisis and providing employees with information eliminates the negative effects of retrenchment in the company's reputation. According to the study's results, communicating with stakeholders during retrenchment helped mitigate the negative impacts of retrenchment on the companies and their stakeholders (both remaining and retrenched employees). Effective communication fosters a sense of fairness, support and transparency – facilitating a smooth transition (Fearn-Banks, 1996). Mining corporations in South Africa use the following communication strategies: they use a clear and transparent language when communicating retrenchment news to avoid technical jargon; a reassuring tone; an inclusive communication approach to address the needs of diverse stakeholders; a stakeholder engagement strategy by actively

listening and involving all stakeholders in decision-making aiming to build trust; and a crisis communication plan to prepare for the crisis and effectively manage the crisis situations. The mining corporations further uses the following communication strategies: Anglo-American Platinum prioritises transparency, empathy, and support for the affected employees in their communication strategy, acknowledging the impacts of retrenchment on employees and communities; with Sibanye-Stillwater, their communication strategy focuses on sustainability and legal compliance, showing consideration for both the company and its employees; and lastly, Samancor Chrome's communication strategies focuses more on how to support employees and their families during the difficult times. These findings align with the literature review, which asserts the importance of transparent, empathetic, and proactive communication during retrenchment (Larkin & Larkin, 2015). The Situational Crisis Communication Theory recommends that organisations should adapt their communication strategy to the crisis situation and maintain transparency during retrenchment process to protect reputation (Coombs, 2007). This shows that retrenchment crisis requires a sensitive and supportive approach. Overall, the findings suggest that effective communication strategies during retrenchment should prioritise transparency, empathy and support to minimise harm and maintain the stakeholder trust to protect the company's reputation.

OBJECTIVE 3: To examine the impacts of communication during retrenchment implementation in the South African mining sector.

In accordance with the study's results about the impacts of communication (refer to 4.2.6), the study revealed that communication can mitigate negative publicity and reputation damage. Conversely, poor communication can severely impact the company negatively during retrenchment. Ulmer et al. (2015) have demonstrated and asserted that poor communication during retrenchment can affect productivity and good working relationships between co-workers. Ulmer et al. (2015)'s study results are in agreement with those of Sulaiman et al. (2023), who said that poor communication can lead to distrust and fear among employees, damaging relationships and creating a toxic environment. This is because unclear communication makes employees feel uncertain and anxious about their future, decreasing their morale and productivity (Cohan, 2020). The findings suggest that poor communication during retrenchment implementation in the South African mining

sector led to increased conflict and strikes; decreased trust and credibility among stakeholders; damage to reputation and relationships; legal challenges and potential non-compliance with labour laws; decreased morale and productivity among remaining employees, and negative media coverage and public scrutiny which inhibits a smooth transition. These findings align with Goh (2016) which state that poor communication during retrenchment lead to negative publicity, damaging the organisation's reputation and making it harder to maintain business continuity. As such, a possible explanation for these results may be the following: complexity of operations – mining operations involve complex processes, making communication challenging; hierarchical structure – which leads to top-down communication that may not reach all levels leading to other employees hearing by rumours and news; and regulatory requirements – which require mining companies to comply with various regulations before implementing retrenchment, this potentially divert the focus away from effective communication. The STCC emphasises that poor communication can exacerbate the situation, leading to increased negative publicity, reputational damage, and decreased stakeholder trust (Fearn-Banks, 1996). SCCT further suggests that effective communication during retrenchment could have mitigated these negative impacts, highlighting the need for organisations to prioritise communication strategies that address the unique needs and concerns of stakeholders during a crisis situation (Coombs, 2014).

5.2.1 Broader Implications of the Findings

The findings of this study have significant implications for corporate communication practices, stakeholder engagement, and crisis communication in the mining sector.

Corporate Communication Practices

The study's findings highlight that it is important for mining corporations to prioritise transparent communication during retrenchment to mitigate the negative impacts of retrenchment on affected stakeholders. Mining corporations can build trust and foster positive relations prioritising effective communication during retrenchment to cater the needs and concerns of different stakeholders.

Stakeholder Engagement

Effective stakeholder engagement is important during retrenchment. Mining corporations should engage with employees, unions, and communities to address

concerns, provide support, and build trust. **The mining corporations should at all times facilitate** consistent messaging and stakeholder support during retrenchment. This can help improve communication strategies to ensure that stakeholders' needs are met.

Crisis Communication

Retrenchment is a crisis that requires effective communication to mitigate its negative impacts. Mining corporations should always ensure timely and accurate information to inform stakeholders about the retrenchment process.

5.3 RECOMMENDATIONS

It can therefore be possible to improve communication in the mining sector to eliminate the impacts of retrenchment. The study recommends that corporations should at all times prioritise transparent and empathetic communication during retrenchment. They should also develop stakeholder-specific communication strategies and provide support for affected employees. There must be a comprehensive communication plan that will help eliminate the negative impact of retrenchment on the organisation's image. During a crisis situation like retrenchment, companies must establish a dedicated communication team that is going to be responsible for managing communication throughout the process, ensuring consistent messaging and stakeholder support. They must aim to provide timely and accurate information to inform different stakeholders about the retrenchment process, the reasons, and the support available. This can be done by updating employees about the retrenchment process; engaging with employees, unions, communities, and other stakeholders to address concerns, provide support, and build trust. For example, companies may facilitate an open dialogue with all stakeholders to address concerns. They should also regularly monitor and improve their communication strategies. This can be done by soliciting feedback from stakeholders through "Communication Effectiveness Survey" and adapting to changing needs and fostering an open communication policy which will encourage transparent and empathetic communication throughout the organisation. Mining corporations in South Africa can improve their communication practices during retrenchment processes to mitigate the negative impacts of retrenchment and maintain social license to operate by implementing the provided recommendations.

5.4 CONTRIBUTIONS OF THE STUDY

This study raised awareness about the importance of effective communication during retrenchment crisis. This study fills a critical knowledge gap by investigating how mining corporations in South Africa communicate during retrenchment. It develops a critical framework for effective communication, highlighting the importance of transparency, empathy, and stakeholder engagement. The study informs policy and practice by exploring crisis communication in the context of retrenchment. The study further advances our understanding of effective communication strategies, ultimately supporting better relationships between mining corporations, employees, unions, and communities.

5.5 LIMITATIONS OF THE STUDY

The major limitation of the study is the small sample size, the study examined only three mining companies, which may not be representative of the whole sector. The second limitation of the study is the methodological limitation. The study relied on corporate documents that were used to inform and communicate all retrenchment procedures and did not consider the views of employees, management, unions, communities, or government, limiting the perspectives of the full range of stakeholders.

5.6 SCOPE FOR FUTURE RESEARCH

While the study provides valuable insights, it is limited to the South African mining sector. Future research could explore communication strategies in other industries and countries, further enriching our understanding of effective crisis communication. The subject of retrenchment is stressful for employees and should be communicated with care. As such, future research related to retrenchment in the mining sector should include internal perspectives by exploring retrenchment communication in different cultural and regulatory context highlighting global trends, differences and investigating the views and experiences of diverse stakeholders including the affected employees, the management, the unions, the government, and the community. Future research may also investigate the use of digital technology in retrenchment communication and its potential benefits and challenges to deepen understanding of retrenchment communication in the mining sector and beyond, ultimately improving practice and support for the stakeholders affected by retrenchment.

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APPENDICES

Appendix 1: Ethics Clearance Certificate from Turfloop Research Ethics Committee



University of Limpopo
Department of Research Administration and Development
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Tel: (015) 268 3935, Fax: (015) 268 2306, Email: tukiso.sewapa@ul.ac.za

TURFLOOP RESEARCH ETHICS COMMITTEE
ETHICS CLEARANCE CERTIFICATE

MEETING: 09 April 2024
PROJECT NUMBER: TREC/77/2024: PG
PROJECT:

Title: Retrenchment News in the Mining Sector: A Communicative Study of Selected Mining Corporations in South Africa
Researcher: KDC Lebea
Supervisor: DR M Makgoba
Co-Supervisor/S: N/A
School: School of Languages and Communications
Degree: Master of Arts in Communication Studies

PROF D MAPOSA
CHAIRPERSON: TURFLOOP RESEARCH ETHICS COMMITTEE

The Turfloop Research Ethics Committee (TREC) is registered with the National Health Research Ethics Council, Registration Number: **REC-0310111-031**

Note:

- i) This Ethics Clearance Certificate will be valid for one (1) year, as from the abovementioned date. Application for annual renewal (or annual review) need to be received by TREC one month before lapse of this period.
- ii) Should any departure be contemplated from the research procedure as approved, the researcher(s) must re-submit the protocol to the committee, together with the Application for Amendment form.
- iii) PLEASE QUOTE THE PROTOCOL NUMBER IN ALL ENQUIRIES.

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