



Exploring Factors that Affect Operational Performance of the South African Post Office

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DECLARATION OF AUTHENTICITY

I declare that the research project, "Performance of the State-Owned Entities: A case study of the South African Post Office," is my own work and that each source of information used has been acknowledged by means of a complete reference. This dissertation has not been submitted before for any other research project, degree, or examination at any university.



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ABSTRACT

The South African Post Office (SAPO) is facing critical operational challenges, including but not limited to low profitability and significant financial distress, thereby prompting questions about its ability to provide optimal postal services and meet the evolving demands of its customer base. This study investigated the multifaceted challenges facing the SAPO. The population of SAPO is Executives has 8 positions but 4 filled, General Managers positions are 22 but 13 filled, regional managers positions are 6 but 2 filled, Company secretariat has 6 positions but 4 filled, union representatives are 19, head office staff is 402, the total number of staff is 11320. The study used a purposive sample, 14 individuals were interviewed at the level of Executive, General Manager, Regional Manager, Company Secretariat, and trade union based on their understanding of SAPO. Through detailed interviews and analysis, the main barriers to SAPO's efficiency and success were identified. The key findings revealed that the SAPO struggles with outdated digital infrastructure, a lack of digitisation, and modern technology innovation coupled with ineffective leadership and a misaligned organisational structure, which are the primary contributors to the organisation's diminished performance. Additionally, the heightened competition from the private courier companies, the e-commerce platforms, as well as the SAPO's overreliance on traditional mail delivery, further exacerbates its challenges.

To enhance the SAPO's performance, the recommendations include technological innovation, the reevaluation of the leadership and the organisational structure, as well as a focus on skills and competency training. These findings and recommendations serve as a pivotal guide for the SAPO and for similar state-owned entities that are facing these analogous challenges. The research also recommends that the SAPO benchmarks against successful postal services globally derive the best practices. In summary, a transformative approach is essential for SAPO to revitalise its operations and services. Future studies might consider a comparative analysis contrasting SAPO with its competitors to pinpoint further areas of enhancement.

Key Words: Operational Challenges; Postal Services; Digital Infrastructure; State-Owned Enterprises; Leadership; Competitiveness.

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ACRONYMS AND ABBREVIATIONS

DCDT	Department of Communications and Digital Technologies
EPWP	Extended Public Works Programme
FY	Financial Year
PARI	Public Affairs Research Institute
RFID	Radio-Frequency Identification
SARS	South African Revenue Service
SASSA	South African Social Security Agency
SAPO	South African Post Office
SMEs	Small Medium Enterprises
SOE	State-Owned Entity or Enterprise

CHAPTER 1

INTRODUCTION AND BACKGROUND

1.1 Introduction

This research explored the South African Post Office's (SAPO) performance over the past five years. It has recently been reported that the SAPO cannot pay its creditors including the pension funds and the medical aid for its employees. As a result, the creditors, the medical aid contributions, the pension fund contributions, and the South African Revenue Service (SARS) obligations remained unpaid and they "will continue not to be paid unless urgent financial assistance is provided" (Damons, 2021). As a result, the SAPO in its corporate plan for 2021-2024 projected a loss of R2.5 billion for the 2020/21 financial year (Damons, 2021). This research explored and identified the issues around the current performance of the South African Post Office.

1.2 Background

SAPO as a state-owned entity is the mandated service provider of the services that are outlined in the Postal Act 44 of 1958 and in the Postal Services Act 124 of 1998. In addition to these services, the SAPO also offers courier and freight services, financial services, electronic bill payments, and a variety of government services such as the Extended Public Works Programme (EPWP) payments and motor vehicle licence renewals. The SAPO is a government-owned organisation that is responsible for postal services and other related activities in South Africa. Historically, the entity has had a crucial role in providing mail delivery and communication services across the country. However, the SAPO has faced several operational and financial challenges in recent years, thereby impacting its performance and service delivery.

One significant issue that is faced by the SAPO relates to its declining revenue from traditional mail services due to the rise of digital communication (Khumalo & Smith, 2018). The SAPO's performance has been deteriorating and the annual SAPO reports from the 2015/16 financial year until 2019/20 show that it has been struggling to meet its annual targets and has also been losing revenue. The increasing use of electronic mail, social media, and online platforms has led to a decline in letter and package volumes, thus negatively affecting the SAPO's revenue stream (Mchunu & Bhoola, 2019). Additionally, the organisation has struggled to adapt its services to the changing

needs of the population, further impacting its financial sustainability (Wojciechowski, 2020). Table 1.1 provides the data on the performance of the South African Post Office from the 2015/16 to the 2019/20 financial years.

Table1.1: Performance of South African Post Office

Fiscal year	2017/18	2018/19	2019/20	2020/21	2021/22
Average % of attainment of planned targets	48.6%	42%	35%	29%	18%
Financial loss	R908,2 million	R1,099,704 billion	R1,788,984 billion	R2,7 billion	R2,1 billion
Audit opinion	Unqualified with an emphasis of matters	Qualified with an emphasis of matters	Disclaimer	Disclaimer	Disclaimer
Current liabilities	R8,411,863 billion	R8,908,507 billion	R5,016,940 billion	R4,8 billion	R9,4 billion

Source: SAPO Annual Reports (2018, 2019, 2019/20, 2021,2022) and (National Government of South Africa, 2012-2021)

From its corporatisation in 1991, the SAPO received a subsidy for fulfilling the Public Service Mandate that was imposed on it by the Postal Services Act. From 2002, the SAPO received just over R300m per annum in subsidy, which was discontinued in 2012 (Parliamentary Monitoring Group, 2018).

The 2021/22 Annual South African Post Office Report shows it had about 1,266 fully-fledged branches. At the end of the 2022/23 financial year (SAPO, 2023), the status of the branches was as reflected in Table 1.2.

Table 1.2 The Status of SAPO Branches

Total number of branches in 2021/22	Total number of branches in 2022/23	Number of Closed at the end of 2021/22	Number of Closed at the end of 2022/23	Number of amalgamated branches at the end of 2021/22	Number of amalgamated branches at the end of 2021/22	Number of profitable branches in 2019/20	Number of profitable branches in 2021/22	Number of profitable branches in 2022/23
1266	1069	146	122	55 of the 146 closed branches	58 from the 122 closed branches	171	331	184

Source: SAPO Annual Report 2022 and 2023

The South African Post Office was unable to meet its revenue growth targets due to the continued loss of customers, as well as volume, and also due to a decline in mail revenue. The 2022/23 Annual Report shows that the volumes for CN22 international parcels declined significantly from 2 926 511 during the 2021/22 Financial Year (FY) to 685 913 during the 2022/23 FY. As a result, the 2022/23 Annual Report shows that the total liabilities exceeded the total assets by R7 478 805 000 (billion) and R7 505 923 000 (billion) while the current liabilities exceeded their current assets by R9 739 917 000 (billion) and R10 598 828 000 (billion) for the group and the company, respectively. The group and the company reported negative cash flows from the operating activities amounting to R412 455 000 (million) and R392 050 000 (million), respectively, which indicates that the group and the company's core business operations are not generating enough cash to cover its operational expenses. The group and the company could not pay their debts as and when they were due, thus indicating that they were commercially and technically insolvent (SAPO, 2023).

The other challenge the SAPO faces in growing its revenue is because the fixed cost base continues to exceed the revenues, partly due to the unfunded public sector mandate that costs the SAPO over R 700 million per annum to support (Parliamentary Monitoring Group, 2018).

In analysing the SAPO's annual reports, the researcher argues that its performance challenges may have started before the 2015/16 financial year. The then Minister of Telecommunications and Postal Services appointed an administrator in terms of Section 25 of the South African Post Office Act. The administrator was responsible for bringing stability to the SAPO and for finalising the strategic turnaround plan to improve the organisation's financial performance (SAPO, 2014).

From the above, it can be noted that the SAPO's performance has been declining, and the organisation could not perform in line with its legislative mandate. The research focused on exploring the factors around the performance challenges that are faced by the SAPO.

The State-Owned Entities' (SOE) purpose assumes an essential part in providing economic infrastructure. They offer imperative types of services and products, such

as providing employment and capacity development. the effective SOEs put South Africa in the upper hand. Key organisation execution is good corporate governance. Good corporate governance gives the regulatory framework for acceptable practice, strategic direction, and sound business judgement. As the SOEs are fundamentally possessed and driven by the government, the government departments and the boards of the SOEs are accomplices in giving corporate governance to guarantee their prosperity.

1.3 Problem Statement

The performance of the SAPO has been a worrisome issue for the government, customers, and other stakeholders for a long period of time. Studies have been done to obtain reasons that contribute to its poor performance with no success.

The South African Post Office (SAPO) is confronting significant operational inefficiencies that have become central to its declining performance. These challenges are characterised by prolonged service delivery delays, inadequate customer service, and an inability to adapt to the rapidly evolving postal and logistics landscape. Such inefficiencies have raised critical concerns among the government, customers, and other stakeholders due to their direct impact on SAPO's reliability and financial health. The decline in traditional mail volumes, exacerbated by the digital communication revolution, has led to a substantial drop in revenue, further straining the organisation's financial viability (Khumalo & Smith, 2018; Mchunu & Bhoola, 2019). Compounded by weak governance structures, transparency, and accountability measures, these challenges have paved the way for inefficiencies, mismanagement, and corruption (Xiyuan, 2017). The competitive landscape has also shifted, with SAPO losing market share to more agile private sector competitors, highlighting an urgent need for restructuring and innovation (Allen & Tommasi, 2017). This research aims to dissect the operational inefficiencies within SAPO, identify the root causes, and understand their pervasive impact on the organisation's overall performance

This exploration is critical for devising strategic interventions to revitalise SAPO, ensuring its alignment with contemporary postal service demands and enhancing its contribution to South Africa's socio-economic development.

1.4 Research Statement

The SAPO has been plagued by operational inefficiencies, low profitability, and high levels of financial distress thereby raising questions regarding the extent to which it is able to deliver quality postal services and meet the evolving needs of its customers.

1.5 Research Questions

1.5.1 Research Question:

1.5.1.1 Primary Research Questions:

1.5.1.1.1 What key factors influence SAPO's operational performance?

1.5.1.1.2 How has the evolving landscape of the postal industry impacted the performance of the South African Post Office?

1.5.1.1.3 What specific strategies can be implemented to address and improve the operational performance of the South African Post Office?

1.5.1.2 Secondary Research Questions:

1.5.1.2.1 How do internal processes contribute to SAPO's operational challenges?

1.5.1.2.2 What external factors significantly affect SAPO's operational efficiency?

1.5.1.2.3 How have technological advancements influenced SAPO's operation?

1.5.1.2.4 What role does competition play in shaping SAPO's market position?

1.5.1.2.5 How can training and development programmes be tailored to address the specific skills gaps within the South African Post Office, thereby enhancing employee performance and operational efficiency?

1.5.1.2.6 How can the implementation of a performance management system impact the accountability and productivity of SAPO employees, contributing to the overall operational improvement of the organisation?

1.6 Research Objectives

1.6.1 To identify and analyse key factors that influence operational performance of SAPO.

1.6.2 To examine the influence of the dynamic changes within the postal industry on operational performance of SAPO.

1.6.3 To develop actionable recommendations and strategies aimed at enhancing operational performance and sustainability of SAPO.

To support the achievement of the research objectives, the researcher considered the cognitive processes that underpin the analysis and development of strategies for enhancing SAPO's operational performance. The diagram of Bloom's Taxonomy, presented below, offers a visual representation of these cognitive processes, ranging from basic knowledge recall to the synthesis and creation of new ideas. This framework was instrumental in guiding the analytical approaches and strategic recommendations that were developed in this research study.

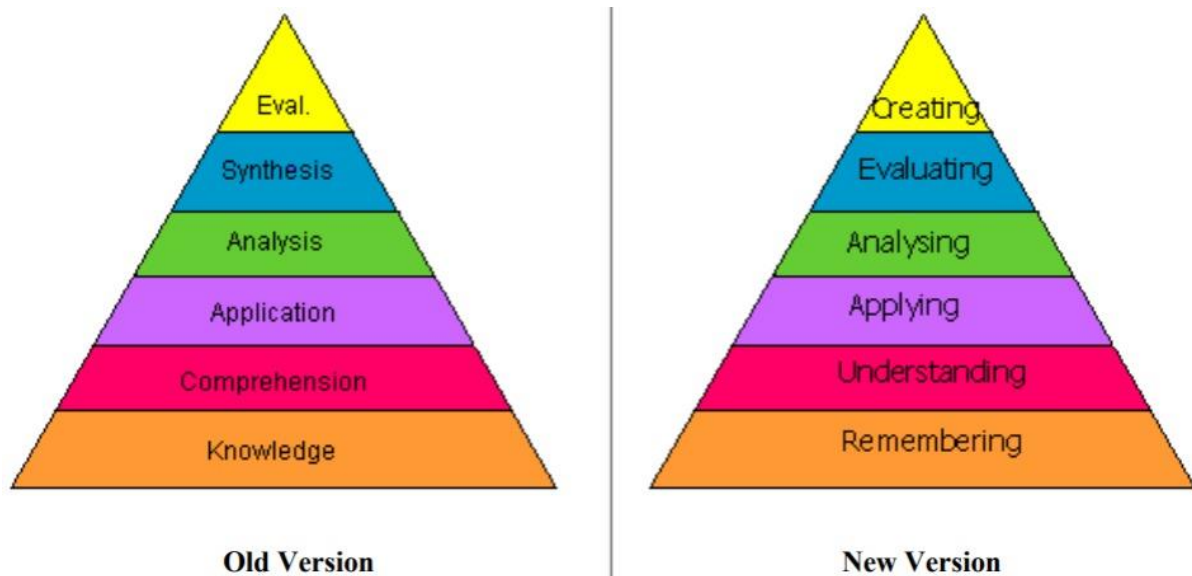


Figure 1.1: Revised Bloom's taxonomy, source: Forehand M, 2005

1.7 Importance of the research

The research on the performance of the SAPO is important to various stakeholders, including:

Government: The South African government is a key stakeholder as it owns SAPO. The research can provide valuable insights into the efficiency, effectiveness, and financial sustainability of the state-owned entity. It can help the government in understanding the challenges and the opportunities that are facing the SAPO, by identifying the areas for improvement and formulating policies and strategies to enhance its performance. The findings of the research can also inform the decisions related to funding, restructuring, or the privatisation of the entity.

Employees: The SAPO's employees are directly affected by the performance of the organisation. The research can shed light on issues such as employee satisfaction, working conditions, training and development opportunities, and career progression within the SAPO. This knowledge can help the employees in advocating for their rights, by negotiating better working conditions and seeking improvements in the organisational practices. It can also assist the employee unions and associations in representing the interests of their members effectively.

Customers: The SAPO provides a wide range of services to the public including mail, courier, financial, and retail services. The research evaluated the quality, accessibility, and affordability of these services from the customers' perspective. It identified the areas where the SAPO needs improvement, such as reducing delivery times, enhancing tracking capabilities, improving customer service, and expanding service coverage. The findings can also guide the customers in making informed decisions about utilising the SAPO's services or finding alternative options.

Business and commercial partners: The SAPO collaborates with various businesses, organisations, and government agencies for service delivery or joint ventures. The research can help these stakeholders assess the performance of the SAPO and its ability to meet their specific requirements. For instance, the commercial partners may be interested in SAPO's financial stability, technological capabilities, and reliability as a distribution channel. The findings can guide them in shaping their partnerships, their contractual agreements, or the investment decisions related to the SAPO.

Academics and researchers: The research on SAPO's performance can contribute to the academic understanding of state-owned enterprises, public administration, organisational performance, and public policy in the context of South Africa. It can provide a case study for future research and analysis, thus helping to build upon existing knowledge, theories, and frameworks. The academics and the researchers can use the findings to generate insights, publish research papers, and inform teaching and learning in the relevant fields.

1.8 Research Design

This discussion follows the process that was argued by the Saunders 2019 research onion (Figure 1.1). In this section, the Researcher will discuss only a preliminary brief review of the Research design with the main components in Chapter 3.

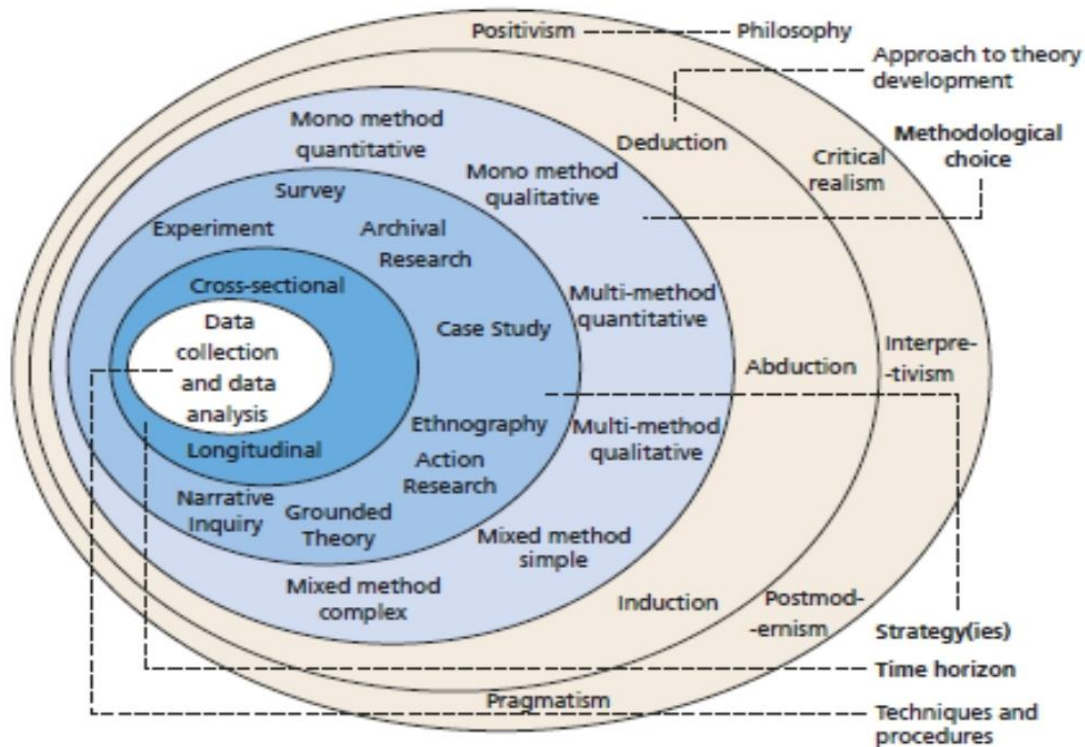


Figure 2.2: Research Onion, Source: Saunders, Lewis and Thornhill (2019)

According to Saunders et al. (2019), the research onion is a conceptual framework that represents the layers of complexity and the depth of a research project. It provides a systematic and structured approach to conducting research by guiding the researchers through various stages and techniques.

The research onion consists of six layers each representing a different aspect of the research process. These layers are:

1.8.1 Philosophical stance

This is the first layer of the research onion, and it represents the researcher's worldview, beliefs, and assumptions about the nature of knowledge and reality. It

involves choosing between positivism, interpretivism, or realism as the philosophical underpinning of the research.

1.8.1.1 Positivism

Positivism is a philosophy that emphasises objectivity, empiricism, and the scientific method (Creswell, 2018). The followers of positivism believe in the existence of an external and objective reality that can be observed and measured (Smith, 2019). They argue that research should be conducted in a systematic manner, using quantitative methods to collect empirical data (Easterby-Smith, Thorpe & Jackson, 2019). The Positivists aim to verify and test hypotheses, by seeking generalisable and universal laws or theories (Bryman & Bell, 2019). They use experiments, surveys, and statistical analysis as research techniques.

1.8.1.2 Interpretivism

Interpretivism, also known as social constructivism or subjectivism, takes a different perspective from positivism (Creswell, 2018). The interpretivists argue that the individuals and the groups construct their own social reality through their perceptions, interpretations, and interactions (Ghuri & Grønhaug, 2022). They assert that reality is subjective and can only be understood through the interpretations and the meanings that people assign to it (Easterby-Smith *et al.*, 2019). In research, the interpretivists emphasise qualitative methods such as in-depth interviews, observations, and document analysis, to understand the meanings and the experiences of the individuals or the groups (Bryman & Bell, 2019). They aim to capture the complexity and the richness of social phenomena, by focusing on the context and the subjective interpretations.

1.8.1.3 Realism

Realism is a philosophical stance that aims to understand the social world as it truly exists, that is beyond perceptions and interpretations (Creswell, 2018). The realists argue that there is an external reality that exists independently of the human thoughts and beliefs, and it can be studied objectively (Ghuri & Grønhaug, 2022). They believe that both natural and social phenomena have causal powers that can be observed and analysed (Bryman & Bell, 2019). In research, the realists often use a mixed-methods approach, by combining quantitative and qualitative data to understand the reality and

the underlying forces that shape it (Ghauri & Grønhaug, 2022). They aim to uncover the "real" mechanisms and the processes that drive the social phenomena.

The interpretivism stance was used in this study. Interpretivism allowed the researcher to understand the performance of the state-owned entities such as the South African Post Office, within the specific context of South Africa. The stance acknowledged the unique cultural, social, and political factors that influenced the organisation's operations and performance (Smith, 2019).

1.8.2 Research approach

The second layer involves selecting an appropriate research approach, which can be deductive or inductive. Deductive research involves deriving specific hypotheses from existing theories, whereas inductive research involves generating theories through the analysis of empirical data (Easterby-Smith *et al.*, 2019).

The inductive approach was used in this study. An inductive approach allowed the researcher to gather and analyse data from the South African Post Office without having preconceived ideas or predetermined hypotheses (Creswell, 2018). This facilitates the generation of new insights and theories based on the observed patterns and trends in the data. The state-owned entities such as the SAPO are often complex and multifaceted organisations. By using an inductive approach, the researcher explored and understood the various factors that influence the performance of the organisation in a comprehensive and holistic manner.

1.8.3 Research strategy

This layer involves choosing the overall approach for conducting the research, such as experiments, surveys, case studies, or ethnography. The choice of research strategy depends on the objectives of the study and the availability of the resources (Smith, 2019).

A case study approach was used in this study. The case study allowed for a detailed examination of the SAPO thereby allowing the researcher to gain an in-depth understanding of the organisation's performance, challenges, and potential solutions (Ghauri & Grønhaug, 2022). The case study strategy also enabled the analysis of the

SAPO's performance within its particular context. It considers the organisation's unique history, culture, structure, and external factors that may have influenced its operations and outcomes. This context-specific approach contributed to a more accurate assessment of the specific challenges.

1.8.4 Time horizon

This layer represents the timeframe over which the research is conducted, which can be cross-sectional or longitudinal (Easterby-Smith *et al.*, 2019). Cross-sectional research involves collecting data at a specific point in time, while longitudinal research involves collecting data over an extended period.

The time horizon was cross-sectional. Using a cross-sectional time horizon in the study allowed the examination of the SAPO at a specific point in time (Creswell, 2018). This provided a snapshot of the organisation's performance and it allowed for a comparison between the different entities within the same sector.

1.8.5 Data collection methods

The fifth layer focuses on the methods that are used to collect primary data. This can include techniques such as interviews, surveys, observations, or experiments. The choice of data collection methods depends on the research objectives and the nature of the research questions (Bryman & Bell, 2019).

Interviews were used to gather primary data. The interviews offer the flexibility to tailor questions and to probe deeper into the specific aspects of the South African Post Office's performance (Ghauri & Grønhaug, 2022). The researcher explored specific challenges in detail using interviews thereby allowing for a more nuanced analysis. In addition, the interviews provided an opportunity for the researcher to seek clarification and elaboration on particular points or statements that were made by the interviewees. This ensured accurate data collection and it reduced the chances of misinterpretation.

1.8.6 Data analysis

The final layer involves analysing the collected data using appropriate techniques. This can include qualitative techniques such as thematic analysis or content analysis, or quantitative techniques such as statistical analysis (Smith, 2019). The choice of data

analysis methods depends on the type of data and the research questions (Creswell, 2018).

The thematic approach was used to analyse data. The thematic approach allowed for a comprehensive analysis of the different aspects of the SAPO's performance (Bryman & Bell, 2019). By focusing on specific themes, the study delved into various factors that impacted the performance of the South African Post Office. The thematic approach allowed for a systematic examination of the key issues related to the performance of the SAPO (Easterby-Smith *et al.*, 2019). Instead of a broad and scattered analysis, the study focused on specific themes that were crucial to understanding and improving the SAPO's performance.

1.9 Research assumptions, limitations and delimitations

1.9.1 Assumptions

Saunders *et al.* (2019) present three ontological stances: objectivism, subjectivism, and axiology.

Objectivism: Objectivism refers to the existence of an external reality that is independent of human beliefs and perceptions. According to this stance, reality exists objectively, and it is possible to study and understand this reality through scientific methods and research. Saunders *et al.*, 2019 argue that objectivism assumes the existence of stable and true relationships between objects and the events in the world, which can be uncovered through rigorous investigation (Saunders *et al.*, 2019).

Subjectivism: Subjectivism holds that reality is socially constructed and is highly influenced by individual perceptions, values, and subjective experiences. According to this stance, different individuals may have different interpretations and understandings of reality, thereby highlighting the subjective nature of knowledge and truth. Subjectivism recognises that reality is shaped through the lens of individual and collective experiences, and it acknowledges the importance of human actors in determining what is considered as real (Saunders *et al.*, 2019).

Axiology: Axiology is concerned with the study of values and ethics. This ontological stance recognises that reality is not simply about what exists, but it also includes moral

and ethical considerations. Axiology acknowledges the importance of the personal and societal values in shaping the individuals' understanding and interpretation of reality. It emphasises the significance of ethical judgment and the moral dimensions in the process of knowledge creation and decision-making (Saunders *et al.*, 2019).

The ontological stance of the researcher is that of subjectivism. Subjectivism ontology argues that reality is relative, and it is contextually dependent, as it varies among individuals as well as societies and it challenges the existence of a fixed, objective reality and highlights the importance of understanding different subjective perspectives (Thompson, 2020). Furthermore, subjectivism ontology emphasises the role of consciousness in shaping reality (Thompson, 2021).

Furthermore, the research assumed that the SAPO is representative of the other SOEs within the country. This assumption is made based on the understanding that many SOEs in South Africa face similar challenges and they operate under similar governance structures.

It is assumed that the data and the information that were used for the research are reliable and accurately reflect the performance of the SAPO. This assumption is crucial for drawing valid conclusions and for making appropriate recommendations.

The research assumed that the performance of the SAPO is influenced by various internal and external factors such as organisational culture, leadership, government policies, competition, and technological advancements. These assumptions are based on existing literature and previous studies on the SOE's performance.

1.9.2 Limitations

One limitation of the research was the availability and accessibility of accurate and up-to-date data on the performance of the SAPO. There were constraints in accessing certain information pertaining to sensitive financial and strategic details.

Another limitation was the potential bias of the researcher. Personal views and opinions may have inadvertently influenced the interpretation of the findings and the conclusions, thereby affecting the objectivity of the research.

The study's scope and timeframe were a limitation, as the researcher might not have captured all the complex factors influencing the performance of the SAPO. It was not possible to comprehensively analyse all the historical and the contextual factors comprehensively in the given time frame.

1.9.3 Delimitations

The research was limited to studying the performance of the SAPO as a case study, and the findings may not be directly applicable to the other SOEs or industries. The focus of the research was specifically on the SAPO and its unique challenges and opportunities.

The research was delimited to examining the performance of the SAPO from a limited perspective, such as financial performance, customer satisfaction, operational efficiency, and other measurable indicators. It did not cover all the dimensions of performance such as the qualitative aspects.

1.10 Chapter Summary

The chapter provided the context of the research and the background of the research. It provided the problem statement, the aim, and the objectives of the study. Finally, the chapter provided the research philosophies and assumptions. The study's epistemology is that of interpretivism (interpretivist). Given the Researcher's ontology and epistemology, the research study is exploratory since social phenomena are created from the perceptions and the actions of those social actors concerned with their existence. The appropriate approach for this study is qualitative from an Interpretivism (interpretivist) perspective. The research design issues were briefly discussed.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The performance of SOEs has long been a topic of interest and concern for governments, policymakers, and scholars worldwide. In many countries including South Africa, the efficient functioning of SOEs is seen as crucial for economic growth, service delivery, and for public welfare. This literature review aimed to explore and evaluate the existing research and theories on the performance of SOEs, with a particular focus on the case study of the SAPO. By conducting a literature review on the performance of the SOEs, with a focus on the SAPO, this study aimed to identify the research gap and provide valuable insights for the policymakers, the management, and the other stakeholders. The findings of this research will hopefully be instrumental in identifying the areas of improvement and in formulating strategies to enhance the performance and sustainability of the SAPO.

SOEs play a pivotal role in South Africa's economic landscape, serving as key drivers of socio-economic development and public service delivery. These entities, operating in critical sectors such as energy, transportation, and communications, have a profound impact on the nation's infrastructure, economic stability, and ability to meet the needs of its population (Makhubela & Mabelebele, 2018; World Bank, 2019). However, SOEs like SAPO face unique challenges that affect their performance and, by extension, their contribution to the economy and public welfare. Issues such as governance, financial sustainability, and operational efficiency are at the forefront of discussions about SOEs in South Africa (Vandecasteele & Burger, 2019; Buffin-Maunders, 2018). By examining these challenges and exploring potential strategies for improvement, this study aims to contribute to the ongoing efforts to enhance the performance and sustainability of SOEs like SAPO, ultimately supporting South Africa's broader economic and social objectives.

The literature herein relates to the factors contributing to the poor performance of the South African Post Office, the changing landscape of the postal industry and its

influence on performance, as well as the strategies to improve the SAPO's performance.

2.2 Theoretical Frameworks

The theoretical framework in business research serves as a foundational structure, guiding the investigation and analysis of complex business phenomena. In this study, the focus is on three pivotal theories: Principal-Agent Theory, Institutional Theory, and the Performance Measurement Framework. Principal-Agent Theory examines the nuances of relationships between entities (agents) and those who delegate tasks to them (principals), particularly under conditions of partial or asymmetrical information. It provides a lens through which to scrutinise the dynamics of decision-making, risk-sharing, and incentive structures within organisations. Institutional Theory, on the other hand, delves into the deeper understanding of how institutions and the norms, rules, and beliefs they encompass or shape organisational behaviours and strategies. It is instrumental in understanding the broader socio-political and cultural contexts in which businesses operate. Lastly, the Performance Measurement Framework is critical in evaluating organisational effectiveness and efficiency. This framework aids in systematically assessing various performance metrics, guiding organisations in strategic decision-making and continuous improvement. Together, these theories offer a robust, multi-faceted approach to understanding and analysing the complex interplay of factors that influence business operations, strategy, and outcomes.

2.2.1 *Principal-Agent Theory*

The Principal-Agent Theory is a foundational framework in organisational behaviour and economics, crucial for understanding the dynamics between principals (such as employers or governments in the case of SOEs) and agents (such as employees or management teams). This theory is particularly relevant for analysing the performance challenges faced by SOEs like SAPO, where the government (principal) entrusts the management team (agent) with the operational execution of postal services.

The principal-agent problem emerges due to conflicting interests between the government's objectives (maximising organisational performance and public welfare) and the management team's potential personal goals. This divergence necessitates

the design of mechanisms to align the agent's interests with the principal's goals, ensuring efficient service delivery and cost management.

Research by Nkomo and Pooe (2018) delves into the performance of South African SOEs, including SAPO, through the lens of the Principal-Agent Theory. They highlight the significant impact of principal-agent relationship management on SOE performance, emphasising the importance of performance measurement systems, principal monitoring, and appropriate incentives.

Zingales (2019) explores how agency costs arising from misaligned interests can detrimentally affect the financial performance and value of SOEs, underscoring the need for effective contracts, performance-based incentives, and regular monitoring to mitigate these costs.

Zejnnullahu (2021) addresses principal-agent problems in public enterprises, focusing on issues like information asymmetry and moral hazard, which can exacerbate performance challenges and social costs. This perspective is crucial for grasping the governance intricacies within SAPO.

Bernhold and Wiesweg (2021) discuss principal-agent relationships in organisations, emphasising the significance of effective contracts and incentive systems to manage information asymmetries and conflicting interests, a critical consideration for governance in SAPO.

Additionally, the study by Chaohui Xu, Haikuan Zhang, Mansi Wang, and Amir Iqbal (2022) examines the impact of financialisation on innovation in SOEs, revealing how excessive financialisation can stifle innovation, particularly in high-tech and state-owned entities. This research is vital for SAPO in developing balanced financial strategies that support innovation.

In summary, the Principal-Agent Theory offers a robust framework for understanding the performance dynamics within SOEs like SAPO. By examining the principal-agent relationship and addressing the inherent challenges through strategic alignment of interests and effective governance mechanisms, policymakers and organisational leaders can enhance the performance and effectiveness of SOEs.

2.2.2 Institutional Theory

Institutional Theory provides a robust framework for understanding the behaviours and actions of organisations within a broader social context. It emphasises the significant role of social, cultural, and normative pressures in shaping organisational structures and influencing performance. This theory is particularly relevant for state-owned entities (SOEs) like SAPO, which operate within a dense institutional environment and are subject to multifaceted institutional pressures.

Concept of Isomorphism: DiMaggio and Powell (2020) highlight the concept of isomorphism, where organisations, including SOEs, adopt structures, practices, and behaviours that are deemed legitimate within their institutional environment to gain acceptance and legitimacy. This process is vital for entities like SAPO to demonstrate their value and legitimacy to a broad range of stakeholders, including the government, employees, and the general public.

Adapting to Technological and Economic Changes: Hampel, Lawrence, and Tracey (2017) explore how institutions navigate the balance between change and stability. This aspect of Institutional Theory can elucidate how SAPO adapts (or faces challenges in adapting) to technological advancements, e-commerce, and evolving postal needs while upholding its public service mandates.

Institutional Complexity and Work: Greenwood *et al.* (2011) and Lawrence, Suddaby, and Leca (2009) delve into how organisations manage institutional complexity and the active role individuals and groups play in shaping institutional contexts. For SAPO, this means balancing market efficiency and profitability with public service accessibility and social responsibility, and how leaders and employees engage in activities that either reinforce or challenge existing institutional norms.

Human Resource Management (HRM) Practices: Lewis, Cardy, and Huang (2018) discuss how HRM practices within organisations are influenced by their institutional contexts. Applying this to SAPO, the study examines how external pressures like governmental policies and societal norms shape HRM strategies, impacting overall performance and public service compliance.

Social Innovation: Van Wijk *et al.* (2018) provide a nuanced perspective on how institutions influence social innovation efforts, integrating insights from micro, meso, and macro levels. This approach is crucial for comprehensively understanding how

various institutional factors impact SAPO's strategies and operations, particularly in responding to institutional pressures and innovation opportunities within its unique context.

In summary, Institutional Theory offers valuable insights into the performance and strategic orientation of SOEs like SAPO. By examining how these entities navigate their institutional environments, adapt to changes, and manage complexities, policymakers, and organisational leaders can develop more effective strategies for enhancing performance and ensuring compliance with broader societal expectations.

2.2.3 Performance Measurement Framework

The Performance Measurement Framework, particularly the Balanced Scorecard, offers a strategic and integrated approach to assess the performance of the SAPO across multiple dimensions. This framework is instrumental in evaluating not just the financial aspects but also customer satisfaction, internal processes, and organisational learning and growth, providing a more holistic view of organisational performance.

Financial Perspective: This dimension emphasises traditional financial metrics such as revenue, cost, and profitability to gauge SAPO's financial health and sustainability. Kaplan and Norton (1992) highlight the importance of this perspective in measuring organisational success and ensuring financial stability.

Customer Perspective: Focusing on customer satisfaction, service quality, and market share, this perspective assesses SAPO's performance from the viewpoint of its customers. Dutta (2020) underlines the significance of customer metrics in enhancing competitiveness and meeting customer expectations, crucial for retaining customer loyalty and market position.

Internal Process Perspective: This aspect identifies and evaluates key processes critical to value delivery, including operational efficiency, innovation, and quality improvement. Gibson and Pollock (2020) suggest that metrics within this domain are essential for pinpointing improvement areas and boosting organisational effectiveness, thereby enhancing SAPO's operational performance.

Learning and Growth Perspective: Centered on employee development, skill acquisition, and fostering a learning culture, this perspective is vital for building

SAPO's capabilities to adapt to changing market demands. Hernandez-Garcia *et al.* (2020) argue that investing in learning and growth facilitates continuous performance improvement and organisational adaptability.

By adopting the Balanced Scorecard framework, this study has provided a comprehensive and multidimensional evaluation of SAPO's performance. This approach transcends traditional financial measures to include critical aspects like customer satisfaction, internal process efficiency, and organisational learning, offering a balanced assessment that highlights areas for improvement and guides strategic decision-making.

In addition to the foundational theories previously discussed, the revised Bloom's Taxonomy, as elaborated by Anderson and Krathwohl (2001), significantly contributes to framing the cognitive skills crucial for tackling SAPO's operational challenges. This updated model expands on Bloom *et al.*'s (1956) original hierarchical classification by integrating a dimensional approach that distinguishes between cognitive processes and knowledge types, thereby offering a more dynamic framework for understanding learning and cognitive development. The revised taxonomy's emphasis on creating, evaluating, and analysing is particularly relevant for this study, guiding the depth of analysis required to develop effective strategies for SAPO. Furthermore, recent literature, such as Krathwohl (2002), reinforces the taxonomy's applicability in diverse contexts, from educational settings to organisational strategy formulation. The utility of the revised Bloom's Taxonomy in enhancing SAPO's operational performance, underpinning the development of strategic recommendations, and framing the research methodology is extensively examined in the next Chapter.

2.3 Factors contributing to poor organisational performance

The SAPO plays a critical role in the country's communication and postal service infrastructure. However, in recent years, South African organisations faced numerous challenges and experienced a decline in their overall performance. Below is a discussion of the various factors that contribute to the poor performance.

2.3.1 Governance and Leadership

The efficiency of SOEs significantly hinges on the quality of leadership and governance structures in place. Studies have shown that strong, transparent, and accountable leadership can drive significant improvements in SOE performance (Busch & Murdock, 2014; Woolf, 2019). Leadership that is capable of integrating diverse resources and aligning them with organisational goals has been identified as a critical factor in enhancing SOE productivity (Wilde, 2019).

Governance refers to the framework, processes, and systems that are in place to direct and control the organisations, thereby ensuring transparency, accountability, and adherence to the relevant policies and regulations. In South Africa, the governance and leadership challenges in organisations have been widely recognised. According to Makhubela and Mabelebele (2018), poor governance and ineffective leadership have significantly impacted many organisations' performance. Inefficient decision-making processes, weak strategic planning, and a lack of transparency have hindered the organisation's ability to adapt to the changing market dynamics. One study by Andrews and Roberts (2018) focuses on the importance of governance reforms in South African organisations. The authors argue that these entities have been marred by corruption, lack of accountability, and political interference. Andrews and Roberts (2018) emphasise the need for stronger governance structures and mechanisms, including independent boards with proper checks and balances.

Another study by the World Bank (2019) examines the role of leadership in driving reforms in South African organisations. It emphasises the need for transformational leaders who can champion change by implementing good governance practices, and by building a culture of accountability. The study suggests that leaders should have a clear vision, and they must be responsive to the stakeholders, and promote transparency. Additionally, a report by the Public Affairs Research Institute (PARI) (2018) looks at the governance challenges in South African public entities, thereby focusing on issues such as patronage, the lack of accountability, and inefficient decision-making processes. The report suggests the establishment of an independent body to oversee the organisations' governance, improve transparency, and streamline decision-making. In addition, political influence and patronage impede the effective functioning and the performance of the organisations in South Africa. For instance, the

appointment of individuals based on their political connections rather than merit can undermine the capability and independence of the management teams. Vandecasteele and Burger (2019) argue that political interference leads to poor governance and decision-making. Thus, governance and leadership are critical for organisational success and the overall development of the economy. The literature highlighted the need for stronger governance structures, transformational leadership, as well as improved transparency and accountability. These reforms can contribute to efficient organisational functioning and enhance their contribution to the socio-economic development of South Africa.

2.3.2 Financial Challenges

The financial challenges have been a significant concern in recent years. According to Buffin-Maunder (2018), the total debt of public entities in South Africa had reached a startling level of ZAR 725 billion by 2017. This debt burden severely limits the financial flexibility and sustainability of these enterprises, thereby making it difficult for them to invest in infrastructure development and deliver quality services. Furthermore, the inability of the SOEs to generate sufficient revenues and profits is another significant financial challenge. The studies have shown that several public entities in South Africa have been consistently operating at a loss for a prolonged period (Singh, 2019). For instance, Eskom, the state-owned electricity utility, reported a loss of ZAR 20.7 billion in 2018 (Eskom, 2018). Such financial losses not only highlight poor financial performance but also indicate the need for significant reforms and interventions.

In addition to the debt and the financial losses, the governance challenges also contribute to their financial problems. Rampant corruption and the lack of transparency have eroded public trust and confidence in these entities (Mohamed, 2018). These governance issues have led to financial mismanagement, fraud, and inflated contracts, thus resulting in significant financial losses for these organisations. The South African government has recognised the urgent need to address the financial challenges that are faced by its public entities. In response, various initiatives have been introduced to improve financial stability, accountability, and transparency. These include reforms in the form of strategic reviews, cost-cutting measures, and changes in management (Eskom, 2019). However, more substantial and sustainable efforts are required to

drive financial recovery and to ensure the long-term viability of these organisations. Mulaudzi and Veller (2018) argue that the financial struggles stem from rising operational costs and an outdated business model. These financial challenges have limited many organisations' ability to invest in critical areas such as technology and infrastructure.

2.3.3 Inefficient Operations and Lack of Competitiveness

The South African firms have struggled to maintain efficiency and competitiveness, thereby leading to reduced productivity and performance. Bloch, Holder, and Smuts (2020) suggest that this is mainly due to poor procurement practices, outdated infrastructure, and inefficient management practices. One study by Nombasa and Oguntuase (2019) examines these inefficiencies, particularly focusing on Eskom and Transnet. The authors find that poor management practices, the lack of accountability, and inadequate human resource management contribute to operational inefficiencies. Additionally, the inefficient procurement processes and the outdated infrastructure further exacerbate the problem. Many public entities operate in sectors where there is a high degree of competition, both domestically and internationally. However, due to various reasons, including ineffective management, as well as the lack of innovation and regulatory restrictions, these entities struggle to keep up with their private sector counterparts.

PricewaterhouseCoopers (PwC) (2020) analysis of the public enterprises reveals that their lack of competitiveness is primarily driven by their inability to adapt to the market changes, the low innovation levels, and the limited strategic planning. The study emphasises the need for the sector to adopt a more competitive mindset and implement measures to enhance its market positioning. Furthermore, the study by Nombasa and Oguntuase (2019) underscores the importance of cost efficiency and technological advancements in improving the competitiveness of these organisations. The authors argue that both private and public enterprises need to embrace digitalisation, by investing in modern technologies, and by streamlining their operations to become more competitive.

2.3.4 Regulatory Constraints and Policy Uncertainty

The regulatory constraints and the policy uncertainty affect the organisational operations and performance (Musviba, 2019). The frequent changes in regulations and policies can impact long-term planning and investment decisions, thus leading to inefficiencies and poor performance. This is highlighted by the research conducted by Bauer, Burger, and Loots (2019) on the regulatory constraints that are faced by firms in the South African energy sector. In South Africa, the regulatory environment is often characterised by complex and burdensome regulations that make it difficult for public enterprises to adapt to the changing market conditions and implement the necessary reforms. For example, the research by Musviba (2019) found that the regulatory constraints in the energy sector have hindered the ability of the state-owned power utility Eskom to improve its performance and modernise its infrastructure. These constraints have contributed to Eskom's financial troubles, to their operational inefficiencies, and to the power outages that have been experienced in recent years.

Furthermore, policy uncertainty adds a layer of complexity and risk to the organisational operations. Policy uncertainty arises when there are inconsistent or unclear government policies that impact the organisations' strategic planning and decision-making processes. This uncertainty can be detrimental to their performance as it creates ambiguity and hampers long-term planning and investment. A study by Breitenbach, van Aardt, and Cassim (2020) examined the impact of policy uncertainty on the performance of South African Airways (SAA). The research showed that the policy uncertainty that is particularly related to government bailouts and the signing of the Revenue Sharing Agreement, had a negative effect on the SAA's financial performance and it led to a decline in its market share.

2.3.5 Trade Union and Labour Issues

Trade unions play a crucial role in protecting and advocating for the rights and interests of workers in both the public and the private sectors. In South Africa, many organisations have been experiencing several labour issues and challenges, which have resulted in significant implications for both the workers and the overall performance of these entities. The primary challenges facing the trade unions in South Africa are inadequate worker representation and limited union membership. A study by Seedat and Nkomo (2019) found that many employees are not union members,

which weakens the bargaining power and the influence of trade unions in addressing labour issues. This trend can be attributed to factors such as the low levels of union education and awareness, the anti-union strategies that are employed by the management, and the employee perceptions of the unions as they are ineffective or irrelevant.

Another significant labour issue in South Africa is the persistence of job insecurity and precarious employment. Sibanda and Bhorat (2020) argue that the implementation of the restructuring and retrenchment measures within many organisations has resulted in the loss of permanent employment opportunities and the creation of temporary or contract positions. This has undermined job security and it has weakened the ability of the trade unions to effectively represent and protect the rights of the workers. Furthermore, labour disputes and strikes have become increasingly prevalent in recent years. A study by Magau and Kgare (2018) found that the strike actions often revolve around wage disputes, unequal pay, and poor working conditions. These strikes can disrupt operations, damage the reputation of an organisation, and create additional strain on labour-management relations. The trade unions are faced with the challenge of effectively managing and resolving these labour disputes while balancing the interests of their members and the overall sustainability of the employers.

Additionally, the corruption and mismanagement within the South African companies lead to financial instability, which in turn has had adverse effects on the workers. Du Plessis *et al.* (2019) argue that instances of corruption and mismanagement often result in budget cuts, the non-payment of wages, and delayed salary increments. This creates financial strain for the workers, and it heightens the need for the trade unions to advocate for improved governance and transparency within these entities. Overall, the trade unions in South Africa face numerous challenges and labour issues, including but not limited to limited worker representation, job insecurity, labour disputes, and the impact of corruption and mismanagement. Addressing these challenges and finding appropriate solutions requires strong union leadership, increased membership, improved union education, and awareness, as well as collaboration with other stakeholders such as the government and civil society organisations. Du Plessis and Scheepers (2018) suggest that frequent strikes,

personnel disputes, and challenges related to employee productivity have hindered the organisations' ability to deliver consistent and reliable services to customers.

2.4 Changing landscape of the postal industry in South Africa

Since 1994, the postal industry in South Africa has experienced several notable trends, including digitisation, privatisation, and diversification. These trends have had a significant impact on the operations and services of the postal sector. According to Müller and Alexander (2018), the postal industry in South Africa is experiencing significant changes. Müller and Alexander (2018:48) note that, "*the landscape of the postal industry has been transforming due to various factors such as digitalization and increased competition*". One such factor impacting the postal industry is the rapid growth of e-commerce. As noted by Ndlovu (2019), the rise in online shopping has led to a surge in parcel deliveries, thereby creating new opportunities for the postal service providers. This has resulted in several traditional postal operators in South Africa adapting their business models to meet the demand for e-commerce services (Ndlovu, 2019). Digitisation has been a prominent trend in the postal industry in South Africa since 1994. The rapid advancement of technology and the proliferation of the internet have led to an increased focus on electronic communication and the decline of the traditional letter mail. The South African Post Office, which is the country's main postal service provider, is adapting to this trend by enhancing its digital infrastructure and developing new digital services. The SAPO now offers services such as e-commerce (new partnership with a United States-based online marketplace, Wish.com), electronic money transfers, and online billing (motor vehicle licence renewal). This shift towards digitisation has been driven by the changing needs and the preferences of customers as well as the need for the postal industry to remain competitive in the evolving business environment (SAPO, 2021).

Additionally, the privatisation of the postal sector has played a significant role in reshaping the industry. According to Kavi and Govender (2020), the SAPO has undergone restructuring efforts since 2018, by including the introduction of private-sector partnerships and the implementation of new technology to improve operational efficiency. This privatisation process has allowed for greater competition within the postal industry (Kavi & Govender, 2020). Privatisation has also emerged as an important trend in the South African postal industry since 1994. The government has

implemented various reforms to introduce competition and to improve the efficiency in the sector. One significant privatisation (corporatisation) initiative was the establishment of a separate entity, Postbank, as a subsidiary of the SAPO. Postbank provides financial services such as banking, insurance, and savings products. This move towards privatisation has aimed to promote market competition and enhance the financial sustainability of the postal industry (SAPO, 2019).

Moreover, diversification has been another trend in the South African postal industry over the past few decades. As the demand for traditional mail services declines, the postal operators have diversified their offerings to include new products and services. For instance, the SAPO is intending to expand its service portfolio to include retail services, courier services, and logistic solutions. This diversification strategy will enable the SAPO to tap into new revenue streams and adapt to the changing market dynamics (SAPO, 2019). Also, the emergence of alternative delivery options has transformed the landscape of the postal industry in South Africa. As highlighted by Ramasodi (2021), the growth of mobile-based delivery services and courier companies has created new competitors for the traditional postal operators. These alternatives offer faster and more convenient delivery options, thus putting pressure on the postal industry to adapt and innovate (Ramasodi, 2021).

Since 1994, the postal industry in Africa has witnessed several significant trends, including the advancements in technology, increased competition, and efforts to enhance cross-border mail services. One notable trend in the postal industry in Africa is the adoption of technological innovations to improve efficiency and reach a wider customer base. As of 2018, many African countries have embraced digital postal services such as online package tracking systems, e-commerce platforms, and mobile money transfers (Samuel & Fagi, 2018). These technological advancements have allowed the postal operators in Africa to streamline their operations, increase customer satisfaction, and expand their service offerings. With the increasing availability of internet access and mobile devices, the postal services have shifted towards offering online services such as e-commerce platforms, digital mailboxes, and electronic tracking systems (Smith, 2019). This development has helped the postal organisations in Africa to keep up with the global trend of digitalisation and to provide faster and more efficient services to the customers.

Moreover, the postal industry in Africa has experienced increased competition from the private courier companies and the alternative mail providers. With the liberalisation of the postal sector in many African countries, the private players have entered the market offering faster and more efficient delivery services (Samuel & Fagi, 2018). This has led to intensified competition, thus forcing the traditional postal operators to modernise their operations and to improve their service quality to retain the customers. The liberalisation and privatisation of the postal services have also been observed in many African countries. This trend, which started in the late 20th century, has led to the opening up of the postal market to competition and the privatisation of the postal organisations (Bach, 2018). As a result, new players have entered the market, thereby leading to increased competition and the diversification in services.

Furthermore, there has been a growing emphasis on the sustainable practices in the postal industry in Africa. The postal organisations have recognised the importance of reducing their carbon footprint and transitioning towards more environmentally friendly operations. Initiatives such as adopting electric vehicles for mail delivery and implementing green energy solutions have been increasingly implemented across the continent (Okon, 2021). Moreover, the postal industry in Africa has witnessed an expanded focus on the financial services. Many postal organisations have recognised the potential for providing basic banking services to the underbanked populations. This trend has been supported by the partnerships with local financial institutions and the integration of financial services into the traditional postal operations (Kapoor, 2018). Additionally, there have been efforts to enhance the cross-border mail services in Africa. In 2018, the African Union launched the Pan-African Postal Union (PAPU) with the aim of promoting cooperation among the postal operators in the continent (Ogbodo, 2018). This initiative seeks to; streamline the cross-border mail exchanges, facilitate trade, and boost regional integration. By collaborating and sharing resources, the postal operators in Africa can improve the efficiency and the reliability of the cross-border mail services.

Looking towards the future, the postal industry in Africa is expected to continue its evolution. The technological advancements such as the use of drones for delivery purposes and the integration of artificial intelligence in postal operations, will likely

become more prevalent (Fin24, 2021). These innovations have the potential to revolutionise the postal industry in Africa, thereby making it more efficient and responsive to the customer needs.

2.5 Global trends in the postal industry

The global postal industry has undergone significant changes, and it has witnessed several trends encompassing advancements in technology, changes in consumer behaviour, and evolving market demands. Below is a description of these global trends.

2.5.1 Technological Innovation

During this period, the postal industry witnessed a rapid adoption of technology, driven by the need for greater efficiency and cost-effectiveness. The postal operators invested in automation, digitalisation, and in advanced tracking systems to improve their operations (PricewaterhouseCoopers, 2019). For instance, many postal services implemented barcode scanning, electronic proof-of-delivery, and self-service kiosks to enhance customer experiences (Smith, 2018). One notable technological innovation is the utilisation of autonomous delivery robots. Companies such as FedEx and Amazon have been testing the use of small autonomous robots for last-mile deliveries. These robots are equipped with advanced sensors and navigation systems to safely navigate through the sidewalks and deliver packages to the customers' doorsteps (Moody, 2018). Another significant technological advancement is the implementation of drone deliveries. The postal services around the world, including the United States Postal Service and Swiss Post, have been exploring the use of drones for delivering packages to remote and inaccessible areas. The drones have the potential to significantly reduce delivery times and costs in such regions (Ryan, 2019). The Polish Post, for instance, launched a digital transformation project in 2020 to respond better to customer needs (European Post and Parcel Services, 2020).

2.5.2 E-commerce boom

The rise of e-commerce has had a profound impact on the postal industry. With the increasing popularity of online shopping, there has been a surge in the volume of packages that need to be delivered globally (Smith, 2018). The postal operators have had to adapt to the complex and growing demands of e-commerce logistics (PricewaterhouseCoopers, 2019), including the integration of digital platforms for

parcel tracking and delivery notifications (Smith, 2018). One key driver of the e-commerce boom in the postal industry is the increasing preference for online shopping among consumers. According to a report by Statista 2019, global retail e-commerce sales reached 3.53 trillion US dollars in 2019, and this number was projected to exceed 6.54 trillion US dollars by 2022 (Statista, 2019). This exponential growth in online retail has translated into a surge in the number of packages that need to be shipped and delivered, thus resulting in a significant boost in business for postal operators. Moreover, the rise of cross-border e-commerce has fuelled the demand for international shipping services provided by postal networks. Consumers now have access to a vast array of products from all over the world, and they are increasingly purchasing items from international online retailers. A study by Accenture estimates that cross-border e-commerce will grow at an annual rate of 25% between 2017 and 2020 (Accenture, 2017). This surge in cross-border transactions has created new opportunities for postal operators to expand their business and develop their international delivery capabilities.

2.5.3 Green Initiatives

In a push towards sustainability, the postal services are focusing on greener and more eco-friendly operations. The United States Postal Service (USPS), for instance, proposed a plan in 2020 to purchase electric vehicles as part of its fleet modernisation program (United States Postal Service, 2020). Many postal operators have implemented eco-friendly practices, thereby aiming to reduce their carbon footprint and minimising the environmental impact (Smith, 2018). These initiatives include utilising electric or hybrid vehicles, optimising delivery routes, and exploring alternative energy sources for buildings and sorting centres (PricewaterhouseCoopers, 2019). One notable sustainability initiative in the postal industry is the adoption of Electric Vehicles (EVs) for mail and package deliveries. Several postal operators have invested in EV fleets to reduce greenhouse gas emissions and to reduce air pollution in urban areas. For instance, the Netherlands' National Postal Service (PostNL) announced in 2020 that it aims to have a fully electric delivery fleet by 2025, with all new vehicles purchased being electric since 2018 (PostNL, 2020). In addition to the EVs, many postal services have focused on improving the energy efficiency in their facilities. The Canada Post, for example, has implemented energy management programs in its processing plants, with initiatives such as Light Emitting Diode (LED)

lighting upgrades, advanced building automation systems, and the installation of solar panels (Canada Post, 2020). These efforts have resulted in significant reductions in energy consumption and associated carbon emissions.

Moreover, the global postal industry has placed great emphasis on waste reduction and recycling. The postal operators have introduced initiatives to minimise packaging waste through the adoption of sustainable materials and innovative packaging designs. Notably, the Australia Post has replaced traditional plastic satchels with a compostable alternative, thus reducing the volume of generated plastic waste (Australia Post, 2021). Furthermore, a growing number of postal services have initiated programs to offset their carbon emissions through investments in renewable energy projects or reforestation. For example, the Deutsche Post DHL Group has committed to achieving zero emissions by 2050 and it has invested in various renewable energy projects, thus reducing their overall carbon footprint (Deutsche Post DHL Group, 2020).

2.5.4 Diversification of Services

The postal services are extending their portfolio beyond traditional mail and parcel delivery to generate new revenue streams. As observed in Europe, the postal services are shifting towards a model of multiple services. They are leveraging their extensive physical networks and their trusted brand image to extend into but not limited to financial services, and retail services. The United Kingdom's Royal Mail, for example, has diversified into parcel delivery for online retailers, thereby providing enhanced delivery options such as same-day, next-day, and choose-your-day services (PwC, 2019). In Asia, China is an excellent example where their national postal service, China Post, along with other courier companies experienced explosive growth from the booming e-commerce industry. They diversified to express, and logistics services and they have even incorporated financial service offerings (Okon, 2021). Similarly in America, the United States Postal Service (USPS) has recognised the need for diversification. The USPS has ventured into digital solutions, express and logistics, and merchandise sales, and is exploring other opportunities such as providing financial services (PwC, 2019). A key trend observed across the regions is the exponential growth in e-commerce, thereby leading to a shift of postal duties from traditional mail to parcel delivery (Oum & Park, 2020). The continued growth in online

shopping is driving innovative delivery solutions, including drone and robot deliveries, tracking solutions, and customer-centric delivery windows (Wojciechowski, 2020). Thus, the trend in diversification services in the postal industry emphasises adopting new technologies and exploring new markets to redefine their services and operations.

2.6 Changing landscape of the postal industry and its influence on performance

The postal industry has been experiencing significant changes in recent years, which have significantly influenced its performance. These changes can be seen in various aspects such as technology advancements, changes in customer behaviour, and regulatory reforms.

2.6.1 Technology advancements

One of the main factors driving change in the postal industry is technology advancements. The rise of e-commerce and digital communication has reduced the demand for traditional mail services. This shift towards electronic communication has resulted in a decline in letter volumes, thereby affecting the financial performance of postal operators worldwide (Buchta, 2018). According to Buchta (2018), the growth of electronic substitution has had a substantial negative impact on mail volumes, thereby resulting in reduced revenues for postal operators. The technology advancements have significantly influenced the performance of the postal industry, by improving efficiency, speed, and the accuracy of the operations. These advancements have allowed postal services to adapt to the changing needs of customers and to remain competitive in the digital era. One important advancement is the implementation of automated sorting systems. These systems use the Optical Character Recognition (OCR) technology to rapidly scan, and sort mail items based on their addresses. This has considerably increased the speed and accuracy of sorting, thus reducing the time and costs that are associated with manual sorting (Oum & Park, 2020).

Another significant advancement is the development of track and trace systems. These systems use the barcode or the Radio-Frequency Identification (RFID) technologies to monitor the movement of mail items throughout the postal network. This has improved visibility and transparency, by enabling the customers to track their shipments in real-time (Oum & Park, 2020). Furthermore, the proliferation of online

shopping has driven the adoption of e-commerce platforms by the postal services. These platforms facilitate the seamless integration of online marketplaces, retailers, and logistics providers, thereby allowing customers to easily purchase and ship the products. This has opened up new revenue streams for the postal services and it has increased their competitiveness (Choi, 2019). Moreover, the advent of digital communication channels has prompted the postal services to offer innovative services such as electronic mail notification, e-postal mailboxes, and digital postal mail. These services provide customers with convenient alternatives to traditional mail, further enhancing efficiency and customer satisfaction (Choi, 2019).

2.6.2 Growth of e-commerce

Additionally, the growth of e-commerce has presented both challenges and opportunities for the postal industry. On one hand, the increase in online shopping has led to a surge in parcel volumes, thereby providing new revenue streams for postal operators (Bloch, Blaskovich, & Pogrebnyakov, 2020). On the other hand, the rise of e-commerce has intensified the competition in the parcel delivery market, as both traditional postal operators and new entrants strive to capture a share of the lucrative market (Chandra, 2019). This has put pressure on the postal operators to improve their operational efficiency and delivery speed to remain competitive. According to Mohberg, Bryson, and Toivonen (2018), the global e-commerce market has been growing at a rapid pace, with an estimated 26.7% increase in sales in 2019 alone. This growth in online retail has translated into a higher demand for postal services in terms of package deliveries. As e-commerce platforms expand their reach and offer international shipping, postal operators have had to develop new capabilities to handle cross-border shipments effectively (Mohberg, Bryson & Toivonen, 2018). One of the main drivers of e-commerce's influence on the postal industry has been the growth of marketplaces such as Amazon, Alibaba, and eBay. These platforms have created a booming online marketplace, by connecting buyers and sellers from around the world. The postal operators have become key partners for these marketplaces, by providing them with reliable and efficient delivery services (Breña, Carreras & Garcés, 2019). The increasing number of packages handled by the postal services has led to a corresponding increase in their revenue and it has boosted their overall performance in recent years.

Furthermore, the COVID-19 pandemic further accelerated the growth of e-commerce and its influence on the postal industry. As consumers turned to online shopping during lockdowns and restrictions, the postal operators experienced an unprecedented surge in package volumes. According to a report by the (IPC,2021), global e-commerce volumes increased by 25-43% in 2020 compared to 2019. This surge in e-commerce activity has put immense pressure on the postal services to adapt and scale up their operations to meet the growing demand.

2.6.3 Changes in customer behaviour

The changes in customer behaviour also had a significant influence on the performance of the postal industry. Consumers have become more demanding, by expecting faster and more convenient delivery options (Barth, 2020). As a result, the postal operators have had to adapt their services to meet these changing customer expectations. For example, many postal companies have introduced new delivery options such as same-day delivery and time-definite delivery windows (Bloch et al., 2020). These changes have not only required investments in technology and infrastructure, but they have also increased the complexity of the operations. The postal industry has experienced significant changes in customers which had a substantial impact on its overall performance. One of the major shifts in customer behaviour is the increasing reliance on digital communications and online platforms. With the widespread adoption of emails, instant messaging, and social media, individuals and businesses now prefer to communicate electronically rather than through traditional postal services (Brown *et al.*, 2018). This shift towards digital communications resulted in a decline in the volume of mail being sent through the postal services, thus leading to a negative impact on their performance and financial viability. For instance, according to a study conducted by the Universal Postal Union (2019), the global volume of letter mail has been steadily decreasing, with a decline of 3.5% in 2018 alone.

Another significant change in customer behaviour is the increasing preference for online shopping. With the rise of e-commerce platforms, customers now have access to a wide range of products that can be conveniently delivered to their doorsteps. This has led to significant growth in the parcel delivery segment of the postal industry

(Bojorgieva *et al.*, 2020). However, the increasing demand for parcel delivery services has also posed challenges for postal operators, such as the need to enhance their capacity and delivery networks to meet the rising customer expectations for fast and reliable delivery (Lee & Yang, 2019). Moreover, customer expectations have also evolved in terms of delivery options and flexibility. Customers now demand more convenient delivery choices, such as same-day or next-day delivery, and the ability to track their parcels in real time (Korosec, 2018). To meet these evolving demands, postal operators have had to invest in technologies and infrastructure upgrades, such as automated sorting systems and end-to-end tracking capabilities (Universal Postal Union, 2019).

2.6.4 Regulatory reforms

Furthermore, regulatory reforms have played a crucial role in shaping the performance of the postal industry. Many countries have implemented regulatory changes to promote competition and improve the efficiency of the postal services (Bichan, 2019). These reforms have often resulted in the liberalisation of the markets and the opening up of the postal sector to new entrants. While this has increased competition, it has also provided new opportunities for postal operators to expand their services and enter new markets (Bichan, 2019). The South African postal industry has undergone significant regulatory reforms that have a noticeable impact on its performance. These reforms aim to modernise and improve the efficiency of the industry, by ensuring that it can keep up with the changing technological landscape and meet the needs of the customers in the digital age. One of the key regulatory changes that has influenced the postal industry's performance is the introduction of the Postal Amendment Act of 2018. This legislation has allowed for more competition in the sector, thus opening up the market to new players and enabling the existing postal service providers to expand their operations. As a result, there has been an increase in the number of service providers, thereby leading to a greater choice for consumers and more innovative services being offered.

Furthermore, the Independent Communication Authority of South Africa (ICASA) has been established to oversee and regulate the industry, thus ensuring fair competition and consumer protection. This regulatory body has introduced a licensing framework and set out standards and guidelines for postal service providers to adhere to. These

measures have helped to create a more level playing field and ensure that all the providers operate at a certain standard, thereby enhancing the overall performance of the industry. Another important regulatory reform that has influenced the postal industry's performance is the focus on digital transformation. The South African government has recognised the importance of embracing digital technologies and it has encouraged the postal service providers to adopt new digital services. This includes enabling online tracking of parcels, introducing electronic payment options, and providing e-commerce solutions. These digital advancements have not only improved the efficiency of postal operations but have also enhanced customer experience and satisfaction.

In addition, the regulatory reforms have aimed to address some of the challenges that are faced by the postal industry, such as the decline in traditional mail volumes and the need to diversify revenue streams. The reforms have allowed postal service providers to explore new business models such as offering logistic services, e-commerce solutions, and financial services. By diversifying their revenue streams, postal service providers have been able to offset the decline in traditional mail and ensure the sustainability of their operations.

2.7 Strategies to Improve Organisational Performance

Several effective strategies can be implemented to improve performance. These strategies include:

2.7.1 Enhancing training and development programs

The organisations should invest in training and development programs to equip the employees with the necessary skills and knowledge to perform their tasks effectively. This can be achieved through workshops, seminars, and online training modules (Laverie & Kleiser, 2018). Enhancing training and development programmes can significantly improve the organisations' performance by equipping the employees with the necessary skills, knowledge, and competencies to perform their tasks effectively and efficiently. Continuous professional development ensures that the employees stay updated with the latest industry trends and best practices, thereby enabling them to better serve the customers and meet their needs. The training and development programmes can be enhanced in various ways. Firstly, it is important to conduct a

thorough training needs assessments to identify the specific skills gaps and the development areas within the organisation. This can be done through methods such as surveys, interviews, and performance evaluations (Cekada, 2019). By understanding the specific areas of improvement, organisations can tailor their training programmes, accordingly, thereby ensuring that the employees receive training that is relevant and meaningful to their roles.

Secondly, an organisation can incorporate various training methods and techniques to enhance the learning experience for the employees. This can include interactive workshops, simulations, on-the-job training, e-learning platforms, and mentoring programs (Noe, 2019). By utilising a mix of these methods, an organisation can cater to different learning styles and preferences, thus ensuring maximum engagement and knowledge retention. Furthermore, the firms can also consider investing in external training providers or partnerships with educational institutions to provide specialised training programs. This can expose the employees to new perspectives, industry expertise, and cutting-edge knowledge, thereby resulting in a more skilled workforce (Bode, Singh & Gudergan, 2018). To ensure the effectiveness of training and development programs, the SAPO should also implement mechanisms to assess and evaluate the impact of the training. This can be done through post-training evaluations, assessments, and follow-up feedback sessions (Tee, Sousa & Moura, 2018). By analysing these evaluations, the companies can identify the areas of success and improvement, thus making the necessary adjustments to optimise the training programs.

2.7.2 Implementing performance management systems

The SAPO should establish a performance management system that includes regular performance evaluations, feedback sessions, and goal setting. This system helps to identify performance gaps, provide constructive feedback, and set clear expectations for the employees (Laverie & Kleiser, 2018). Implementing performance management systems can be an effective strategy for improving the organisations' performance. Performance management systems involve setting clear goals and expectations for the employees, regularly assessing their performance against these goals, providing feedback and coaching, as well as rewarding or recognising high performance. One key benefit of performance management systems is that they provide employees with

a clear understanding of what is expected from them and how their performance will be measured. This clarity can help to align the employee efforts with the organisational objectives and drive individual and team performance (Aguinis, 2019).

Another advantage of performance management systems is that they enable regular performance evaluations and feedback. Through the use of ongoing feedback and coaching, the employees can identify areas for improvement and receive the necessary support to enhance their skills and competencies (Woods, 2020). Regular feedback also allows for timely intervention if performance issues arise, which can help to prevent a further decline in performance. Furthermore, performance management systems can enhance employee motivation and engagement. When the employees have a clear understanding of how their performance contributes to organisational success and receive recognition and rewards for their accomplishments, they are more likely to be motivated and engaged in their work (Shields *et al.*, 2015).

Lastly, performance management systems can facilitate the development of a performance-oriented culture within many organisations. By consistently measuring and evaluating performance, organisations can create a culture that values and prioritises performance excellence (Marchington *et al.*, 2016). This culture can drive continuous improvement and help firms achieve their strategic objectives.

2.7.3 Fostering a culture of collaboration and teamwork

The organisations should promote a collaborative work environment where the employees are encouraged to share ideas, communicate effectively, and work together towards the common goals. This can be achieved through team-building activities, open-door policies, and regular communication channels (Laverie & Kleiser, 2018). Fostering a culture of collaboration and teamwork can significantly improve performance by encouraging employees to work together, share knowledge and resources, and leverage their collective expertise to achieve common goals. This strategy creates a positive work environment where the employees feel valued, motivation is increased, and innovation is promoted.

In a study conducted by Saif, Iqbal, and Abbasi (2018) on the impact of teamwork on organisational performance, the researchers found that a strong culture of collaboration positively influenced employee productivity and performance. The study emphasised the importance of effective communication, mutual trust, and respect in fostering collaborative relationships. Another study by Mohan, Juras, and Bradley (2018) explored the relationship between teamwork and organisational performance in the manufacturing industry. The researchers discovered that the collaborative work practices improved efficiency, reduced errors, and increased overall profitability. The study highlighted the role of leadership in facilitating teamwork and creating a collaborative culture.

Furthermore, a report by Odero, Otieno, and Wandolo (2019) on improving employee engagement and productivity in the public sector emphasised the importance of collaboration in achieving organisational goals. The report recommended promoting teamwork through team-building activities, cross-functional projects, and creating a supportive work environment. Implementing initiatives such as team-based decision-making, cross-functional training, and knowledge-sharing platforms can further enhance collaboration within an organisation. These practices can foster trust, enhance communication, and allow employees to learn from each other's experiences (Riaz *et al.*, 2020).

2.7.4 Offering competitive compensation and benefits

The SAPO should provide competitive compensation and benefits packages to attract and retain talented employees. This includes offering market-based salaries, performance-based incentives, and comprehensive benefit plans (Laverie & Kleiser, 2018). Offering competitive compensation and benefits is an effective strategy to improve performance. In recent years, researchers and experts have identified the correlation between employee compensation and overall organisational performance.

Several studies conducted on the relationship between compensation and organisational performance suggest that competitive compensation positively impacts employee motivation, job satisfaction, and productivity. According to Armstrong and Murlis (2018), employees who receive competitive compensation packages are more engaged and committed to their organisations, thus resulting in increased

performance levels. Furthermore, a study by Nienaber, Kearney, and Mauer (2019) found that offering attractive benefits, such as healthcare, retirement plans, and leave policies, not only promotes employee well-being and satisfaction but also attracts and retains top talent. This is crucial, as attracting skilled and motivated employees can contribute to the delivery of better-quality postal services.

The South African government has recognised the importance of competitive compensation and benefits. This increase is aimed to motivate and retain the employees, ultimately leading to improved performance in service delivery. Thus, offering competitive compensation and benefits is a strategy proven to enhance organisational performance. The studies conducted since 2018 highlight the positive impact of such measures on employee motivation, job satisfaction, and productivity.

2.7.5 Adopting technology solutions

The organisations should leverage technology to streamline processes, improve efficiency, and enhance customer experience. This can include implementing Customer Relationship Management (CRM) systems, automated workflows, and digital platforms for service delivery (Laverie & Kleiser, 2018). Adopting technology solutions has been identified as a vital strategy to enhance performance. A notable technology solution that can be adopted is the implementation of an electronic payment system. This initiative aims to streamline the payment process and provide a more convenient and efficient option for customers. Through this system, the customers can make payments for various services. This innovation may not only simplify the payment process, but it can also improve customer experience.

For instance, in 2020, the SAPO launched the first of its cashless Automated Teller Machines (ATMs) in the Bojanala Local Municipality, in Rustenburg. This ATM is located within the premises of Kagiso Trading. The ATMs serve as additional payment points for the SASSA social grants (Boucher, 2020). The launch marked the commencement of the SAPO's roll-out of more than 10,000 of these cashless ATM devices within the spaza shops, the township and rural areas' merchants to avail financial services close to where the people live to further address the digital, economic, and social divides (Boucher, 2020).

Another technology solution that the SAPO has implemented is the use of automated sorting machines. These machines are capable of sorting thousands of parcels and letters per hour, thereby significantly improving the efficiency of the mail sorting process. By automating this essential task, the SAPO has reduced human errors and increased the speed of delivery, to improve customer satisfaction (SAPO, 2019). Furthermore, the SAPO has embraced technology as a means of addressing the issue of mail theft and ensuring the security of postal items. The organisation has introduced a tracking system that allows customers to monitor the progress of their mail and packages. Through this system, customers can receive real-time updates on the location and status of their items, thereby reducing the likelihood of theft or loss. This innovative solution is to instil confidence in the customers and increase their trust in the postal service (SAPO, 2020).

In addition to these specific technological initiatives, organisations should invest in upgrading their IT infrastructure and systems to improve overall operational efficiency and communication. These investments may include the implementation of new software solutions for inventory management, route optimisation, and customer relationship management. The technological advancements will position many organisations to meet the evolving needs of their customers and compete effectively in the modern postal industry.

2.8 Conclusion

The literature review revealed that state-owned entities often face operational and managerial inefficiencies, thereby leading to poor performance. This is observed in the case of the SAPO, where issues such as financial mismanagement, outdated infrastructure, and bureaucratic red tape have hindered its performance. The state-owned entities often suffer from a lack of accountability and transparency, which can contribute to their underperformance. The literature emphasised the importance of strategic focus and investment in infrastructure, technology, and human capital to improve the performance of state-owned entities. This is particularly relevant for the SAPO, as the inadequate investment in these areas has limited its ability to compete with private courier services.

While the literature provides insights into the performance of state-owned entities, there is a lack of comparative analysis between the different entities within the same country and across countries. The research compared the SAPO's performance with the other state-owned postal services or it examined the performance of different state-owned entities in South Africa. Also, the literature predominantly focused on the financial and operational performance of state-owned entities, such as the SAPO. However, there is limited research on assessing customer satisfaction and service quality in these entities. The study explored customer perceptions, and it evaluated the SAPO's service quality in comparison to the private courier services. Closing the research gap would provide a more comprehensive understanding of the reasons behind the poor performance of state-owned entities such as the South African Post Office and offer valuable insights for the policymakers and the managers to enhance their efficiency and effectiveness.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology that was used to gather information for the inquiry. The data collection and the analysis procedures are outlined. The chapter also has an explanation of why these procedures were chosen for this study. The research methodology is outlined, including the steps that were used to complete the study. Qualitative research, sampling, data collection, ethical issues, and data analysis are discussed as part of the methodology. This chapter concludes with a discussion of the steps that were taken to ensure the study's validity and reliability.

3.2 Research Design

A research design serves as the underlying structure or the blueprint for a study, by providing guidance for the collection and the analysis of the data. The study design serves as a guiding framework for the completion of a research project (Yin, 2020). The study design serves as the foundational framework for the systematic gathering, quantification, and examination of the data. A research-oriented map is often constructed to provide guidance in the field of study (Ary, Jacobs & Walker, 2019). The research design encompasses a comprehensive strategy for bridging the conceptual research issues with relevant and attainable empirical research. It also considers the selection of the appropriate techniques for data collection and analysis, and the establishment of a framework for addressing the research topic. The selection of data and techniques, as well as their configuration, should be optimised to provide the most effective outcomes in addressing the research topic while considering the practical and the other limitations that are inherent in the research study (Creswell, 2018).

Figure 3.1 below illustrates the researcher's understanding of the interconnectedness of ontology, epistemology, study design, research paradigm, mode of inquiry, and the selected research technique.

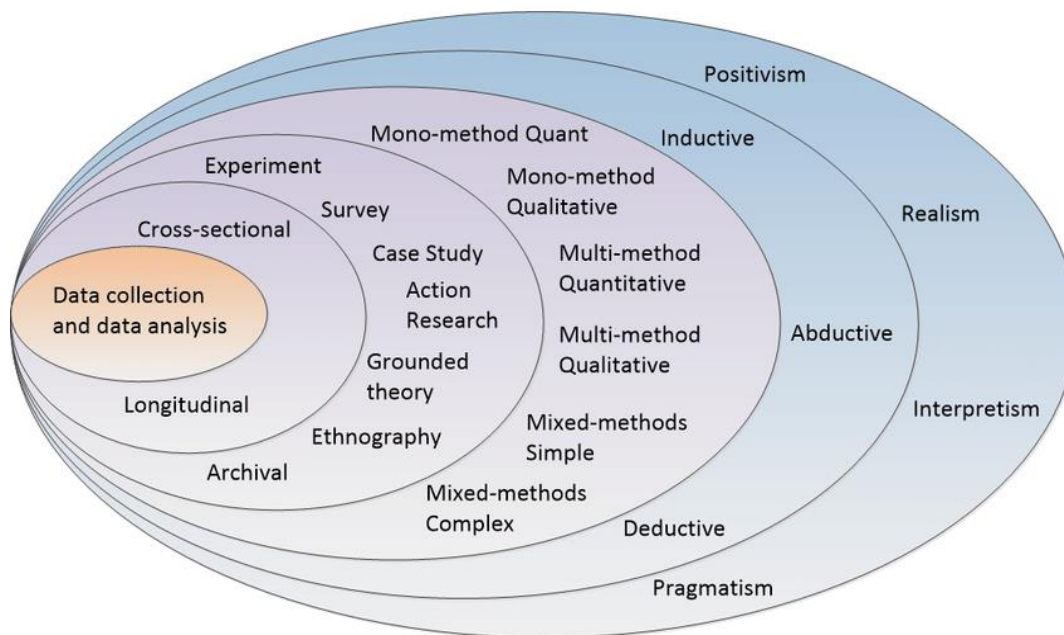


Figure 3.1 Research Onion, Source: Saunders *et al.* (2019)

Based on the researcher's perspective on the nature of reality (ontology), and consistent with their understanding of knowledge acquisition (epistemology), the present study took an exploratory approach. This is because the study aimed to investigate the social phenomena that are constructed through the beliefs and the subsequent behaviours of the individuals who are directly involved, thereby emphasising their existence. The most suitable research method for this study, from an interpretivist standpoint, was qualitative research (Morgan, 2017). For instance, according to Flyvbjerg (2018), the researcher's ontological and epistemological stance informs the choice of an exploratory research design. The focus of this study lies in exploring the social phenomena that emerge through the subjective perceptions and the subsequent actions of the involved individuals, thereby emphasising their existence. Therefore, applying a qualitative research approach was deemed appropriate from an interpretivist perspective (Strauss & Corbin, 2020).

3.2.1 Case Study

A case study involves an in-depth investigation and analysis of a particular group, event, or situation. It aims to provide a comprehensive and detailed understanding of the research problem by gathering qualitative and quantitative data from various sources such as interviews, observations, and documents (Gill & Johnson, 2019). Case studies are often used to examine complex phenomena and provide rich, holistic

descriptions. They enable the researchers to gather detailed and comprehensive information about a particular case, thereby allowing for a deeper understanding of the subject (Brown, 2018). The findings from the case studies can have direct implications for solving practical problems or for providing insights into real-life situations (Creswell & Creswell, 2019). Case studies are particularly useful when studying cases that are rare, unique, or difficult to replicate, as they allow the researchers to closely examine specific instances (Babbie, 2020). However, there are also limitations of case study research, such as that, the findings from the case studies cannot be easily generalised to larger populations or contexts due to the specific nature of the case being investigated (Hesse-Biber, 2019). The researchers' interpretations and biases can influence the conclusions drawn from the case study data, potentially impacting the validity and reliability of the findings.

3.2.2 *Ethnography*

Ethnography focuses on understanding and describing the culture and the social behaviours of a particular group or community (Johnson, 2022). The ethnographers immerse themselves in the field setting for an extended period, by observing and interacting with the participants to gain a deep understanding of their beliefs, practices, and perspectives (Yin, 2018). Ethnographic research often involves a combination of participant observation, interviews, and artifact analysis to document the cultural context and the social dynamics. An advantage of ethnography is that it allows the researchers to gain a deep understanding of the culture and the social dynamics of a particular group, by offering rich and detailed insights into their practices, customs, and beliefs (Atkinson & Hammersley, 2019). Also, it takes place in the natural environment of the participants, thereby allowing for a comprehensive study of social behaviours and interactions within their context (Johnson, 2022). However, there are also limitations to ethnographic research, including that it is a time-intensive research method, as it involves spending a considerable amount of time in the field setting, which may not be feasible in certain research situations (Atkinson & Hammersley, 2019). In addition, due to the focus on a specific group or community, the findings from ethnography may not be easily generalisable to other contexts (Atkinson & Hammersley, 2019).

3.2.3 Exploratory research design

The exploratory research design refers to a type of research study that is conducted when little or no prior knowledge or understanding of a particular topic (Brown, 2018). It aims to explore and gather preliminary insights, generate hypotheses, or identify potential patterns or relationships, which can then be further investigated in future studies. This research design allows the researchers to; gain a better understanding of complex phenomena, formulate research questions, and develop more focused research approaches.

The exploratory research design was relevant for the study as it allows for a comprehensive understanding of the factors affecting the performance of the South African Post Office (Strauss & Corbin, 2020). By utilising this research design, the study investigated various dimensions of the organisation, such as its management practices, financial performance, operational challenges, and external factors impacting its performance. The exploratory research design, through interviews, enables the researchers to gather qualitative data on a wide range of variables (Yin, 2018). Such an approach is particularly useful when studying complex organisations such as the South African Post Office, where multiple factors may influence its performance. By utilising the exploratory research design, the study aimed to uncover new insights, patterns, and potential relationships among the variables, by allowing for a more in-depth analysis of the organisation's performance. It provides the flexibility to adapt the research process and the data collection methods based on emerging findings, thereby ensuring a comprehensive understanding of the South African Post Office's performance.

3.3 Research Philosophy

The research philosophy refers to the set of beliefs, assumptions, and principles that guide the research approach and methodology (Brown, 2021). It serves as the foundation for the design and the conduct of the research studies (Jones, 2020). The choice of research philosophy depends on the nature of the research problem and the researcher's worldview. Four types of research philosophies are commonly used in the social sciences and business research.

3.3.1 Positivism

Positivism emphasises objectivity, accuracy, and generalisability in research. It assumes that there is a single reality that can be observed and measured through empirical methods (Smith, 2019). The researchers following a positivist philosophy rely on quantitative data, deductive reasoning, and hypothesis testing (Smith, 2019). They aim to establish causality and make predictions. Its advantages include its scientific rigour, objective approach, and the ability to generalise the findings to a larger population (Atkinson & Hammersley, 2019). Positivism emphasises the use of quantitative data and statistical analysis, thereby making it easy to replicate and verify the research (Jones, 2020). However, the limitations of positivism lie in its focus on objectivity, which may overlook subjective experiences and the meanings that are important in social sciences research.

3.3.2 Pragmatism

Pragmatism emphasises practicality and uses a mixed methods approach (Johnson, 2022). It assumes that different research methods can be used depending on the research question and context (Johnson, 2022). The researchers following a pragmatist philosophy aim to address real-world problems and make practical contributions. They consider both qualitative and quantitative methods as valuable sources of knowledge. Pragmatism's advantages include that it promotes a flexible and context-dependent perspective, thereby allowing the researchers to adapt their methods depending on the research question and the available resources (Creswell & Poth, 2017). In addition, it encourages interdisciplinary collaboration and the use of mixed methods, by providing a comprehensive understanding of a research problem (Yin, 2018). However, pragmatism can be criticised for lacking a coherent theoretical framework and for possibly sacrificing theoretical purity in favour of practical usefulness.

3.3.3 Realism

Realism recognises the existence of an external reality that is independent of individual interpretations (Atkinson & Hammersley, 2019). It acknowledges that social phenomena are influenced by both empirical observations and inherent structures (Brown, 2021). The researchers following a realist philosophy aim to uncover these underlying structures and their impact on phenomena. They use a combination of

qualitative and quantitative methods to complement each other. Realism's advantage is that it allows the researchers to investigate the causal relationships between the variables and it provides an explanation of the social world (Atkinson & Hammersley, 2019). It combines the qualitative and the quantitative methods, by offering a holistic research approach (Brown, 2021). The disadvantage of realism is that it assumes that objective knowledge can be accessed, which can be challenging when studying complex social phenomena (Creswell & Poth, 2017).

3.3.4 Interpretivism

Interpretivism focuses on understanding and interpreting social phenomena from the participants' perspectives (Jones, 2020). It acknowledges the subjective nature of human experiences and the influence of context (Hesse-Biber, 2019). The researchers following an interpretivist philosophy use qualitative methods such as interviews, observations, and textual analysis (Brown, 2021). They seek to uncover multiple interpretations and meanings. The philosophy's advantages include that it provides a deep understanding of social phenomena, captures rich and contextual data, and considers diverse perspectives (Atkinson & Hammersley, 2019). However, interpretivism may lack generalisability, as its focus is on understanding specific cases rather than establishing universal laws or theories.

These four research philosophies provide different perspectives and approaches to knowledge generation, and the choice of philosophy depends on the research questions, the objectives, and the researcher's preference. Interpretivism underpinned the study. Interpretivism was a suitable approach to study the performance of the South African Post Office since it focuses on understanding the meanings and interpretations of the individuals involved in a social setting. In the context of this study, interpretivism aligns with the intention to explore the perceptions, experiences, and perspectives of the stakeholders involved in the performance of state-owned entities, such as the South African Post Office.

Furthermore, according to Creswell and Creswell (2019), interpretivism allows researchers to delve into the subjective realities of individuals and understand their unique experiences and interpretations within a specific context. This aligns with the aim of the study to explore the performance of the South African Post Office from the

perspectives of the various stakeholders. Interpretivism also enables the researchers to comprehend the complex social, cultural, and historical dynamics that influence the performance of state-owned entities (Brown, 2021). By examining the context-specific factors that shape the operations of the South African Post Office, the researcher gained a holistic understanding of its performance.

Smith (2019) argues that interpretivism is especially useful in qualitative case studies, as it allows the researchers to study phenomena in their natural settings and capture the depth and richness of the participants' experiences. In the case study of the South African Post Office, this approach helped to uncover the underlying factors that contribute to its performance, such as the organisational culture, the leadership styles, and the external influences.

3.4 Population and Sampling Strategy

Population refers to the entire group of individuals that a researcher is interested in studying and making generalisations about (Morgan, 2017).

The population for the study comprised the SAPO employees, the executives, the general managers, the regional managers, the members of the company secretariat, and the trade union representatives as provided in the table below:

Table 3.1 The Population of the Study

Total number of employees	Executives		General Managers		Regional Managers		Company Secretariat		Union Reps	Head office staff
	current staff	Total number of positions	Current staff	Total number of positions	Current staff	Total number of positions	Current staff	Total number of positions		
11 320	4	8	13	22	2	6	4	6	19	402

Source: SAPO 2023

The above population table shows that there are sufficient vacancies at the executive, general managers, and regional management levels, as in total there are 19.

The sampling strategy refers to the plan or the method that is employed to select the individuals from the population to be included in a study (Creswell & Poth, 2020). It refers to the method of selecting a subset of persons or representatives from a larger population for the purpose of observation and analysis (Creswell & Creswell, 2019). Sampling is crucial since it serves to optimise efficiency and cost-effectiveness, while simultaneously facilitating the acquisition of comprehensive and profound insights. There are various sampling strategies, such as random sampling, stratified sampling, convenience sampling, and purposive sampling as presented below.

3.4.1 Probability Sampling

Probability sampling is a sampling method in which each member of the population has a known, non-zero chance of being selected for the sample. It ensures that the sample represents the population accurately, as every individual has an equal or known probability of being chosen (Fraley, 2020). The four most common probability sampling methods are:

3.4.1.1 Simple Random Sampling

This method involves randomly selecting individuals from the population, thereby ensuring that every possible sample of the desired size has an equal chance of being chosen (Fraley, 2020). It is often conducted using a random number of generators or randomisation tables. The advantage of simple random sampling is that it is unbiased, and provides a representative sample of the population (Guest, Namey & McKenna, 2019). However, it can be time-consuming and impractical for large populations (Creswell, 2018).

3.4.1.2 Stratified Random Sampling

In this method, the population is divided into homogeneous subgroups or strata based on specific characteristics (Creswell & Creswell, 2019). Then, the samples are randomly selected from each stratum in proportion to the population size of that stratum (Fraley, 2020). Stratified random sampling helps to ensure a proportional representation of the different subgroups within the population. It also reduces the sampling variability, but it can be complex and requires good knowledge of the population's characteristics (Creswell & Poth, 2020).

3.4.1.3 Systematic Sampling

This sampling method selects individuals from a population by systematically skipping a fixed number of elements in the sampling frame (Fraley, 2020). It involves selecting the first element randomly and then selecting subsequent elements based on a consistent interval (Creswell & Poth, 2017). The advantage of systematic sampling is its simplicity and ease of implementation. However, it can introduce bias if there is a repeating pattern or periodicity in the population's distribution (Creswell & Creswell, 2019).

3.4.1.4 Cluster Sampling

Cluster sampling involves dividing the population into clusters or groups and randomly selecting some of these clusters to form the sample (Fraley, 2020). It is often used when the population is large and geographically dispersed (Creswell, 2018). The advantage is that it reduces the sampling cost and time required. However, it may increase the sampling error compared to the other methods, as there is higher variability within the clusters and less variability between the clusters (Brown, 2018).

3.4.2 Non-probability sampling strategies

Non-probability sampling refers to a sampling technique where the selection of participants is based on the researcher's judgment or convenience (Creswell & Poth, 2020). This method is commonly used in qualitative research or in situations where it is difficult to obtain a random sample. The most common non-probability sampling methods are as follows:

3.4.2.1 Quota Sampling

Quota sampling involves selecting participants to match specific quotas based on certain characteristics, such as age, gender, and ethnicity (Yin, 2018). This method is commonly used in market research or in studies where the researcher wants to ensure a diverse sample (Strauss & Corbin, 2020). Quota sampling allows the researchers to control the composition of the sample, thereby ensuring representation from different groups. However, this method may not be truly random, as the participants are selected based on predetermined criteria (Babbie, 2019).

3.4.2.2 *Snowball Sampling*

Snowball sampling is used when the target population is difficult to access or identify (Yin, 2018). It involves recruiting initial participants who, in turn, recommend or refer others who meet the study criteria (Creswell & Poth, 2020). This method is particularly useful when studying hidden or marginalised populations. The advantage of snowball sampling is that it allows the researchers to gain access to a population that would otherwise be difficult to reach (Yin, 2018). However, this method may introduce bias as the participants are reliant on interpersonal connections (Babbie, 2019).

3.4.2.3 *Purposive Sampling*

This method involves selecting participants who possess specific characteristics or traits that are relevant to the research question (Creswell & Poth, 2020). The researchers use their judgment to identify and recruit individuals who can provide valuable insights or information (Patton, 2022). The advantage of purposive sampling is that it allows the researchers to select participants who are knowledgeable and experienced in the research area (Berg & Lune, 2023). However, this method may be prone to bias as the researcher's judgment plays a crucial role in participant selection (Babbie, 2019).

Each sampling strategy has its own advantages and limitations, and the choice of strategy depends on the goals of the study and the characteristics of the population (Smith & Lincoln, 2019). The present investigation used purposive sampling. Purposive sampling allowed the targeting of key stakeholders and decision-makers within the South African Post Office, who hold positions of authority and possess a deep understanding of the organisation's performance. Furthermore, purposive sampling was chosen to ensure that the selected participants have firsthand knowledge and expertise regarding the performance of the South African Post Office (Strauss & Corbin, 2020). By sampling individuals who have direct experience with the organisation, the researcher gathered in-depth and insightful information that was crucial for understanding the performance challenges that were faced by the state-owned entities. Additionally, purposive sampling provided an opportunity to select the participants who provided diverse perspectives and opinions (Berg & Lune, 2023). The study aimed to include participants from various departments and levels of the organisation to gain a comprehensive understanding of the performance issues. This

sampling approach allowed for the inclusion of participants with different backgrounds, roles, and responsibilities within the South African Post Office, thus enriching the collected data.

In this study, purposive sampling was meticulously employed to select a diverse yet highly relevant set of participants from the South African Post Office, encompassing executives, regional managers, and trade union representatives, among others. The selection criteria were rigorously defined to ensure participants possessed firsthand knowledge and critical insights into the organisation's performance, aligning with the study's objectives to unravel the nuanced challenges faced by SAPO. Acknowledging the inherent bias risks associated with purposive sampling, a strategy such as data triangulation was applied to enhance the reliability and depth of the findings. This careful approach facilitated a rich, in-depth exploration of the SAPO's operational intricacies, contributing significantly to the understanding of systemic issues within SAPO.

A sample of 15 participants was selected including executives, regional managers, members of the company secretariat, trade union representatives, and the workers. The selection of a sample of 15 participants in the study is justified since a sample size of 15 participants is commonly used and considered sufficient for case studies and qualitative research (Strauss & Corbin, 2020). Additionally, a smaller sample size allows for more intensive data collection and analysis (Flyvbjerg, 2018). Considering the specific context of studying the performance of a state-owned entity, a sample of 15 participants can provide a diverse range of perspectives and experiences, while still capturing the main themes and issues that are relevant to the research question (Hammersley & Gomm, 2020).

Complementing this rationale, Crouch and McKenzie (2006) highlight the effectiveness of small samples in qualitative research for in-depth inquiry into complex social phenomena. They advocate that a smaller number of cases, such as less than 20, fosters a closer association between the researcher and respondents. This enhances the validity of in-depth studies in naturalistic settings and is less concerned with sample size and representativeness, focusing instead on clarifying specific situations through inductive analysis. Their insights underscore the advantages of

small samples in exploratory and concept-generating studies, which is beneficial for labour-intensive studies that prioritize depth (Crouch & McKenzie, 2006).

Subedi (2021) adds that small samples are ideal for achieving in-depth understanding within specific social and cultural contexts, typical of constructivist qualitative inquiry. This methodology is suitable for approaches like phenomenology, narrative inquiry, and case studies, where small samples allow for focused and detailed analysis.

Thus, the decision to use a sample size of 15 for the SAPO study is well-grounded in qualitative research principles, providing a balance between depth and breadth. It ensures a comprehensive, manageable study capable of generating valuable insights into SAPO's operational environment, reflecting the effectiveness of small samples in qualitative research contexts.

3.5 Data Collection Instruments

The data collection instruments are the tools that are used to gather data in research (Hammersley & Gomm, 2020). In the current study, these instruments help the researchers to obtain rich and detailed insights into the individuals' experiences, perceptions, attitudes, and behaviours. The data collection instruments are highlighted below.

3.5.1 Focus group

The focus groups involve a small group of participants (usually 6-10) who engage in a guided discussion facilitated by a researcher (Morgan, 2017). This method is appropriate when the research objective is to understand collective opinions, perceptions, or experiences on a particular topic. The focus groups provide a social context where the participants can interact with one another and generate ideas together (Krueger & Casey, 2018). This method enables the researcher to explore group dynamics, consensus, dissent, or shared values among the participants. Focus groups are often employed in market research, program evaluation, and community needs assessments.

3.5.2 Observations

The observations involve systematically watching and recording behaviours, interactions, or events in their natural setting (Creswell, 2018). This method allows the researchers to gather rich, contextual data about how people behave, socialise, or engage with their environment. The observations can be either participant (the researcher actively participates) or non-participant (the observer remains separate from the participants). The observations are suitable when studying behaviours that may be difficult to self-report accurately or when the researcher wants to understand the context in which certain actions or events occur. This method is common in ethnographic studies, educational research, and sociology.

3.5.3 Document analysis

Document analysis involves the examination and interpretation of existing documents, records, or artifacts (Bowen, 2019). The researchers analyse written or visual materials such as government reports, archival data, organisational documents, social media posts, or historical records. Document analysis can provide insights into past behaviours, policies, communication patterns, or societal changes. It is appropriate when conducting historical research, content analysis, or evaluating the impact of policies or programs. This method allows the researchers to explore and understand societal, organisational, or individual practices and perspectives.

3.5.4 Diaries and journals

The diaries and journals involve participants keeping regular records of their thoughts, experiences, or behaviours over a period of time (Ary *et al.*, 2019). The researchers can analyse these personal narratives to gain insight into the individuals' emotions, daily routines, reflections, or decision-making processes. The diaries and journals offer a longitudinal perspective and allow the researchers to examine changes over time (Bowen, 2019). This method is particularly useful for studying personal experiences, and health behaviours, or for capturing the subjective accounts of individuals (Bowen, 2019). It can also be combined with other methods to provide a more comprehensive understanding of the participants' lives.

3.5.5 In-depth interviews

In-depth interviews are a qualitative research method that involves one-on-one conversations between the researcher and the participant (Smith, 2021). They are

suitable when the researcher wants to explore a specific topic or gather detailed information about an individual's experiences, opinions, or beliefs. The in-depth interviews are particularly useful for understanding complex phenomena, thereby exploring sensitive topics, or when a deep understanding of the participants' perspectives is required (Ary *et al.*, 2019). This method allows the researcher to probe further into the participant's responses, by asking follow-up questions and exploring unexpected avenues of inquiry.

The in-depth interviews were utilised in the study. They were used to gather data since they allowed the researcher to gain a comprehensive understanding of the individual experiences, perceptions, and opinions related to the performance of the SAPO (Rubin, & Rubin, 2019). In addition, the in-depth interviews also offer a subjective understanding of the personal experiences, thereby allowing the researchers to explore the emotions, motivations, and perceptions that may not be easily captured through the quantitative measures alone. Furthermore, the in-depth interviews allow the researchers to ask follow-up questions and probe deeper into the responses that are provided by the participants, thereby enabling a reflective analysis of the performance of the State-Owned Entities.

In-depth interviews for the study were done involving the following approach:

Selection of Participants: The researchers identified and recruited participants who had relevant knowledge and expertise related to the South African Post Office's performance, such as the current or former employees, the managers, or the experts in the field. The sample size comprised 15 participants.

Designing the Interview Guide: A comprehensive interview guide was designed that included a series of open-ended questions and prompted eliciting detailed responses. The questions explored various aspects of the post office's performance, including its financial situation, service quality, operational efficiency, and any challenges that were being faced. The interview guide was designed to gather data on; the factors contributing to the poor performance of the South African Post Office, the changing landscape of the postal industry and its influence on performance, as well as the strategies to improve the SAPO's performance.

In developing the interview guide and analysis framework for this study, Bloom's Taxonomy was employed as a guiding principle to ensure that the questions and subsequent analysis could capture a comprehensive range of cognitive perspectives from SAPO's stakeholders. This approach allowed for a deeper exploration of their understanding ('Remembering' and 'Understanding'), application ('Applying'), analysis ('Analysing'), and evaluation ('Evaluating') of the key factors influencing SAPO's operational performance. The ultimate goal was to facilitate the creation ('Creating') of actionable recommendations, in line with the highest level of Bloom's Taxonomy, to enhance the operational performance and sustainability of SAPO.

Pilot Testing: Before conducting the actual interviews, the researcher conducted a pilot test with a small group of participants. This helped to assess the clarity, relevance, and effectiveness of the interview guide and it also allowed for any necessary modifications or improvements.

Conducting the Interviews: The interviews were conducted online using the Zoom platform. The researcher created a comfortable environment to encourage open and honest responses. Each interview lasted between 45 minutes to an hour, thereby allowing for a detailed exploration of the issues.

Consent and Confidentiality: Prior to conducting the interviews, the researcher obtained informed consent from the participants, thus ensuring their anonymity and confidentiality. This was done through consent forms. The participants were assured that their identities and responses would be kept confidential and only used for research purposes.

Recording and Transcribing: With the participants' permission, the researcher recorded the interviews to ensure an accurate representation of the responses. Transcribing the interviews afterward helped in organising the data and in analysing the information thoroughly.

3.5.5.1 Interview Protocol

The choice to conduct the interviews as the primary data collection method was influenced by the need to gather rich, in-depth insights from the stakeholders with

firsthand experiences and knowledge about the performance of the SAPO. To ensure consistency and fairness in data collection, a standardised interview protocol was developed and followed for all the participants.

The objective of the interviews was to understand the factors influencing the performance of the South African Post Office, the changing landscape of the postal industry, and the potential strategies for improvement. To achieve these objectives and to ensure consistency in data collection, the following interview protocol was adopted:

Pre-interview preparations: The participants were provided with an overview of the study's objectives, the expected duration of the interview, and the information regarding their rights. This included the right to withdraw at any point without consequences.

Introduction: Each interview started with the researcher outlining the purpose of the research, as well as reiterating the assurance of confidentiality, and confirming the participant's consent to proceed.

Main Interview:

A semi-structured interview format was chosen. This format allows for a list of predefined questions while also permitting spontaneous follow-up questions based on the participant's responses. The key questions covered areas such as:

- a) The factors contributing to the SAPO's performance.
- b) The impact of the changing postal landscape on the SAPO.
- c) The strategies for the SAPO's performance improvement.

Closure: At the end of each interview, the participants were thanked for their time and contribution. They were also given the opportunity to ask any questions or to clarify any doubts about the study.

Post-interview: The immediate transcription of the interview notes ensured the freshness and accuracy of the data. Any identifying information was anonymised to uphold participant confidentiality.

The protocol was designed to address each research objective. The structured yet flexible approach ensured that all the pertinent areas were covered while allowing the participants the freedom to share additional insights.

3.5.6 Data Analysis

Data analysis is the process of reducing large amounts of collected data to make sense of them (Smith, 2021). The interpretive paradigm allows the researcher to understand a phenomenon through a process of the exploration of initial suspicions and the development of original theories (Belotto, 2018).

The method which this study employed to analyse the data is thematic analysis. Thematic analysis refers to the data analysis method which is used to identify, analyse and report the themes occurring in the data (Braun & Clarke, 2013) (Braun & Clarke, 2019). Thematic analysis organises the data by generating rich detail in each data set (Braun & Clarke, 2013; Creswell & Creswell, 2019). It helps the researcher to interpret various characteristics of the research problem and to discover the themes that are embedded in the interviews. This data analysis method is useful as it allows the researcher to identify the patterns that are present in the data, therefore the thematic analysis discovers the links within the data.

This study was focused on the performance of the SOEs; therefore, it was important for the researcher to understand the respondents' experiences to draw a conclusion. The data was organised through the identification of the paragraphs which contain the themes that are relevant to the research problem.

Thematic coding was used in this study to reduce the data through the identification of the themes that were relevant to the research problem (Braun & Clarke, 2006). The coding scheme was applied to the data, thereby allowing the researcher to identify the relevant data, and to isolate and contextualise the data based on the research problem (Creswell & Creswell, 2019). This method allowed the researcher to identify the dominant trends, thus enabling the researcher to draw conclusions effectively and efficiently from the coded data. The process of data analysis followed the following phases:

Familiarisation with the data – The researcher used a strategy of repeated data reading to get thoroughly familiar with all the aspects of the data. According to Braun and Clarke (2013), this step is crucial since it provides the foundation for the rest of the analytic process.

Generating initial codes - The initial codes are the labels or the tags that are assigned to the segments of the data that capture the main ideas or concepts that are present in the data set (Braun & Clarke, 2006). These codes help the researchers to organise and categorise the data, thus making it easier to identify the patterns and the themes (Braun & Clarke, 2006). During this stage, the researcher closely read and reviewed the qualitative data from the interviews by highlighting relevant information and assigning descriptive codes to represent the content. The process involved constant comparison, comparing different segments of data to identify similarities and differences, as well as revising and refining the initial codes.

Searching for themes – During this stage, the researchers compiled a comprehensive set of themes or patterns that emerged from the data. This stage involves carefully reviewing the data, coding it, and identifying the commonalities to create a cohesive framework for analysis (Braun & Clarke, 2019). According to the theoretical framework of thematic analysis proposed by Braun and Clarke (2019), the process of searching for themes involves systematically examining the data set to identify recurring patterns, ideas, or topics that cut across the different participants or contexts. Through a constant comparison process, the initial codes were refined and grouped into broader themes that captured the underlying patterns and meanings within the data. The researcher continued to refine and define these themes until they accurately reflected the data, and provided coherent insights.

Reviewing themes - The stage involves examining and refining the identified themes to ensure that they accurately represent the data and provide meaningful insights (Braun & Clarke, 2013). This stage aims to ensure the reliability and validity of the themes by systematically reviewing and comparing them against the original data (Creswell, 2018). During this stage, the researcher critically assessed the identified themes to confirm if they were consistent with the data set, and to check if they adequately captured the breadth and depth of the topics, as well as aligned with the

research objectives. This process involved active engagement with the data, revisiting the raw data, and examining multiple perspectives to ensure a comprehensive understanding of the themes. To validate the themes, the researchers may employ various techniques such as member checking where the participants are provided with the identified themes, and they are asked for feedback.

Defining and naming themes – This phase involves the process of identifying, analysing, and classifying the themes within the data (Nowell *et al.*, 2017). This stage is crucial as it allows the researchers to organise and make sense of the vast amount of qualitative data that is collected during the research process (Braun & Clarke, 2006). During this stage, the researcher engaged in a rigorous process of coding, categorising, and refining the identified themes. The researcher carefully examined the data to identify the patterns, similarities, as well as differences and developed a codebook or a set of guidelines to ensure consistency in theme identification. Once the initial themes were identified, the researcher then proceeded to refine and define these themes. This involved examining the relationships between the themes, their sub-themes, and any hierarchies or connections that existed. The researcher ensured that the themes accurately captured the essence of the data and reflected the participants' experiences and perspectives.

Producing the report – The stage involved organising and presenting the findings in a coherent and meaningful manner (Braun & Clarke, 2006). To produce the report, the researcher carefully organised the themes and the sub-themes that were derived from the analysis. This was done by summarising each theme and by providing illustrative quotes from the data to support the findings. It is important to ensure that the report reflects the richness and complexity of the data, while also maintaining clarity and coherence (Creswell, 2018).

3.5.7 Preparation for Saturation

Saturation is defined as the point at which no new themes emerge, guiding researchers to cease data collection (Vasileiou *et al.*, 2018). However, the application of saturation varies, with some studies continuing data collection beyond this point for

specific reasons, such as seeking unusual observations or ensuring findings consistency (Vasileiou *et al.*, 2018). Pragmatic factors, including resource limitations and time constraints, also play a significant role in determining when to stop data collection, sometimes even before reaching the saturation point (Vasileiou *et al.*, 2018)

In the study's methodology, data saturation was diligently considered as a key indicator of the comprehensiveness of the research findings. The process involved closely monitoring the emergence of new themes during the thematic analysis of interview transcripts. As each interview was analysed, the data were examined for recurring patterns and themes relevant to the research problem. The researcher was attentive to the point at which additional interviews ceased to contribute new insights or themes, marking the achievement of saturation. This moment was critical, as it suggested that the collected data sufficiently encompassed the range of perspectives necessary to understand SAPO's performance fully. By intentionally planning for and identifying this point of saturation, the study aimed to ensure that its findings were both robust and representative of the studied phenomena.

3.6 Pilot Study

A pilot study is a small-scale, preliminary study that is conducted to evaluate feasibility and improve upon the study design prior to the performance of a full-scale research project (Harrison, 2023). It serves as a testing ground for the methods and the theories, and it allows the researcher to make necessary modifications before moving to a larger, more expensive study (Fekadu & Adem, 2020).

3.7 Limitations

Data availability and quality: The studies may face limitations concerning the availability and quality of the data (Cellini, 2018). Due to confidentiality and the lack of record-keeping, some performance information of the SAPO that was considered confidential was inaccessible.

Generalisability: While this type of case study provides deep insights into one organisation, its findings may not be applicable to all the state-owned entities in South Africa or elsewhere (Yin, 2020).

Temporal Limitations: The performance of the state-owned entities could be influenced by a wide range of factors changing over time including, the political, economic, or organisational changes. As such, the study's findings may lose relevancy over time (Ary *et al.*, 2019).

Impact of unmeasured factors: Certain potentially significant factors such as the local community factors were not measured or controlled for in the study which may have affected the study's findings (Fekadu & Adem, 2020).

3.8 Ethical Considerations

The ethical considerations adhered to in this research include the principles of the participants' rights and dignity, informed consent for data collection, avoidance of deceit, and the preservation of participant anonymity, confidentiality, and privacy (Nowell *et al.*, 2017). The primary concerns associated with obtaining an ethical clearance mostly pertain to the potential adverse effects that the individuals may experience as a consequence of their involvement in the research (Harrison, 2023).

Respecting the rights of the participants and their dignity

Respecting the rights of the participants and their dignity was a top priority for the researcher. Every effort was made to ensure that the participants' dignity was protected throughout the study. This included considering their views and opinions with utmost respect, even when disagreeing with them. The researcher took great care to present alternative perspectives in a way that did not undermine the dignity of the participants or the previous researchers.

Permission to gather data

During the data collection process, the interviews were conducted to gather information. To ensure that the participants' rights were upheld, the researcher sought explicit permission from them. This was done by acquiring written consent through consent forms, which clearly outlined the purpose and the procedures of the study. This ensured that the participants were fully aware of their involvement, and they provided informed consent.

Avoiding deception

To maintain the integrity of the research, the researcher was dedicated to avoiding any form of deception. This included refraining from falsifying research findings and presenting the data as objectively as possible. The researcher strived to interpret the data without any personal bias, thus aiming to confirm the results based solely on the evidence presented.

Maintaining anonymity, confidentiality, and privacy of participants

Maintaining the anonymity, confidentiality, and privacy of the participants was also crucial. To protect their personal and occupational information, the researcher made certain not to disclose any identifying details. Additionally, the research report refrained from mentioning any private or confidential information about the participants. This ensured that their privacy was preserved and that their rights were fully respected throughout the entire study.

3.9 Conclusion

In this chapter, a detailed overview of the research design, the methodology, the data collection methods, the data analysis, and the ethical considerations of the study were provided. The main purpose of the study was to explore and gain an in-depth understanding of the reasons, opinions, and motivations that impact the performance of state-owned entities, specifically focusing on the South African Post Office. To achieve this objective, the study employed an exploratory qualitative research approach. By conducting the interviews with the relevant stakeholders, valuable data was collected, thereby enabling the researcher to gain firsthand perspectives and experiences on the performance of the state-owned entities.

Once the data was gathered, a thematic analysis approach was employed to analyse and interpret the findings. This method involves identifying the recurring patterns, themes, and ideas within the collected data, which helps to group and categorise the information in a meaningful way. By using this approach, the researcher was able to distil the data into key themes and draw insightful conclusions from the findings. Furthermore, the ethical implications of the research were carefully considered and discussed. The ethical considerations play a crucial role in ensuring the integrity and the validity of the study. Therefore, steps were taken to ensure participant

confidentiality, informed consent, and the proper handling of sensitive information. This ensures that the research respects the rights and the well-being of all the involved parties. As the chapter concludes, it sets the stage for the next chapter which presents the research findings and the interpretations. This upcoming chapter provides a deeper analysis and understanding of the collected data, shedding light on the factors influencing the performance of the state-owned entities.

In alignment with the research's qualitative approach, a comprehensive interview protocol was developed to ensure systematic and consistent data collection from the participants. This protocol was not only essential for standardising the interview process but also to instil confidence in the participants about the research's rigour and integrity. It provided a structured yet flexible blueprint, by encompassing pre-interview preparations, a clear introduction, targeted questions addressing each research objective, and post-interview procedures. This meticulous approach to interviewing enabled a deep dive into the perspectives of the stakeholders, further enriching the study's findings. By adhering to this protocol, the research ensured that each interview was both comprehensive and focused, by maximising the quality and the relevance of the collected data.

CHAPTER 4

FIELDWORK

4.1 Introduction

Chapter 3 discussed how the research was planned and carried out, by explaining the methods that were used to choose the participants, collect data, and analyse the information. In Chapter 4, the focus is on the actual work that was done in the field, the steps taken to understand the data, and the main findings. To better understand Chapter 4, it is helpful to refer back to Chapter 3, which laid out the overall research approach for this study on the South African Post Office.

4.2 Research design

As previously elaborated in Chapter 3, the study adhered to an exploratory research design. This design is pertinent for the study as it facilitates a deeper comprehension of the factors influencing the performance of the South African Post Office.

The researcher employed purposive sampling in choosing participants, as this method permits the selection of individuals who possess considerable knowledge and experience in the subject under study. The participants that were selected were from the executives, senior management, and the management, in addition to the trade union representatives, all of whom possess profound understanding and experience related to the South African Post Office.

4.3 Data collection

The researcher drafted an interview guide/protocol and utilised a semi-structured interview approach to facilitate in-depth interviews. As noted by Smith and Jones (2020), "In-depth interviews serve as a potent qualitative research technique, characterized by individualized dialogues between the researcher and participant, enabling the extraction of rich, detailed responses". This method offers depth and nuance in collecting firsthand experiences and perceptions.

To ensure the appropriateness and efficacy of the interview protocol, a pilot study was initiated. This preliminary phase was instrumental in refining the guide, thus leading to

the removal of three questions that were identified as being redundant and ambiguous to ensure clarity and conciseness in the final set of questions.

This careful vetting process significantly contributed to the improvement of the interview protocol, making it more streamlined and focused, thereby enhancing the overall quality of the data collection process. The pilot study not only ensured that the questions were well-understood by the participants but also that they were directly aligned with the research objectives, thereby facilitating the collection of relevant and meaningful data.

Prior to the commencement of each interview, consent was secured from the participants. One-on-one interviews were then conducted using the Zoom platform, ensuring a focused and private environment for each participant. These interviews were meticulously recorded to capture the detailed nuances of the conversations. The duration of each interview varied, typically ranging between 60 and 90 minutes. Following the interviews, the researcher personally undertook the transcription of these recordings. This meticulous process laid the foundation for thorough coding and analysis of the accumulated data. It is noteworthy that the interview process encountered challenges, predominantly related to rescheduling due to conflicting work commitments of the participants, which required flexibility and adaptability in the research approach.

4.4 Demographics

Demographics refer to the statistical characteristics of the sample in a study (Smith, 2021). The characteristics presented below are the information on the response rate, age, gender, and occupation.

4.4.1 Response Rate

The response rate in scientific research refers to the percentage of the people who completed a study out of the total sample that was contacted (Babbie, 2020). A total of 14 participants were interviewed.

4.4.2 Demographic Data Summary

Table 4.1 summarises the participants' demographic data.

Table 4.1 Demographic Data

Participant	Gender	Race	Qualifications	Role
Participant 1	Male	White	Postgraduate	Senior Management
Participant 2	Male	Indian	Postgraduate	Senior Management
Participant 3	Male	White	Postgraduate	Senior Management
Participant 4	Male	African	Postgraduate	Trade Union Representative
Participant 5	Female	Indian	Postgraduate	Executive
Participant 6	Male	White	Postgraduate	Senior Management
Participant 7	Male	African	Postgraduate	Senior Management
Participant 8	Male	African	Postgraduate	Senior Management
Participant 9	Male	White	Undergraduate	Senior Management
Participant 10	Male	African	Postgraduate	Trade Union Representative
Participant 11	Female	White/Coloured	Postgraduate	Regional Management
Participant 12	Male	African	Postgraduate	Regional Management
Participant 13	Male	White	Postgraduate	Senior Management
Participant 14	Female	African	Postgraduate	Middle Management

The demographic data shows that the majority of participants are from the senior management level of the organisation, compared to other categories. However, as highlighted in Table 3.1, there are several vacancies at this senior management level. As a result, certain individuals from the regional level are temporarily fulfilling these senior management roles. Therefore, the participation of other employees who are

acting at the senior management level also covers that of the category of the *other employees*.

4.5 Saturation in interviews

In this study examining SAPO's performance, the achievement of thematic saturation was closely linked to how interview data were organised and analysed. The method involved systematically arranging data by pinpointing paragraphs in the interview transcripts that highlighted themes pertinent to the research issue. As the analysis progressed through each of the eleven in-depth, semi-structured interviews, the emergence of certain recurring themes became increasingly noticeable. The analysis of the eleventh interview revealed that no new themes were surfacing; instead, the data consistently exhibited a set of well-defined themes previously noted in earlier interviews. This moment of saturation was critical, signifying that the collected data was comprehensive enough and captured a broad spectrum of views about SAPO's performance. This comprehensiveness was essential to ensure the robustness and validity of the research findings.

4.6 Data analysis

The method which this study employed to analyse the data is thematic analysis. Thematic analysis is defined as a method for identifying, analysing, and reporting the patterns (themes) within the data (Braun & Clarke, 2006). It offers a flexible and useful research tool, which can provide a rich and detailed account of the data.

A table for thematic analysis is a way to organise the identified themes, the sub-themes, and the related data extracts. Table 4.2 on thematic analysis is provided below:

Table 4.2: Thematic Analysis

Theme	Sub-Theme	Data Extract	Code
State-Owned Entity Performance challenges	Leadership	<i>Participant 1- “Right decisions are not taken timely by all stakeholders including the shareholder, Board & Exco even the regulator...”</i>	L1: Leadership Decision-Making
		<i>Participant 2- “...SAPO Has always had good strategy, very ambitious strategies, and corporate plans in the past, but those plans were not capacitated, they just remained plans and ideas on paper”</i>	L2: Leadership Strategy
		<i>Participant 11- “Market segmentation of customers is not done properly for SAPO to anticipate products/service offerings. There is a lot of disruption due to technological advancement”</i>	L3: Leadership Quality
	Technological advancements	<i>Participant 4- “SAPO cannot compete in the market due to its failure to adapt to technology”</i>	TA1: Technological Innovation
State-Owned Entity Performance challenges		<i>Participant 10- “Competitors like DSV, DHL, and PEP when comparing their technology with SAPO are far from SAPO and SAPO is behind with technology”</i>	TA3: Technological Advancement Impact

Theme	Sub-Theme	Data Extract	Code
State-Owned Entity Performance challenges	Adoption and integration of technology	Participant 1- "The postal industry has digitised its service offerings and SAPO has not kept abreast with those changes. SAPO has not been able to align with where the industry is moving with postal services".	AI1: Technology Adoption Process
		Participant 10- <i>"SAPO ignored the changes that came its way by continuing to do its work traditionally and not advancing its technology, therefore SAPO is affected negatively by changes in the postal industry"</i>	AI2: Technology Integration in Operations
		Participant 11- <i>"...SAPO still depends on the old system highly dependent on manual inputs and is not in sync with the rest of the world"</i> .	AI3: Technology Adaptation Challenges
Market analysis	Market Competition	Participant 1- <i>"SAPO has not kept up with using technology to ensure effective and efficient processes and has become irrelevant in the market"</i> .	MC1: Market share determination
		Participant 11- <i>"SAPO is severely impacted by perceived better services by competitors even if they are expensive"</i> .	MC2: Competitive landscape

Theme	Sub-Theme	Data Extract	Code
Diversification	Diversification and Innovation	Participant 8- <i>“SAPO is still in the process of innovating and all objectives are in the strategy of SAPO of Tomorrow for SAPO not to remain to be a traditional post office”.</i>	DI: Diversification strategies
		Participant 3- <i>“SAPO started partnerships with the private sector to tap into technical skills in terms of systems as a means of modernising SAPO”.</i>	DI2: Portfolio expansion
		Participant 5- <i>“Motor Vehicle Licences (MVL) and social grants (SASSA) business/ service combat the reduced volumes in the form of mail”.</i>	DI3: Risk management
Business Restructuring	Organisational Restructuring	Participant 7- <i>“SAPO should partner with companies to leverage their capabilities and enhance operations”</i>	OR1: Change in business strategy
		Participant 5- <i>“SAPO to revisit its branch networks: check what is compulsory on Universal Service Obligations (USO)/ arrangements, check branch profitability and footprint, and take a view to restructure and redesign that network”.</i>	OR2: Business Processes Reengineering
Business Sustainability	Investment in Technology	Participant 11- <i>“Modernise international mail</i>	IT1: Digital Transformation

Theme	Sub-Theme	Data Extract	Code
		<i>centres/Offices of Exchange- if not people will go for other courier companies”.</i>	
		Participant 4- <i>“Modernise SAPO and introduce technology as soon as possible”.</i>	IT2: Investment in New Technology
Business Sustainability	Skills development	Participant 9- <i>“HR department to implement training and development initiatives to enhance the skills set of the workforce”.</i>	SD1: Staff Training Programs
		Participant 6- <i>“SAPO Must have competent people to do the work”.</i>	SD2: Talent Management

4.7 Conclusion

In this chapter, a comprehensive analysis of the collected data was presented, thereby highlighting several themes that emerged concerning the performance of the SAPO. These themes encapsulate the multifaceted challenges and the factors impacting the SAPO's operational effectiveness. Specifically, the identified themes include leadership; adaptation to technological advancements; technology adoption and integration; market competition; diversification and innovation; organisational restructuring; as well as investment in technology and skills development.

These themes do not only shed light on the current state of the SAPO, but they also offer a roadmap for the potential areas of improvement. Chapter 5 delves deeper into these themes, by offering a detailed exploration of the rationale behind each theme and its implications for the SAPO's performance. Through this subsequent analysis, the aim was to provide a more holistic understanding of the intricacies affecting the SAPO and propose actionable recommendations for its enhancement. Furthermore, it is important to note that thematic saturation was reached in the interviews, ensuring that the analysis was based on comprehensive and representative data, thereby bolstering the validity of the research findings.

CHAPTER 5

RESULTS

5.1 Introduction

The chapter presents a detailed analysis and an interpretation of the collected data concerning the performance of the South African Post Office. This chapter merges the outcomes of the study with the conceptual framework and the previous literature to establish its uniqueness or commonality in pattern. The discussion sought to achieve the following objectives:

- 5.1.1 To identify and analyse key factors that influence operational performance of SAPO.
- 5.1.2 To examine the influence of the dynamic changes within the postal industry on operational performance of SAPO.
- 5.1.3 To develop actionable recommendations and strategies aimed at enhancing operational performance and sustainability of SAPO.

5.2 Analysis of Themes

The researcher used triangulation to analyse the collected data from the interviews. Triangulation involves using multiple researchers to independently analyse the same data and compare results to increase the validity of the findings. Triangulation is a methodological approach that combines different sources or methods to validate and cross-check findings, thereby reducing the impact of bias and enhancing the trustworthiness of qualitative research (Patton 2015).

The main themes that emerged from the responses are discussed below.

Objective 1: To identify and analyse key factors that influence operational performance of SAPO

5.2.1 Leadership

This theme refers to the absence or the ineffectiveness of managerial oversight and strategic decision-making in the South African Post Office. It implies that the organisation may suffer from poorly defined roles and responsibilities, uncoordinated strategies, miscommunication, and possibly a culture that hinders problem-solving as

well as decision-making. This theme might operate on different levels within the organisation, from the senior management to the employees, thereby impacting the overall performance and the efficiency of the state-owned entity. A lack of clear direction and decision-making can subsequently lead to poor planning, ill-informed decisions, and a lack of accountability which would then affect the effectiveness of the South African Post Office as a service provider as compared to its competitors.

The participants frequently referenced a lack of strong and stable leadership within the South African Post Office, by noting frequent changes in the executive directors and the boards may have contributed to the inconsistent management and the inability of the organisation to maintain strategy and direction. The participants also referenced poor decision-making at various levels such as the decisions on the investment in infrastructure, resource allocation, and cost management, all of which have implications on the overall sustainability and the success of the organisation.

Participant 1 said,

“... right decisions are not taken timely by all stakeholders including the shareholder, Board & EXCO even the regulator...”.

Participant 2,

“... SAPO has always had good strategies, very ambitious strategies, and corporate plans in the past, but those plans were not capacitated, they just remained plans and ideas on paper”.

Participant 11 said,

“Market segmentation of customers is not done properly for SAPO to anticipate products/service offerings. There is a lot of disruption due to technological advancement”.

Supporting this position, a study by Mafini and Pooe (2013) found that leadership and decision-making in the SOEs in South Africa show significant influence on their performance. Specifically, they found the leadership style and the decision-making process within these entities to be lacking and this resulted in poor performance. Conversely, a study by Dlodla and Nxumalo (2020) posited that it is not necessarily

the leadership and the decision-making process that affect the performance of the SOEs in South Africa, but rather the other external and internal environmental factors. These factors include government interference, political instability, and the lack of strategic direction.

It should be noted, however, that while the leadership and the decision-making processes may not be the sole causes of poor performance in the SOEs, they are influential factors. Additionally, these arguments do not refute the fact that effective leadership and decision-making processes are essential for high organisational performance.

Hitt, Ireland, and Hoskisson (2017) found that in the context of the United States Postal Service, the lack of effective leadership and adaptability to the changes influenced poor performance. Comparing this finding with the Australian Post, the PWC Report (2018) argued that robust leadership and efficient decision-making processes facilitate the adaptation to new technologies and competition, thereby contributing to the higher performance of the organisation.

5.2.2 Adaptation to Technological Advancements

This theme suggests that the South African Post Office was not leveraging the opportunities that were offered by the technological advancements, hence it failed to innovate and improve its services and operations. This lack of innovation and adaptation can lead to outdated services and inefficiencies. In the current digital age, technology plays a significant role in shaping how organisations operate and deliver their services. Failing to incorporate modern technology can result in organisational processes becoming stagnant, thereby hindering the ability to adapt to the rapidly evolving market demands. This may lead to customer dissatisfaction and reduced competitiveness. The participants often noted the organisation's failure to adapt and keep up with technological advances as a major hindrance to performance.

Participant 4 said,

“SAPO cannot compete in the market due to its failure to adapt to technology”.

Participant 10 highlighted that,

“Competitors like DSV, DHL & PEP when comparing their technology with SAPO are far from SAPO and SAPO is behind with technology”.

Multiple studies that were carried out in recent years reflect the significance of innovation and technological adaptation for the performance of a company. Hammed et al. (2020) studied the relationship between innovation and the performance of Small and Medium Enterprises (SMEs) in Nigeria, thereby discovering a positive and significant relationship. In a similar study, Awuor (2018) analysed how advanced technology and innovation influence service quality in the Kenyan banking sector. The findings indicated that technology is a significant predictor of service quality, thus influencing customer satisfaction and the overall performance of the banks. According to Triguero, Córcoles, and Cuerva (2018), the lack of innovative activities within the Spanish manufacturing SMEs has a negative impact on performance and competitiveness.

However, there have been studies that suggest a low correlation or even the negative impacts of innovation on performance. For instance, Rosa-Díaz (2020) found that although technological innovation is crucial for businesses, it does not always translate into better financial performance for petrol stations in Spain. This echoes the findings by Cheng, Gutierrez, Mahajan, Shacham, and Vuletin, (2018) who studied the relationship between innovation investment and financial performance in Taiwanese biotechnology companies. They concluded that the excessive innovation activities might cause an unnecessary financial burden and lower the investment efficiency thereby leading to poor financial performance.

In the context of South Africa, Maphosa and Mutambara (2021) found a positive relationship between innovation and firm performance. However, they also reported that not all the companies had been able to optimise their innovation capabilities to improve their performance, thereby indicating that other factors might be playing a significant role.

Objective 2: To examine the influence of the dynamic changes within the postal industry on operational performance of SAPO

5.2.3 Adoption and Integration of Technology

This theme explores how the South African Post Office has adapted to technological developments. With the advent of digital communications, traditional postal services have become less popular, thus impacting the revenues of postal offices worldwide. This requires the SAPO to integrate new technologies into their business model. The theme focuses on how well the SAPO has streamlined technology to keep up with the demands of the digital era and how such integration has affected its performance.

Participant 1 said,

“The postal industry has digitised its service offerings and SAPO has not kept abreast with those changes. SAPO has not been able to align with where the industry is moving with postal services”.

Participant 10 stated that,

“SAPO ignored the changes that came its way by continuing to do its work traditionally and not advancing its technology, therefore SAPO is affected negatively by changes in the postal industry”.

Participant 11 stipulated that,

“... SAPO still depends on the old system highly dependent on manual inputs and is not in sync with the rest of the world”.

The participants highlighted that the digitisation of mail services and the rise of digital communication and online transactions have significantly shaped the postal industry landscape. Research showcases a variety of perspectives on the impact of technology adoption and integration on the performance of SOEs. Some studies show a positive correlation, thereby suggesting that this digital transformation drives efficiency and competitive advantage, while others indicate that this may not always be the case, thereby revealing challenges such as inadequate resources and capability constraints. A study by Maticić, Šaponja, and Petrović (2019) argues that the integration of digital

technologies enhances the performance of SOEs by stimulating operational efficiency and improving service quality. Similarly, the research by Masrom, Hussein, and Mohamed (2020) on Malaysian SOEs found that the adoption of cloud computing technology significantly improved the operational efficiency and the productivity of these enterprises, by enabling real-time data access, seamless communication, and faster decision-making.

Ngulube and Onyancha (2018) argue a different case for the South African SOEs. They point out that despite the apparent benefits of technological integration, the uptake has been slow and inconsistent due to issues such as inadequate infrastructure, as well as the lack of skilled personnel and high initial set-up costs, thereby causing the SOEs to be behind their private counterparts in operational efficiency and service delivery. In another study focusing on the African SOEs, Chigona, Weimann and Toader (2019) found evidence to suggest that while digital transformation has the potential to drive efficiencies in the SOEs, these potential benefits are often not realised due to significant cultural and organisational barriers.

5.2.4 Market Competition

This theme focuses on the competition the SAPO faces from private courier companies and how the company's performance is affected by such competition. It could also delve into the regulatory changes and how they influence the SAPO's operations, such as the changes in the postal rules, the regulations regarding digital privacy, the customs requirements for international mailing, and any government-led reforms that concern the state-owned enterprises.

Participant 1 stated that,

“SAPO has not kept up with using technology to ensure effective and efficient processes and has become irrelevant in the market”.

Participant 11 also indicated that,

“SAPO is severely impacted by perceived better services by competitors even if they are expensive”.

The participants noted the entrance of private and international courier services into the market as a significant disruptor that impacted the SAPO's traditional business model and competitive status. Research has shown that market competition and regulatory changes indeed have significant impacts on the performance of SOEs. For instance, Liu, Serotkov, and Xiong (2018) examined the impacts of competition and regulation on the efficiency and financial performance of SOEs. They found that the increased market competition significantly improved the efficiency of the SOEs. Similarly, a study by Ao and Lin (2018) on China's SOEs showed that market competition reduced the profitability gap between the SOEs and the private firms, thereby highlighting the significant effects of these forces on the SOEs' performance.

However, some studies contradict the idea that market competition always improves the performance of SOEs. According to the research by Sovbetov (2018), on the privatised and state-owned enterprises in Uzbekistan, it was found that, although market competition played a role in improving the performance of the privatised firms, these factors did not significantly affect the performance of the SOEs. Nitani and Riding (2019) in examining the Canadian SOEs, argue that the introduction of market competition only positively impacts the performance of the SOEs where the proper framework for monitoring and evaluating the performance of these firms exists.

5.2.5 Diversification and Innovation

This theme examines how the SAPO has innovated its services to create new revenue streams, given the decrease in the traditional mail volumes. It analyses the introduction of innovative strategies such as the electronic money order systems, the logistics and courier services, and the digital post, and how these innovative strategies have contributed to the organisation's revenue. The theme revolves around the diversification of revenue streams and innovation as part of the SAPO's attempt to maintain relevance in the changing postal landscape. The participants cited efforts or plans to diversify the services through the introduction of value-added services such as the delivery of medicine, the renewal of motor vehicle licenses, and the payment of the South African Social Security Agency (SASSA) grant.

Participant 8 stated that,

“SAPO is still in the process of innovating and all objectives are in the Strategy of SAPO of Tomorrow for SAPO not to remain to be a traditional post office”.

Participant 3 noted that,

“SAPO started partnerships with the private sector to tap into technical skills in terms of systems as a means of modernising SAPO”.

Participant 5 highlighted that,

“Motor Vehicle Licences (MVL) and social grant (SASSA) business/service combat the reduced volumes in the form of mail”.

The research established a positive correlation between revenue diversification and the financial performance of SOEs. For instance, Deng, Kang, and Low (2018) investigated 94 SOEs in Singapore and found that the diversified SOEs outperformed the non-diversified ones in terms of profits and revenue growth. They argue that diversified companies are better equipped to manage economic shocks and changes in market demand, thereby enhancing their sustainability and competitive advantage. The innovation strategies also have a significant impact on the SOE's performance. Han, Kim, and Srivastava (2020) researched the South Korean SOEs and found that investment in innovative business processes and products significantly contributed to improved corporate performance. It was suggested that the innovation strategies allow the SOEs to adapt to the evolving market demands and to stay ahead of the competitors through the continued development of unique products and services. Moreover, Bonga, Bonga, and Stofile (2020) examined the impact of innovation on the performance of the SOEs in South Africa. The results indicated that innovation was positively correlated with the firms' performance. Additionally, the study found that innovation has an even more significant impact when interplayed with other factors such as firm size and market competition.

Objective 3: To develop actionable recommendations and strategies aimed at enhancing operational performance and sustainability of SAPO.

5.2.6 Organisational Restructuring

This theme analyses how the state-owned South African Post Office can reorganise and optimise its operations, structures, and processes to improve productivity, efficiency, and performance. Many participants recommended that the South African Post Office undergoes an organisational restructuring process.

Participant 7 said the SAPO should,

“Partner with companies to leverage their capabilities and enhance operations”.

Participant 5 stated that the SAPO must,

“Revisit its branch networks: check what is compulsory on USO obligations/arrangement, check branch profitability, and footprint, and take a view to restructure and redesign that network”.

Streamlining internal processes and workflows was seen as critical, with suggestions for better standard operating procedures, and the removal of bottlenecks in operations. One study that supports the notion of organisational restructuring and operations optimisation for SOEs improvement is by van der Gronden, Geest, and Valcke (2019). They argue that the restructuring of the SOEs helps to shape transparency, accountability, and efficiency. Their study on the European Union state-owned enterprises found that organisational restructuring introduced a market-oriented approach, ultimately providing better services to the public (van der Gronden et al., 2019). Pillay and Ukpere (2018) confirm the significance of the SOEs in infrastructure provision, as well as in social cohesion, and economic growth. Organisational restructuring could then enable the SOEs to realign their objectives, systems, and structures aggravating better corporate governance principles, thus enhancing their financial performance. Irandoust and Ericsson (2019) indicate that the implementation of restructuring is conditional on the SOE's financial distress level. They argued that in situations of moderate or high financial distress, restructuring significantly improved performance; however, the reverse was true for the SOEs in the low distress

situations. Their study therefore recommended restructuring only when necessary and considering the context into which it would be initiated (Irandoust & Ericsson, 2019).

5.2.7 Insufficient Investment in Technology

This theme explored the extent to which the South African Post Office can invest in digital technology and innovation to streamline operations, improve delivery times, minimise errors, increase efficiencies, and stay competitive. The participants suggested technological advancements such as integrated systems for data gathering and analysis, tracking systems for parcels, electronic work systems, the digitisation of services, and the automation of repetitive and decision-making tasks.

Participant 11 said,

“Modernise international mail centres/ Offices of Exchange- if not people will go for other courier companies”.

Participant 4 noted that,

“Modernise the SAPO and introduce technology as soon as possible”.

The investment in technology and automation has been recommended by various empirical studies as an effective strategy to boost the performance of SOEs. The emphasis is on the transformative potential of these technologies to inject efficiency, accuracy, and productivity into the SOEs' operations. For instance, Parida, Sjödin, Lenka, and Wincent (2020) carried out a study, demonstrating the important role of digitalisation in facilitating service innovation in the SOEs. They found that digitalisation when combined with an innovative culture, can drive service innovation and business growth in these enterprises. Similarly, the research by Gatignon, Gottschalg, and Haon (2021) provides valuable insights into the role of automation in enhancing operational efficiency in SOEs. They observed that through automation, the SOEs could streamline processes, as well as eliminate manual errors, increase operational speed, and experience significant cost savings.

Despite the promising benefits, some scholars underscore the potential risks of technology and automation investments. For example, Cui, Zu, and Liu (2018) caution that while technology can improve operational efficiency, it could also lead to job losses, and it could exacerbate social inequalities. They argue that the SOEs should

adopt balanced strategies considering both the social and the economic implications of their technology investments. Generally, the literature overwhelmingly supports the assertion that investment in technology and automation can significantly improve the performance of SOEs.

5.2.8 Skills Development

This theme explored how the South African Post Office can prioritise and implement skill development and training programs for its employees. It evaluates how these programs can contribute to improved performance, productivity, and the ability of the organisation to adapt to changes in the market and industry trends. The participants pointed out that the SAPO faces a significant skills gap, with some employees lacking the essential technical knowledge that is needed in a rapidly evolving digital environment. To address this, they suggested various training and development initiatives in areas such as data analysis, financial management, customer care, digital skills, and productivity.

Participant 9 said,

“HR department to implement training and development initiatives to enhance the skill set of the workforce”.

Participant 6 indicated that,

“SAPO must have competent people to do the work”.

The participants highlighted the need for executive training to foster leadership, a global mindset, and decision-making capabilities. Along with training, the strategies for recruiting and retaining competent personnel were deemed necessary. The empirical studies conducted across the world recommend skills development and training as a key strategy to augment the performance of SOEs. Utilising developing human capital through constant training and skills enhancement stands as a critical road to disseminating corporate strategy, aligning personal objectives to Organisational goals, and consequently enhancing the SOEs' performance (Dodourova & Bevis, 2018). In a study conducted in Ghana by Aidoo et al. (2020), the researchers identified that skill development and training amongst the SOEs' personnel raise their capacity to undertake key assigned tasks, which reflected a positive ripple effect on organisational performance. A similar study conducted in

China by Zhang, Liu, and Brandenburg (2019) discovered that digital skills are potentially pivotal in enhancing firm performance. Therefore, they recommend that the SOEs invest not only in generic skills training but also in more targeted programs, such as digital capabilities, to safeguard a robust performance in an increasingly digital era.

On the contrary, a study by Gathungu, Aiko, and Machuki (2018) in Kenya found that despite providing ample training and development programs, the Kenyan SOEs did not witness a considerable boost in their performance measures, which was attributable mostly to the insufficient or the lack of practical application of the skills procured during training. This highlights the dire need for not just providing development and training opportunities, but also ensuring effective follow-through in terms of their implementation post-training for robust performance outcomes. Most of the recent empirical evidence supports skills development and training as a beneficial strategy for enhancing the SOEs' performance.

5.3 Summary

The chapter focussed on the results and their discussion, by addressing the various factors contributing to the poor performance of the South African Post Office. The changing landscape of the postal industry, which is characterised by technological advancements and digitisation, has significantly influenced the South African Post Office's performance. The adoption of electronic communication methods led to reduced demand for traditional postal services, thereby causing substantial financial strain on the organisation. Several strategies were suggested to improve the South African Post Office's performance. The key recommendations include upgrading technological platforms and investing in employee skills development, diversifying services to include digital offerings, and enhancing customer satisfaction through service delivery improvements. Chapter 6 presents the conclusion and the recommendations of the study, reflecting on the revelations of the current section and proposing actionable steps to enhance the South African Post Office's performance in the digital era.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter captures the primary conclusions and recommendations that were drawn from the detailed analysis and the evaluation performed in the previous chapters. It aims to provide strategic recommendations that are specifically designed to enhance its productivity and service delivery.

These recommendations would not only be valuable to the SAPO but to similar state-owned entities operating within a comparable operating environment.

6.2 Conclusions

The study concluded that several factors contribute to the poor performance of the SAPO. These factors include outdated infrastructural facilities, the lack of digitisation, and modern technology innovation.

The outdated infrastructure and the lack of technology utilisation have also played a significant role in poor performance. As many sectors evolve towards digital platforms, the SAPO's failure to adopt modern technology and digitisation has led to an inability to meet the changing needs of the customers, thereby leading to a decreased demand for its services.

The study found ineffective leadership and a misaligned organisational structure, thereby leading to a lack of strategic direction and operational inefficiencies. The governance failure added to the poor performance scenario, where lax oversight and the lack of accountability led to the perpetuation of issues such as corruption and mismanagement.

The results imply that for the SAPO to enhance its performance and become competitive, there needs to be a substantial overhaul in its operation methods. Financial management should be strengthened, with mechanisms in place to prevent mismanagement and corruption. Technological innovation and digitisation should

become a priority to modernise infrastructure, enhance service delivery, and meet the changing customer needs. There is also a need to reevaluate the leadership and organisational structure to ensure alignment with the SAPO's vision and strategy. Enhancing governance and oversight is critical in establishing accountability. Lastly, a focus on human resources development through skills and competency training is necessary to improve service delivery and customer satisfaction.

These reforms can contribute to the transformation of the SAPO into a profitable and high-performing state-owned entity. It is important to note that these changes will also require a supportive policy environment and strategic focus from the government to build a resilient and sustainable Post Office for the nation.

The study also has shown that the performance of the South African Post Office is influenced significantly by the changing landscape of the postal industry. The results show that the SAPO's performance has been negatively impacted by inadequate technology adoption and integration. There is a general observation that organisations that fail to adapt to emerging technologies are unable to compete effectively in their respective markets. Given that contemporary postal and communication services are technology-driven, the lack of technological innovation directly impacts the SAPO's service delivery, operational efficiency, and ultimately its performance. Therefore, there is a compelling need for the SAPO to invest in modern technologies, digital transformation initiatives, and staff training to enhance its performance.

Market competition also negatively impacted the performance of the Post Office. The proliferation of private courier companies, e-commerce platforms, and digital communication methods offers customers a variety of alternatives, thus denting the monopoly that the Post Office once had. This competition has sparked a decline in mail volumes, thereby negatively affecting the revenue streams and consequently the overall performance of the SAPO. This suggests an urgent need for restructuring and perhaps public-private partnerships to enhance the competitiveness of the SAPO.

Furthermore, the study concludes that the Post Office's overreliance on traditional mail delivery has rendered it vulnerable to market shifts, especially with the advent of digital communication methods. Therefore, to improve its financial position and performance,

the Post Office needs to innovate and diversify its products and services. This could include exploring opportunities in the e-commerce industry, financial services sector, and other areas that are compatible with its existing infrastructure.

Hence, the study concluded that the performance of the South African Post Office was influenced by its ability to adopt and integrate technology, the level of competition in the market, and its capability to diversify revenue through innovation. The changing landscape of the postal industry being characterised by technology advancements, heightened competition, and the need for service and product diversification, influences the performance of SAPO and calls for adaptive and forward-thinking strategies. This is if it is to continue playing a significant role in the South African communication landscape.

The organisational restructuring within the SAPO was revealed to be a key determinant of its performance. It was evident that the entity has grappled with a slew of inefficiencies due to bureaucratic red tape, haphazard management, and seemingly outdated operational structures. This not only hampered its overall productivity but also decreased its competitiveness in the wider market. The study directly implies that a systematic, well-strategised restructuring process could greatly shape the entity's performance.

The investment in technology was noted as a precipitating factor in the Post Office's lagging performance. With the advent of digitalisation and the internet, postal services globally are experiencing a seismic shift in their operations, a transition that the South African Post Office has seemingly been slow to adapt to. The results indicate that reorienting the entity towards technological advancement could not only provide a much-needed impetus but could also help it adapt to the changing demands and realities of the contemporary market.

The study also found that the initiation of periodic training and development programs, in accordance with the evolving demands and trends, could largely determine the efficiency of the Post Office's personnel and hence, its overall service delivery. It can be argued that to improve the performance of the South African Post Office, it is imperative to address these areas comprehensively and consistently.

The application of Bloom's Taxonomy, therefore, not only underpinned the analytical framework of this study but also informed the development of strategic recommendations that are both grounded in empirical evidence and cognitively aligned with the stakeholders' insights. This cognitive alignment ensures that the recommendations for improving SAPO's operational efficiency and sustainability are deeply rooted in a comprehensive understanding of the issues at hand, reflecting both the depth of the analysis conducted and the practical implications for organisational improvement.

6.3 Recommendations

6.3.1 *Improve Leadership and Organisational Structure*

The efficiency of public enterprises, such as SAPO, is fundamentally linked to the quality of their leadership and organisational structure. Busch and Murdock (2014) highlight that effective leadership and coherent organisational frameworks are essential for enhancing SOE performance. This premise forms a critical pillar for performance enhancement in SOEs, necessitating a focus on improving leadership structures.

Leadership appointments within SAPO should be merit-based, emphasising the need for individuals with the requisite skills, qualifications, and experience. In a transparent recruitment process, prioritising qualifications and performance over political affiliations are imperative. Additionally, the implementation of regular professional development and training sessions will ensure that leadership remains abreast of contemporary management trends. The introduction of performance-based incentives can further motivate leaders to achieve organisational objectives.

The correlation between leadership capability and organisational performance is further substantiated by empirical evidence. Woolf (2019) discovered in his analysis of South African public enterprises that strong leadership and clear organisational structures are pivotal for superior performance. Ali (2015) observed similar outcomes within Dubai's public sector, indicating the universal applicability of these principles. Moreover, the role of organisational structure cannot be overstated. Wilde (2019) posits that decentralised structures, characterised by the delegation of authority to lower levels, can significantly enhance performance in public enterprises. Such

structures contrast with traditional hierarchical models, suggesting a potential area for structural reform within SAPO.

6.3.2 Leveraging Technology and Digitalisation

In this era where digital transformation is increasingly becoming the norm in all sectors, the South African Post Office must embrace technology to enhance its services. The adoption of automation, Artificial Intelligence (AI), and data analytics can improve operational efficiency, boost productivity, reduce long-term operating costs, and improve overall client satisfaction. For instance, the Post Office can implement an improved tracking system that allows customers to track their packages in real-time, a system which is now standard for most international postal and courier companies. This can be achieved by investing in the necessary IT infrastructure and hiring technologically skilled staff who can maintain and manage these systems.

To further advance SAPO's digital transformation, it is crucial to consider the implementation of additional technological solutions. Digital platforms for customer engagement, blockchain for secure transactions, and the Internet of Things (IoT) for enhanced logistics are just a few examples of technologies that can significantly impact SAPO's operational capabilities. These technologies not only streamline operations but also provide a platform for innovation, enabling SAPO to offer new services and improve customer experiences.

The United Nations Economic Commission for Africa (2016) highlights the untapped potential of leveraging technology in the public sector, including promoting transparency, improving productivity, and fostering innovation. The case of Nigeria's Abuja electricity distribution cooperative, where the implementation of digital technologies drastically reduced system losses and improved billing efficiency (Akinruwa, 2018), serves as a compelling example of the transformative power of technology. Similarly, in Denmark's public sector, the embrace of technology-sophisticated systems facilitated service delivery, thus benefiting citizens (Nielsen, 2019).

By incorporating these insights and examples, SAPO can chart a course toward a more efficient, innovative, and customer-centric future. The strategic implementation of technology not only enhances operational efficiency but also positions SAPO as a leader in the digital transformation of the postal sector.

6.3.3 Competitive Strategies Implementation

To navigate the intensifying competition from private courier services, SAPO must delineate and capitalise on its unique selling propositions (USPs) and diversify its service offerings. The inclusion of financial services such as savings accounts, micro-insurance, remittance services, and utility bill payments could serve as key differentiators in attracting and retaining a broader customer base, thus augmenting SAPO's market share. Additionally, SAPO can fortify its competitive edge by delivering unparalleled customer service and optimising the efficiency of mail and parcel handling and delivery processes. This necessitates rigorous customer service training for employees and a continual reassessment of operational procedures to align with customer expectations.

Expanding upon this, the remarkable growth trajectory of M-PESA in Kenya offers an exemplary model of competitive strategy execution in a state-affiliated enterprise. Since its inception, Safaricom has witnessed substantial growth, primarily attributed to the M-PESA mobile money transfer platform. The company's dynamic adaptation to market demands has ensured its sustained leadership position. Similarly, the Singaporean government's transition from a direct service provider to a facilitator role, underscored by the strategic restructuring of its SOEs, highlights the efficacy of fostering a competitive milieu, thereby achieving efficiency gains (Jack & Suri, 2014; Singh, 2019).

In light of these insights, SAPO could explore strategic partnerships and collaborations to enhance its technological capabilities and service delivery frameworks. Leveraging the lessons from M-PESA's success, SAPO can investigate the viability of integrating mobile money services, thereby tapping into the burgeoning digital finance market. Furthermore, the Singaporean approach to SOE management could inform SAPO's strategic direction, emphasising the need for agility, innovation, and customer-centricity in service delivery.

By adopting and adapting these competitive strategies, SAPO cannot only safeguard its relevance in the evolving postal and logistics landscape but also redefine its role in the digital economy, ultimately contributing to a more robust and sustainable operational model.

6.4 Incorporating the TIPS Framework for Strategic Enhancement at SAPO

The TIPS framework, focusing on Technology, Innovation, People, and Systems, serves as a comprehensive model to guide the strategic revitalisation of SAPO. Each component of the TIPS framework is critical in fostering an environment conducive to growth, efficiency, and sustainability.

6.4.1 Technology

This study advocates for SAPO to leverage cutting-edge technologies to enhance operational efficiency and customer service. By adopting digital platforms, automation, and advanced data analytics, SAPO can significantly improve its service delivery and operational capabilities. Expanding on this, SAPO should explore the integration of IoT for real-time tracking and logistics management, blockchain for secure transactions, and AI for customer service enhancements. These technological advancements can drive significant improvements in efficiency and customer satisfaction.

6.4.2 Innovation

Innovation is pivotal for SAPO's evolution and adaptation to the changing postal and logistics landscape. This study recommends cultivating an innovation-driven culture that encourages the exploration of new business models, services, and customer engagement strategies. SAPO can look towards innovative solutions like digital post offices, e-commerce integration, and financial services akin to the M-PESA model, which has revolutionized mobile money and banking in Kenya, serving as a benchmark for digital financial services (Jack & Suri, 2014).

6.4.3 People

The success of SAPO hinges on its workforce. Investing in employee training and development is essential for equipping the staff with the necessary skills and knowledge to adapt to new technologies and innovative business models. Programs focused on digital literacy, customer service excellence, and operational efficiency can empower employees to contribute more effectively to SAPO's strategic goals. References to successful training programs, such as those discussed by Dodourova & Bevis (2018) and Aidoo *et al.* (2020), can provide valuable insights into best practices for workforce development.

6.4.4 Systems

Systems underscore the critical role of integrated and efficient systems in supporting SAPO's operations. Implementing comprehensive management information systems, workflow automation, and decision-support systems can streamline processes, enhance communication, and facilitate data-driven decision-making. This holistic approach to systems integration will ensure that SAPO's transformation efforts are well-supported by a solid foundation that enhances operational efficiency, decision-making, and overall organisational agility.

6.5 Return on Investment (ROI)

The Return on Investment (ROI) for this study, when considered in the context of SAPO, society, and the researcher, reveals a comprehensive spectrum of benefits that transcend mere financial gains.

6.4.1 SAPO

In light of the strategic recommendations proposed, including improving leadership and organisational structure, embracing technology and digitalisation, and implementing competitive strategies, it is imperative to consider the ROI for SAPO. Investing in leadership development, technological advancements, and competitive strategies requires substantial financial resources and a strategic vision for long-term sustainability.

The expected ROI from these initiatives should be quantitatively evaluated. For instance, the adoption of digital technologies and automation, as evidenced in other

public sectors, has led to significant reductions in operating costs and increased billing efficiency. Moreover, the strategic shift towards offering diversified services, akin to M-PESA's model, could open new revenue channels for SAPO, contributing to its financial sustainability. A detailed financial analysis should be conducted to assess the ROI of these interventions, providing SAPO and its stakeholders with a clear understanding of the potential financial benefits and guiding future investment decisions.

6.4.2 Society

The societal ROI from improving SAPO's operational efficiency and service quality extends beyond financial metrics. It encompasses enhanced access to postal and financial services, especially in underserved rural areas, leading to greater social inclusion and economic empowerment. Improved SAPO services can also facilitate small business growth by providing reliable logistics and financial services, thereby stimulating local economies.

Moreover, by adopting sustainable and innovative service delivery models, SAPO can contribute to environmental sustainability, reducing carbon footprints through optimised logistics and digital services. The societal ROI therefore encapsulates the improvement in the quality of life, economic development, and environmental sustainability. An impact analysis could be beneficial to quantify these broader societal benefits.

6.4.3 Researcher

For the researcher, the ROI is predominantly intellectual and academic. Successfully identifying and analysing strategies to enhance SAPO's performance can contribute significantly to the body of knowledge in public administration, postal service management, and SOE reform. This research can pave the way for future studies, setting a foundation for a deeper understanding of the challenges and opportunities within SOEs.

The academic ROI also includes the development of research skills, expertise in the subject matter, and contributions to academic discourse through publications, conferences, and seminars. This intellectual investment enhances the researcher's

academic profile, opening opportunities for further research collaboration and professional advancement in the field of public sector management and organisational change.

6.4.4 Department of Communications and Digital Technologies

The Department of Communications and Digital Technologies (“Department”), as the primary overseer of SAPO, plays a pivotal role in the postal service's strategic rejuvenation, particularly in embracing technological advancements and competitive strategies. This involvement is not merely a regulatory mandate, but a strategic investment aimed at bolstering SAPO's contribution to the national digital transformation agenda and enhancing the country's communication infrastructure. The department's investment in SAPO, focusing on technology integration, organisational restructuring, and service diversification, is expected to yield significant returns by streamlining operations, expanding service offerings, and improving overall service delivery.

The economic implications of these strategic initiatives extend beyond SAPO, potentially stimulating broader economic activities, particularly in the burgeoning e-commerce and digital sectors. By fostering a more efficient and technologically advanced postal service, the department can facilitate economic growth, enhance small business participation in the digital economy, and contribute to the development of more inclusive financial services. Furthermore, the transformation of SAPO under the department's guidance can serve as a blueprint for policy and regulatory enhancements, promoting innovation, competitiveness, and sustainability within the postal and broader ICT sectors.

Moreover, the department's investment in SAPO underscores a commitment to public service excellence and environmental stewardship. The modernisation of SAPO aligns with the government's broader objectives of improving public service delivery, especially in underserved regions and advancing environmental sustainability through optimised logistics and digital services. As such, the ROI for the Department of Communications and Digital Technologies encompasses not only financial gains but also strategic achievements in national infrastructure development, economic

stimulation, and public service enhancement, setting a benchmark for the strategic management of other state-owned entities.

6.6 Further Studies

6.4.1 Comparative Study

The comparative analysis seeks to compare the performance metrics of SAPO with those of other state-owned postal entities worldwide. This endeavour is not merely quantitative but extends into a qualitative realm where the specific challenges and inefficiencies unique to the South African context are meticulously unearthed. By broadening the scope to include a diverse array of postal services across varying economic contexts and development stages, this comparative study aspires to offer a richer, more detailed perspective on SAPO's global standing.

To deepen this comparative inquiry, a comprehensive set of performance indicators will be developed, encompassing aspects such as financial health, service quality, operational efficiency, customer satisfaction, and innovation. This multifaceted approach will enable a more detailed and detailed comparison, shedding light on the areas where SAPO excels and where it may need strategic interventions.

Incorporating case studies of postal entities that have demonstrated remarkable achievements or significant transformations will further enrich this analysis. By examining the impact of regulatory environments, technological advancements, and market dynamics on these entities, parallels or contrasts with the South African context can be drawn, offering actionable insights for SAPO's strategic planning.

Employing a mixed-methods approach that leverages both quantitative data and qualitative insights from interviews or thematic analyses will provide a multi-dimensional view of the challenges and successes experienced by postal entities globally. This comprehensive methodology aims to capture the essence of operational excellence and strategic agility in the postal sector.

6.6.2 Competitive Analysis

Parallel to the comparative study, a competitive analysis between SAPO and private courier services within South Africa is proposed. This analysis is designed to highlight

the key areas where SAPO needs to adapt or enhance its capabilities to maintain competitiveness in the rapidly evolving postal and logistics landscape.

A SWOT analysis will be integral to this endeavour, identifying SAPO's strengths to leverage, weaknesses to address, opportunities to capitalise on, and threats to mitigate. Understanding the competitive dynamics through models such as Porter's Five Forces will provide further depth to this analysis, revealing the power structures and competitive pressures within the postal and courier service market.

Exploring the service diversification and customer experience dimensions will offer insights into how SAPO can differentiate itself from private competitors. Assessing customer feedback and satisfaction levels will be crucial in identifying areas for improvement and innovation.

In conclusion, these further studies aim to provide a comprehensive, multi-faceted understanding of SAPO's operational and competitive environment. Through a detailed comparative study and a thorough competitive analysis, actionable strategies can be formulated to enhance SAPO's performance and strategic positioning both locally and on the global stage.

6.5 Summary

The South African Post Office has been struggling with operational inefficiencies, low profitability, and financial distress, which raises concerns about its ability to provide high-quality postal services and meet customer needs. This chapter summarises the main conclusions and the recommendations from the previous chapters' analysis and evaluation. The strategic recommendations to improve the SAPO's productivity and service delivery were discussed. These recommendations could also benefit similar state-owned entities in comparable operating conditions.

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APPENDICES

Appendix A: Ethical clearance letter

The Da Vinci Institute for
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THE DAVINCI INSTITUTE
for technology management

Reference: 01723

Date: 28 September 2023

Ethical Declaration

I, the undersigned, hereby declare that the Master's Research of the student named below has received ethical clearance from The Da Vinci Institute Ethics Committee. The student and supervisor will be expected to continue to uphold the Da Vinci Institute's Research Ethics Policy as indicated during the application.

Proposed Title: Performance of the State-Owned Entities: A case study of the South African Post Office

Student Name: Tsolo Precious Manakedi

Student Number: 11466

Supervisor: Dr Shipham Sidney

Co-Supervisor: N/A

Period: Ethics approval is granted from 2023/09/28 to 2023/11/02

A handwritten signature in black ink, appearing to read "P. Singh".

Chairperson: Research & Ethics Committee

Prof Paul Singh

Directors: B Anderson, N Hadebe, F Landman (Chairperson), R Steenberg

The Da Vinci Institute for Technology Management (Pty) Ltd is registered with the Department of Higher Education and Training as a private higher education institution under the Higher Education Act, 1997. Registration No. 2004/HE07/003

Appendix B: Authority letter to conduct interviews for the study



Reg Name: Suid-Afrikaanse Poskantoor SOC LTD
Registration number: 1991/005477/30
NPC Building, Jeff Masemola Street, Pretoria, 0002: PO Box 10 000, Pretoria, 0001
+27 (012) 407 7741

SAPO Joint Business Rescue Practitioners

Messrs. Anoosh Rooplal; Juanito Damons

Email: Anoosh.rooplal@sng.co.za

Juanito@damonsinc.co.za

29 August 2023

Ms Precious Tsolo,
Department of Communications and Digital Technologies (DCDT)
1166 Park Street, Iparioli House
Hatfield, Pretoria
0083

Dear Ms Tsolo,

PERMISSION TO CONDUCT INTERVIEWS IN THE SA POST OFFICE (SOC) LTD (IN BUSINESS RESCUE), FOR UTILISATION IN MASTER OF MANAGEMENT OF TECHNOLOGY AND INNOVATION DEGREE AT THE DA VINCI INSTITUTE

Your request to conduct interviews in SAPO for utilisation in Masters Degree Dissertation dated 14 August 2023 has reference.

Permission is herewith granted to you to conduct interviews after hours and/or on weekends with the requisite sample SAPO executives, management and staff who have agreed to participate in the interviews for use in your dissertation.

You are requested to submit a list of the intended interviewees prior to conducting the interviews.

We wish you success in your studies.

Yours sincerely

Mr Anoosh Rooplal
Joint Business Rescue Practitioner

Mr Juanito Damons
Joint Business Rescue Practitioner

Page 1 of 1

Business Rescue Practitioners: Messrs. Anoosh Rooplal; Juanito Damons

Directors: Ms Nomkhita Mona (CEO); Ms Fathima Gany (CFO);

Company Secretary: Mr Dawood Dada

Reg Name: Suid-Afrikaanse Poskantoor (SOC) Ltd

Registration number: 1991/005477/30, FSP 43462

Appendix C: Interview Protocol

Interview Protocol for Research on Exploring Factors that Affect Operational Performance of the South African Post Office

1. Selection Criteria for participants:

Why You Are Invited: Participants possess valuable expertise and firsthand experience related to SAPO's operations, challenges, and successes. Their insight will provide a comprehensive understanding of the performance factors.

Source of Contact Details: CEO's office, with approval from the Business Rescue Practitioners.

Total Participants: 15 participants at the management and executive level.

2. Pre-interview Preparations:

Participants will be provided with an overview of the study's objectives, the expected duration of the interview, and information regarding their rights. This included the right to withdraw at any point without consequences.

3. Nature of Participation:

Interview Type: Semi-structured interviews.

Duration: Approximately 45 minutes.

Areas of Focus: Organisational structure, financial performance, service delivery, efficiency, customer satisfaction, and challenges faced by SAPO.

Main Interview:

A semi-structured interview format was chosen. This format allows for a list of predefined questions while also permitting spontaneous follow-up questions based on the participant's responses. The key questions covered areas such as:

- a) Factors contributing to SAPO's performance.
- b) Impact of the Changing Postal Landscape on SAPO
- c) Strategies for SAPO's Performance Improvement.

4. Participant Rights:

Participation is voluntary.

Participants can withdraw at any time, even after having agreed to participate.

Confidentiality will be maintained, and participants will remain anonymous in any publications or presentations based on this research.

Interviews can be recorded for the purpose of the study, with participant consent.

The rights include the request to record the interview and not to record if the participant does not want to be recorded.

5. **Consent Form:**

Participants are required to provide written consent before participating.

The consent form will detail the nature, procedure, potential benefits, and anticipated inconvenience of participation.

Participants will be given a signed copy of the informed consent agreement for their records.

The consent form will contain spaces for both the participant's and researcher's signatures, along with the date.

6. **Conclusion:**

Thank the participant for taking the time to participate in the study and for their invaluable input.

Reiterate the importance of their contribution to the research.

Provide contact details for any further questions, clarifications, or feedback.

7. **Post-interview:**

Immediate transcription of the interview notes ensured the freshness and accuracy of the data. Any identifying information was anonymized to uphold participant confidentiality.

This interview protocol is drafted to provide a structured approach to the interview process, ensuring that all participants are well-informed, their rights are protected, and the research objectives are achieved.

The protocol was designed to address each research objective. The structured yet flexible approach ensured that all pertinent areas were covered while allowing participants the freedom to share additional insights. The interview questions are provided in the interview guide document.

Appendix D: Interview invitation and consent form

Interview invitation letter and consent form

Date:

Title: Exploring factors that affect operational performance of the South African Post Office

Dear prospective participant

My name is Precious Tsolo, and I am doing research under the supervision of Dr Sidney Shipham, toward a degree in Master of Management in Technology and Innovation at the Da Vinci Institute. We are inviting you to participate in a study entitled Exploring factors that affect operational performance of the South African Post Office.

What is the purpose of the study?

This study is expected to collect important information that could assist to understand the challenges faced by the South African Post Office and explore the factors contributing to its poor performance in order to come up with recommendations to mitigate challenges.

Why are you being invited to participate?

You are invited because you possess valuable expertise and firsthand experience related to the organisation's operations, challenges, and successes. Your insight can provide a comprehensive understanding of the factors influencing the performance of SAPO.

I obtained your contact details from the CEO's office after obtaining approval from the Business Rescue Practitioners to conduct interviews with SAPO Staff. I have identified 15 participants at the management and executive level to participate in this study.

What is the nature of your participation in this study?

Describe the participant's actual role in the study.

The study involves semi-structured interviews. The interview will last approximately 45 minutes. The questions will focus on the following areas: Organisational structure, financial performance, service delivery, efficiency, customer satisfaction, and challenges faced by SAPO.

Can you withdraw from this study even after having agreed to participate?

Participating in this study is voluntary and you are under no obligation to consent to participation. If you do decide to take part, you will be given this information sheet to keep and be asked to sign a written consent form. You are free to withdraw at any time and without giving a reason.

What are the potential benefits of taking part in this study?

Participating in this interview will contribute to a better understanding of the challenges faced by SAPO and your insight will be invaluable for the study.

Are there any negative consequences for participating in the research project?

There are no known risks or negative consequences for participating in this research project. Your identity and responses will be kept confidential and anonymous.

Will the information that the participant conveys to the researcher and his/her identity be kept confidential?

Your name will not be recorded anywhere, and no one will be able to connect you to the answers you give. Your answers will be given a code number or a pseudonym and you will be referred to in this way in the data, any publications, or other research reporting methods such as conference proceedings.

A transcriber or external coder will have access to the data and will maintain confidentiality by signing a confidentiality agreement.

Your answers may be reviewed by people responsible for making sure that research is done properly, including the transcriber, external coder, and members of the Research Ethics Review Committee. Otherwise, records that identify you will be available only to people working on the study, unless you give permission for other people to see the records.

A manuscript of the study will be submitted for publication, but individual participants will not be identifiable in such a report).

How will the researcher(s) protect the security of data?

Hard copies of your answers will be stored by the researcher for a period of five years in a locked cupboard/filing cabinet in the Department of Communications and Digital Technologies or The Da Vinci Institute for Technology Management for future research or academic purposes; electronic information will be stored on a password protected

computer and Microsoft Onedrive. Future use of the stored data will be subject to further Research Ethics Review and approval if applicable.

Hard copies will be shredded and/or electronic copies will be permanently deleted from the hard drive of the computer through the use of data sanitation software.

Will the participant receive payment or any incentives for participating in this study?

No payment or incentives will be given to participants, participation is on a voluntary basis.

Has the study received ethics approval?

This study has received written approval from the Research Ethics Review Committee of the Da Vinci Institute. A copy of the approval letter can be obtained from the researcher if you so wish.

How will the participant be informed of the findings/results of the research?

If you would like to be informed of the final research findings, please contact Precious Tsolo at 0845002298 or 11466@davinci.ac.za

Should you have concerns about the way in which the research has been conducted, you may contact Dr. Shiphams at shiphamsidney@gmail.com.

Thank you for taking the time to read this information sheet and for participating in this study.

Thank you.

(insert signature)

(type your name)

Appendix E: Interview Guide/ Questions

Interview Guide/Questions

Section A: Demographics

Place "X" in the appropriate box.

1. Gender

Male	
Female	
Prefer Not to say.	

2. Educational qualifications

Matric	
Undergraduate	
Postgraduate	

3. Work experience

Less than 6 years	
7 to 13 years	
14 to 20 years	
More than 20 years	

Section B

Answer all questions honestly.

4. Objective 1: To identify and analyse key factors that influence operational performance of SAPO.

- 4.1 Which factors do you perceive to contribute to the poor performance of the South African Post Office?

- 4.2 How do these factors contribute to the South African Post Office's performance challenges?
- 4.3 Can you describe the current Organisational structure of the South African Post Office and its key departments?
- 4.4 From your perspective, what are the main performance indicators used to measure the South African Post Office's performance? Are they being met? If not, why?
- 4.5 What operational challenges have you observed that might be affecting the efficiency and effectiveness of the South African Post Office?
In your opinion, are there any specific internal processes or workflows that seem to be hindering the Organisation's performance? If so, what are they and how do they impact the overall performance?

5. Objective 2: To examine the influence of the dynamic changes within the postal industry on operational performance of SAPO

- 5.1 How did the changes in the postal industry landscape impact the operational efficiency of the South African Post Office?
- 5.2 In what ways have the advancements in technology and Digitisation of mail services shaped the performance and profitability of the South African Post Office?
- 5.3 How did the changes in the postal industry, particularly the shift towards private and international courier services, affect the competitive status of the South African Post Office?
- 5.4 What do you believe are the most significant external factors (e.g., technological advancements, competition, regulatory changes) that have affected the performance of the South African Post Office?
- 5.5 How has the rise of digital communication and online transactions impacted the volume of traditional postal services? How has the Organisation adapted to this shift?
- 5.6 In what ways has the Organisation attempted to innovate or diversify its services to remain relevant in the changing postal landscape?

6. Objective 3: To develop actionable recommendations and strategies aimed at enhancing operational performance and sustainability of SAPO

- 6.1 What successful strategies and practices can be implemented by SAPO that could potentially improve the performance of the South African Post Office?
- 6.2 How are these strategies going to enhance SAPO's performance?
- 6.3 Based on your analysis, what are the top three areas that require immediate attention to enhance the performance of the South African Post Office?
- 6.4 What specific steps could be taken to streamline internal processes and workflows to improve efficiency?
- 6.5 Are there any specific training and development initiatives that you believe would help enhance the skill set of the Organisation's workforce and contribute to improved performance?
- 6.6 How can the Organisation leverage technology and automation to optimise its operations and enhance customer experience?

Thank you for your participation.