

Track no. 13: Practicing Restructuring, Downsizing and Organizational Death

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On Practice and Knowledge Eruptions

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Summary of the track

In the wake of the global financial crisis, the media have frequently reported declining business for a range of corporations and organizations, having effects on a multitude of levels in the society and everyday business life. Public sector organizations have also been affected. We invite papers on various topics related to the downside of business focusing issues such as decline, “organizational death”, downsizing, closures, turnaround, sharp-benders, surviving failures and bankruptcy.

Abstract

Globalization, financial crises, increasing competition, corporate raiding, government deregulation, New Public Management and changes in customer preferences have increased pressure on managers to improve the performance of their organizations, both private and public. Through reductions in human and/or capital resources, managers attempt to improve both their organization's alignment with its competitive environment and the internal alignment of its resources. Some organizations are closed down due to a conscious strategic decision-making of the managers to end the business into non-continuity while others "die" because of bankruptcy.

In a time of crisis, these measures might be considered more legitimate or even demanded by e.g. shareholders, as a sign of "action". Still, the organizational practices of decline and death are part of the dirty-work and down side of HR, management and labor union agreements. The effects on the employees are expected to be substantial, but there are also worries of "Employer Brands" and balancing the need for future competency with the need to cut current costs.

Managers frequently cite poor industry conditions or weak demand as a reason for downsizing or closedowns. The tactic of downsizing, more specifically work-force reduction, has been widely applied. Some organizations act in a short-term perspective, downsizing or delaying the organization. Other act with a long-term perspective, systematically seeking to reconfigure productive capacity and organizational culture to reach goals that they believe will make them more competitive. One of the contributing reasons in strategic downsizing is the high cost of labor and the intention of freeing resources that can be used somewhere else for a better return on investments. Practices for producing prognosis of future costs and demands is often important for these strategies, even when uncertainty is high.

Even if there has been a progression of research on decline since the beginning of the 1980s, the scholarly understanding remains can be further developed. For that reason we invite a broad scope of papers on various topics related to the downside of business, organizational death and focusing on issues such as decline, downsizing, closures, turnaround, sharp-benders, surviving failures and bankruptcy. We welcome papers on various topics that are related to decline, for example:

Examples of themes/issues

- Human resource management strategies
- Individual reactions and their psychological outcomes
- Group-dynamics
- Institutional actions and reactions
- Changes in labour relations
- Intermediary systems, preparation and prevention
- Performance before, during and after down-sizing or closure
- Leadership during and after down-sizing or closure
- Downsizing of the managerial layer in organizations
- Organizational behaviour during and after down-sizing or closure
- Other forms and practices of "Organizational death", e.g. silent restructuring

Expected number of contributions: 10-15 papers

Short presentation of the track leaders:

Rebecka Arman, Ph.D., substitute lecturer at the School of Business, Economics and Law at Gothenburg University. She works in a research consortium for Competence and Restructuring (CORE) currently with a project on restructuring in the retail sector. Previously she has researched a closedown and voluntary dismissals in the pharmaceutical industry and managerial work in health care. She lectures in Management and Leadership as well as HR-work in the health care and public sector.

Magnus Hansson, Ph.D., Assistant Professor and researcher at Örebro University, Sweden. He is member of Centre of Empirical Research on Organizational Control (CEROC). His primary research has been on organizational restructuring, downsizing and closedowns and in particular focusing on productivity effects during the process of closedown. He is also working as a lecturer in Strategy, Marketing, Organizational Theory and Research Methodology.

Lars Walter Ph.D., assistant professor in the School of Business, Economics and Law at Gothenburg University. Lars general research interest that concerns organisational aspects of labour markets and the relation between labour market issues and work organisation and includes studies of temporary agency work, public employment service and job security councils.