

Specialists point of view about Organizational Decline Research

Fernando Serra and Manuel Portugal Ferreira

Universidade Nove de Julho

fernandoars@uninove.br, manuel.portugal.ferreira@gmail.com

Abstract

This paper examines research on organizational decline. Based on a literature review and on a qualitative analysis of forty-one interviews conducted by e-mail we conclude that organizational decline research is still both a current topic and further is needed. The anecdotal evidence and some existing studies show that firms', including large and well-reputed firms, performance is declining faster than before. However, the track record of decline research in the top management journals has not took-off. The results show several explanations specific to the scholars' tenure tracks and promotion has moved them away from the topic, albeit some research has continued in tangential arenas using an array of different conceptual lenses to delve into similar, or complementary, phenomena. We also found that organizational decline has remained understudied due to the difficulties in carrying out such research. Finally, we point out some insights concerning possible manners to further theory development and research on organizational decline.

Introduction

When Whetten (1980) wrote what is arguably the seminal article on organizational decline entitled "*Organizational decline: A neglected topic in organizational science*", he pointed the need and importance of studying decline. Studying decline is, according to Whetten, a path to increase firms' longevity. At this time, during the late 70s and 80s, US firms were facing strong competition from Japanese industrial firms and their performance was hurting. Seemingly, the current worldwide economic context could lead to greater emphasis on studying decline but research on organizational decline has not yet build a substantial stream. In fact, during the 1990s organizational decline research even decreased as scholars paid less attention to the topic. Perhaps the external milieu in the US growing economy may account for diminished scholarly interest on the theme. Nonetheless, the relatively small interest of academia on organizational decline, some authors have published mostly in books targeted at practitioners (e.g., Collins, 2009; Damodaran, 2011; Hamel, 2012). Generally, these works sought to describe the causes and consequences of decline and occasionally taking on a prescriptive stance on the remedies on how to prevent or overcome decline (Adizes, 1979).

The relative absence of papers on decline from the mainstream business/management journals, at least the top ranked journals, has led us to question what has happened. That is, why Whetten's call for additional research has remained largely unattended to over the past thirty years. In this paper we seek to understand whether research on organizational decline is a dying field of study or simply under-researched and still a valid and current research arena. The evidence seems to point to an enormous amount of declining organizations which means that there should exist a concern by practitioners. To better understand the field we first

conducted a citation analysis to identify who were the most relevant scholars studying decline and we then endeavored in interviewing forty-one scholars. The analysis expressed in this paper is largely qualitative and we reproduce the scholars' opinions concerning the pertinence of the theme, their work on the topic and their prospects for the future development of research on decline.

Researching Organizational Decline

Organizational research is often focused on growth (Wheten, 1980) than on organizational decline. However, the research in organizational ecology (Barron, 2003; Baum & Shilipov, 2006) uses to have organizational decline as a direct or indirect topic of research. There are also a timid specific field of organizational decline research, driven by the seminal works of Wheten (1980, 1980a).

There are concepts related to aging on failure in organizational ecology. Liability of newness (Stinchcombe, 1965) considers that young organizations are more vulnerable than established firms, being more likely to fail than older organizations (Singh & Lumsden, 1990; Baum & Shilipov, 2006). Resource partitioning is also a concept of organizational ecology (Hannan & Carroll 1992; Carroll & Hannan 1995), and it predicts that the mortality of specialists will decrease and the mortality of generalists will increase, if a high concentration of organizations exist in a generalist mass market (Singh & Lumsden, 1990).

The extant research on organizational decline is mostly related to organizational decline topic, that also includes turnaround and bankruptcy (Hoffman, 1989). These organizational decline studies are concerned with the understanding why firms fail, or lose competitiveness, and are overcome by other better succeed firms. Wetzal and Johnsson (1989), for example, argue that five different aspects should be considered in organizational decline: the reduction of organization dimension (McKinley, 1987), internal stagnation (Whetten, 1980) or lack of efficiency, failure to adapt to the external environment (Greenhalgh, 1983), and as an inevitable phase in the organization's life cycle (Miller & Friesen, 1984).

Academic studies in organizational decline follow two main approaches (Pandey & Verma, 2005). The first approach is to examine cross sectional data in organizational decline and turnaround. (Hambrick & Schechter, 1983; Barker & Duhaine, 1997; Castrogiovanni & Bruton, 2000). The other, to examine company processes, also in decline and turnaround (Van de Ven & Huber, 1990). Studies in organizational decline have different possible ways, as examining the content of the strategic actions (e.g., Hambrick & Schechter, 1983), or the context to understand how and why the decline started (Slatter & Lovett, 1999), and the processes used by managers to proceed with successful turnaround strategies (e.g., Bibeault, 1982).

Studying decline is important and relevant, as it follows to help to prevent firms of failure (Wheten, 1980; Pandit, 2000), studying causes and decisions, as their effects that may lead organizations to decline (e.g., Argenti, 1986). Decline is not an immediate fact as observed by Altman (1983) and Hambrick and D'Aveni (1988), as those decisions and cause happens several years before the symptoms. Following their concerns, our aim in this study is to understand why organizational decline, that seems to be a relevant topic for research, is understudied.

Method

Assuming that Organizational Decline is a relevant topic, we conduct a research based on recognized specialists in the topic to establish a future research agenda. We first perform a bibliometric research to identify the articles and authors from the topic. To conduct the

research we selected the journals to conduct the search. Each of the journals was searched using eight keywords using the option “topic” in the portal (at <http://isiwebofknowledge.com>): *decline* (with the variations organizational decline and performance decline), *decay* (with the variations strategy decay, performance decay and organizational decay), *bankruptcy*, *failure* (with the variations business failure and organizational failure), *turnaround*, *retrenchment*, *longevity* and *life cycle*. This search procedure sought to identify articles on decline by identifying the keywords on the title of the articles, the abstracts, the author-supplied keywords and the keywords created (KeyWords Plus). To find relevant research and articles, we decided to use the 6 top journals in management/business: Strategic Management Journal, Organization Science, Management Science, Academy of Management Journal, Administrative Science Quarterly, Academy of Management Review.

We then prepared a list from the chosen article using the bibliometric software Bibexcel, showing specific information about the articles. We examined each article information, focusing at the title, keywords, and summary (in some cases where the summary was not available or clear we downloaded the complete article). Our final list comprises the 78 articles in organizational decline presented.

The survey actually consisted on an interview conducted by e-mail. From the initial list of 132 authors that (co) authored at least one of the papers identified, forty-one agreed to participate. Mostly, these were scholars in the fields of strategic management, organizational theory and population ecology. The survey protocol stated, after an introduction where we identified the specific articles of the author, the following questions:

We are trying to understand the authors' motivations to study decline and why they stopped doing it. I am writing you trying to know your motivations for the articles you published on the topic. Whether you consider that decline is still an interesting topic in these troubled days? What would be interesting to study?

Is Organizational Decline An Important Theme For Research?

To understand the academic view on organizational decline as a contemporary and worthwhile research topic we questioned the main scholars that have published on decline what was their view on researching organization decline (Table 2). Most scholars defended that furthering decline research is important and that organizational decline is a still an important research topic, including Arent Greve, David Whetten, Dean C. Ludwig, Ken Smith, Robert Sutton, Vinit Desai, Thomas D' Aunno and William McKinley. David Whetten (1980: 577), in his seminal article pointed that “predictions of an emerging era of retrenchment imply a need to study the management of organizational decline” and he is still convinced that organizational decline research will increase as a reflection of a troubled economy. Dean Ludwig pointed that organizational decline affects different types of entities such as firms, cities, countries and regions, and it is not a firm-specific fad. Hence, decline may actually be a long-term issue.

The economic context is a strong influencing factor on decline research. Interestingly, all the interviewees associated scholarly interest to the real economic context and the empirical, or anecdotal evidence of declining firms. Most consider it as a timely topic, now that the European and the US economy are not fairing as well.

Nonetheless, other scholars point for a possible exhaustion of the topic. Robert Wiseman, for instance, stated that “The focus on decline does appear be popular during periods of economic decline. My own take is that the topic is pretty much exhausted. We have a theory with empirical support for how decline occurs and its path toward eventual demise. So unless there is something that challenges our current thinking about the process or

consequences of decline, I don't see resurgence in this area of research in the near future". Wiseman then argues that organizational decline is being studied using the same theories and arguments that are used for studying organizational growth and success.

Table 2. Evidence of organizational decline relevance, causes and consequences

Statement <i>[author]</i>	Importance	Causes
I would hypothesize that researchers are turning to the topic again, now that the American economy is again in bad shape. <i>[David Whetten]</i>	Timely topic	Economic problems in US
I continue to believe that organizational decline is an important phenomenon, worthy of theoretical and empirical attention. This is particularly true in the current era, when economic stagnation is enhancing the incidence of organizational decline in many countries. <i>[William McKinley]</i>	Need of theoretical and empirical attention Timely topic	Economic problems in many countries Increase of organizational decline
...of course the field is still very relevant, just look at the failure rates of firms in all countries. <i>[Arent Greve]</i>	Always important	Failure rates of companies
I think it may be more important today than it was in the 80's and 90's. After years of inflated growth, so many organizations and other economic entities (like cities and countries) now will have to adapt to long-term declining environments. Success or failure depends on how these entities respond to the reality. Contraction should not be equated with failure. <i>[Dean Ludwig]</i>	Timely important Long-term and generic effect	Economic problems Need of adaptation
The focus on decline does appear be popular during periods of economic decline. My own take is that the topic is pretty much exhausted. We have a theory with empirical support for how decline occurs and its path toward eventual demise. So unless there is something that challenges our current thinking about the process or consequences of decline, I don't see resurgence in this area of research in the near future. <i>[Robert Wiseman]</i>	Timely popular Consider exhausted on current thinking	Economic problems

What was the motivation to study decline?

To many scholars the external context did matter as initial motivation which was largely influenced by the US recession at the time. However, we should point out that it is not the economy per se that mattered but the effects held on individuals and firms' decreased performance.

Many other motivations came into play for deciding to focus on decline. The personal reasons, including the proximity or direct contact with organizational decline situations, as Richard D'Aveni "my father worked for Sears from 1950 to 1970, responsible to open new stores in New England. Then started to close" or Dean Shepherd's "because my father's family business failed".

An intriguing issue, or a gap identified in the extant literature, were also triggers. For example, Arjen van Witteloostuijn stated that "Some organizations perform well, and others do not. All organizations experience changes in performance, and all organizations will ultimately fail. Trying to understand the drivers of these processes is intriguing". Arent Greve was also intrigued "I got interested in decline because I saw that several very promising firms, some of them even got entrepreneurial prices, and others were considered stars, outstanding firms, but after some years, lots of them got into serious crises, and several disappeared." And, Ludwig noted "I originally studied the problem because I was a member of a religious order that was losing membership."

Table 3. Why study decline in the first place?

Statements [author]	Motivations for research
In the 1980s, the American economy was struggling, and lots of companies were in trouble. This prompted researchers to address the topic. [Donald Hambrick]	Recession of US firms
My reasons to study decline is because it was a big deal in 1980s. Management decline study was a big issue. It was still a young subject for research, with lots of things to be written about. This was the topic of my dissertation with Hambrick as dissertation supervisor. Also, as a person motivation, my father worked for Sears from 1950 to 1970, responsible to open new stores in New England. Than started to close. [Richard D'Aveni]	Important research Dissertation topic Personal Motivation
My motivation for studying decline was an opportunity to do research on declining enrollments and revenues at US colleges and universities with the newly formed Organizational Studies Program at the National Center for Educational Management Systems in 1981. Kim Cameron was the program director, David Whetten was a member of the advisory panel. [Raymond Zammuto]	Important researchers
I started working on this topic, as stated in the paper to which you refer below, because my father's family business failed. [Shepherd, D.]	Personal motivation
My original incentive for studying this topic was to understand an educational system (school district) in the US that was declining at the time. [Zehava Roseblatt]	Personal motivation
I originally studied the problem because I was a member of a religious order that was losing membership. But my interest was more general — I felt there was too strong of an equation of success with growth in most organizations. [Dean Ludwig]	Personal motivation Research gap
I got interested in decline because I saw that several very promising firms, some of them even got entrepreneurial prices, and others were considered stars, outstanding firms, but after some years, lots of them got into serious crises, and several disappeared. [Arent Greve]	Important firms going into decline
I have always studied “organizational failure” as the dual of “success.” And in my paper “Death hurts but it isn't fatal...” I look at the complementarities between “private” and “public” knowledge and the diffusion of knowledge created by innovative companies that have since failed. At a more macro level (industry/product level), I think that we have studied diffusion of innovations a lot, and paid significant attention to the “creative” part of “creative destruction.” However, we have not examined issues related to the “destruction” part of creative destruction. [Rajshree Argawal]	Failure as dual of success Research gap
What got me interested in the topic and led to the 1992 article that you cite below was the Hambrick and D'Aveni ASQ article, “Large Corporate Failures as Downward Spirals.” The thing that I found most intriguing in this article was their finding that significant differences in the finances of firms that fail versus firms that survive were observable as much as ten years before eventual failure. [Larry Stimpert]	Other article/author influence
Regarding the fact that recently I have not done any work on decline, the reason is very personal rather than substantive. Actually my work on it in the first place was a function of my affiliation was a Hopper Rosenblatt were both at Washington University in St. Louis. Since that time she has moved back to Israel and I have moved Florida and we have not collaborated on anything. [Walter Nord]	Working with a colleague.
My own interest in organizational decline is related to the study of “strategic business exit” (Burgelman, ASQ, 1994; SMJ, 1996) in the context of the intraorganizational ecology of strategy-making (Burgelman, AMR, 1983; OS, 1991; ASQ, 2002; Strategy is Destiny, 2002). The key argument is that an organization can be viewed as an ecology within which strategic initiatives compete for resources, and that organizational adaptation and longevity depend on the organization's capacity to exit from nonviable environmental segments and enter into new viable environmental segments. This view offers the possibility to reconcile strategy and organizational ecology. [Robert Burgelman]	Intraorganizational ecology

Why to abandon this line of research or does it still influence the research focus

Abandoning organizational decline research was due to such motives as moving to administrative positions, to other schools and countries, changing research subject for new

interests, being part of another group of research, tenure requirements, among others. Table 4 summarizes some statements.

Table 4. Evidence of scholars' actual research and motives to move to other fields

Topic	Statements [<i>author</i>]
Moved to other topics/branched out	<p>"I have not stopped -- just branched out. See my books the Icarus Paradox (1990) and Managing for the long run (2005) and my articles Architecture of simplicity, etc." [Danny Miller,]</p> <hr/> <p>"I did write a few papers on downsizing. Gradually I became interested in a related topic, but in the organization behavior (not theory) area - job insecurity." [Zehava Rosenblatt]</p> <p>"At the time that I was writing about decline, I also became very interested in institutional theory. My attention shifted to institutional theory and I continue to do work with this theory to this day." [Thomas D'Aunno]</p> <p>"I got out of that field simply because I needed external financing for research, and didn't get any for that topic, however, I got lots of financing for other types of studies, particularly in technology development and social networks, here of course I reconnected to the problem of decline and crises, because I didn't do research in only excellent firms, needed some comparisons. Lately, I have also done research on high reliability organizations and their vulnerability." [Arent Greve]</p> <p>"I stopped studying decline largely because the focus shifted toward downsizing . . . a variant on decline, but one under the control of managers. You will find that the literature on downsizing is much more extensive than on the term "decline." [Kim Cameron]</p> <p>I largely stopped studying downsizing because of becoming immersed in another set of research questions. Studying downsizing led me to identify differences between firms that declined after downsizing and those that flourished. The answer to that question led me in a different direction in my empirical studies, namely, Positive Organizational Scholarship." [Kim Cameron]</p> <p>"I continue to be very interested in the topic, and try to read new articles that appear on the subject. It is interesting how the focus of scholars' work changes over time. While I continue to be interested in the topic of decline, my own published research has been primarily in other areas, including corporate strategy and diversification and corporate governance, etc." [Larry Stimpert]</p> <p>"My dissertation topic was turnaround. I have an AMJ article on the topic from that dissertation. I have then gone on and down an SMJ piece on the same topic. It is still an interest of mine but really have simply moved onto other topics." [Garry Bruton]</p>
Shifted research topic but still studying decline in other subjects	<p>"I prefer to do ground-breaking research, doing the initial conceptual development and measurements, and then let others flesh out the research stream. So I published papers on job insecurity and organizational decline, and then moved on to other areas of interest. I no longer work on organizational decline. My current work focuses on cities in decline, and also national economies in decline." [Leonard Greenhalgh]</p> <p>"I would say that I just got interested in other things, but themes from my research on decline persist throughout my writings, organizational effectiveness, leadership, how good managers have to do the dirty work, and the issue of dealing with failures. I think that the label has gone away, but research still continues." [Robert Sutton]</p>
Continue working on decline	<p>"I'm still interested in the topic and have a working paper with a failure mechanism in the theoretical model." [Stewart Thornhill]</p> <p>"I have maintained an interest in organizational decline since the 1980s and 1990s, and have not stopped publishing in the area. Currently, I have a co-authored paper on organizational decline and innovation that has received a revise-and-resubmit at Academy of Management Review." [William McKinley]</p> <p>"I have not stopped doing research in this area. In fact one of my papers is coming out in the next issue of Academy of Management Journal." [Dean Shepherd]</p> <p>"I never stopped working on these issues. E.g., I am currently working on a series of papers on managerial control loss. Attached is my CV, where you will find many examples of work on organizational performance, broadly defined (hence including decline and exit)"</p>

	<p>[<i>Arjen van Witteloostuijn</i>]</p> <p>“I have not stopped studying it, and will continue to be working, and directing some graduate student dissertations, on the topic.” [<i>Rajshree Agrawal</i>]</p>
Recovery of the US economy	<p>“Basically, once the US economy took off again, US scholars, like myself, lost interest in studying organizational decline. As you would expect I see a resurgence of interest lately.” [<i>David Whetten</i>]</p> <p>“As the economy got better, through the 1990s and 2000s, there was simply less interest in troubled companies.” [<i>Donald Hambrick</i>]</p> <p>“I think the primary reason that research on decline declined was the improvement in the US economy during the 1990s. Who wants to read about organizational decline and death in an age of organizational prosperity?” [<i>Raymond Zammutto</i>]</p>
Research on decline was secondary	<p>“The purpose of my 2003 Org Science paper on Oticon wasn't to study decline per se. Rather, it was to direct attention to the neglected costs of organizational strategies of building dynamic capabilities by emulating market organization (“internal hybrids”). A part of the argument was to reinterpret a famous episode of a firm (i.e., hearing-aids producer Oticon) where a particular internal hybrid had in fact “declined” -- for reasons of transaction costs accumulating.” [<i>Nicolai Foss</i>]</p>
Job changes - took administrative position at the university	<p>“I stopped doing research on it for two reasons. First, I became very interested in other topics, most notably global strategy. Second, I became a Dean and had much less time for research.” [<i>Carl Zeithaml</i>]</p> <p>“Since then I returned to Israel, where the educational system is centralistic, and decline was not a relevant topic. It is becoming a very relevant topic in business, of course, given the economic crisis in the world (relatively less severe in Israel). To my opinion, the most interesting thing to explore is the unique features of decline, those that are not just the reverse of growth.” [<i>Zehava Rosenblatt</i>]</p> <p>“I did not continue my research in this area because I left academia for a few years and picked up other research when I returned. Today, my life is fairly busy with administrative responsibilities, and I do not have a great deal of time to do research and writing. I still think it is a very worthwhile—and timely—topic.” [<i>Dean Ludwig</i>]</p> <p>“I moved into an administrative position some 15 years ago and have not done as much research on this and other topics in the past several years.” [<i>Mark Mone</i>]</p>

Is organizational decline an under-researched topic?

The scholars interviewed had varying perspectives albeit with some common threads. Several scholars interviewed noted the bias towards success and growth, or positive research, and avoiding themes that are unattractive or have a negative connotation. For instance, Philip Bromiley clearly stated that “It is part of the heavy bias in strategy towards trying to tell firms how to be successful”. Jeffrey Pfeffer, whose research is at least indirectly tied to organizational decline, noted:

“People want to hear “good news,” and study “positive things” (there is, as you know, even a field of positive psychology which is growing rapidly). That's why no one wants to study decline, or at least one interpretation for this.”

Aswath Damodaran, who used a life cycle approach for companies’ valuation, reinforced this perspective stating:

“First it is depressing. It is better to study organizations that are in the growing phase.... Research has to go with excitement. Excitement has to be with young growth companies. It is not to declining companies.”

The criteria for publication and the evolution of the disciplines may also have an influence on what scholars study. As disciplines mature and theories become more established, research tends to become both more theory-driven, show the contribution to theory, instead of simply being oriented by phenomena, and heavier in statistics. Some scholars mentioned in this regard that research is increasingly theory-oriented and converging

to dominant theoretical approaches, which poses some hazards for organizational decline research. It is interesting to note William McKinley's remark on this:

"The reason that some scholars may have abandoned organizational decline research is that organization studies has become very theory-oriented in the last twenty years, so that if a particular topic is not perceived to advance a dominant theory, it loses interest for scholars. I personally do not subscribe to this style of work, and I believe that theory and research should be phenomenon-oriented. However, if scholars believe that they will attain additional publications and prestige by promoting abstract theory that is remote from phenomenological foundations, they will certainly do so."

Robert Sutton pointed that studying decline may clash into definitional issues. There is no precise definition of what is decline. In fact, several scholars interviewed questioned what is decline and suggested that thinking about decline we may actually find multiple lenses and phenomena, including exit, divestitures, downsizing, bankruptcy, and others, as noted by Sutton. Other scholars noted that they did not study organization decline itself but rather that decline emerged when delving into other topics. Joel Baum, for example, commented having recently revised organizational ecology where there are several topics related to organizational decline (see, Baum & Shipilov, 2006). Robert Sutton and Vinit Desai argued that maybe the field has been studied all these years under other "names and forms". Hence, some scholars raise the possibility that decline has been studied albeit with other names.

Table 5 includes additional statements. The most frequent rationales presented include such issues as how focusing on decline is unattractive for funding agencies, difficulty of getting recognized, topic less attractive than targeting successful companies – that are what everyone else is studying, difficulties with accessing data and in the methodologies. The fact is that standard databases, news and broad reliable data on organizational decline are not available.

Albeit in our literature review and bibliometric analysis of the papers published on decline over the past thirty years we failed to find any evidence that research on decline is somehow tied to the current economic milieu, some scholars proposed that a relation could exist.

How scholars see the future and the challenges of research on organizational decline

What is the future of organizational decline research? Several scholars, such as D'Aveni, pointed out how difficult it can be to access data on organizational decline, perhaps most notably at the firm level, for future research. Bromiley suggested that a possible path would be to contrast similar firms at the same moment in time using a matched sample method - this approach

was recently followed by Collins and Hansen (2011), as well as by Harris and Bromiley (2007). This would reduce the problem of having a small amount of data and firms to study. However, a fundamental factor, and a challenge, for the rebirth of future research on organizational decline, is as noted by Wiseman to "challenge the current thinking" and eventually "to argue that somehow a performance decline can't be explained by our current models of performance". Philip Bromiley reinforced this perspective adding:

"From a theoretical standpoint, you would wonder whether the factors that result in a firm declining differ dramatically from the factors that resulted in a firm growing. Life would be easiest if the same factors with the same parameters resulted in positive and negative changes in firm size. However, usually I find differences between performance and aspiration where performance is above aspirations have different parameter values and different influences on dependent variables than differences between performance and aspirations when performance is below aspirations. Such asymmetries suggest that the factors that truly drive decline may in fact differ somewhat from those that differentiate between adequate and good performance."

Table 5. Is organizational decline an under-researched theme?

Statements [author]	Reason for lack of research
Organizational decline has not been adequately examined by organizational scientists, because they are preoccupied with organizational growth and its consequences. The emphasis on growth reflects actual organizational conditions and the prevailing ideology in our society. [David Whetten]	Prevalent focus on growth
In my opinion, it is part of the heavy bias in strategy towards trying to tell firms how to be successful. You should be warned that I think much of current research in strategy relies on very poor theory. (I published a book called Behavioral Foundations of Strategic Management which deals with this). [Philip Bromiley]	Focus on successful firms Poor theory in current research
Decline is potentially useful to study is a kind of negative thing. Taboo, I do not think that you have reviewers that would be favorable to have the papers published. I stop writing because exhausted the database. It was time to study another dataset of decline. The cost would be too high to have it. [Richard D'Aveni]	Negative theme Difficulty and cost of data
I got out of that field simply because I needed external financing for research, and didn't get any for that topic. [Arent Greve]	Difficulty in research funding
I imagine that researchers stopped studying decline when the US economy began to grow again in the mid-1980s. In fact, since the mid-1980s, the US economy continued to grow, until, of course, the 2008 collapse. [Thomas D'Aunno]	Economy recovered
Perhaps it has not received more attention because: (1) definitional issues, and (2) it is part of many concepts such as bankruptcy, life cycles, growth, etc. [Ken G. Smith]	Difficult to define Other related themes
Actually to the contrary, I am still working in the area. We have a JoM review article on the topic going as well as new empirical research. We think it is tough to keep going because the stream has been fragmented and largely atheoretical. [David Simon]	Fragmented and largely atheoretical

Also the comparison of firms that decline with the ones that turnaround was suggested by D'Aveni. These types of studies could help us in understanding, as suggested by D'Aveni, "how to prevent" and "how to get out of decline". The interest in understanding the antecedents of decline was expressed by other authors such as Rocki-Lee De Witt. Larry Stimpert put forward an interesting explanation related to future works on the antecedents of organizational decline and threat-rigidity responses:

"The thing that I found most intriguing in this article [talking about Hambrick and D'Aveni (1988) article] was their finding that significant differences in the finances of firms that fail versus firms that survive were observable as much as ten years before eventual failure. This led me to thinking that there must be an incredible amount of denial going on in failing firms. I continue to believe that there is a very important cognitive element to be studied when examining decline and turnaround. This is a theme that runs through much of the decline literature, but I don't think there are enough good studies that really focus specifically on the cognitive sources of decline or the way that cognition contributes to decline. Prahalad and Hamel [on their 1994 book] described "the battle for industry foresight," and I think that this is, again, a great way to think about the cognitive issues surrounding decline. Interesting to me how many great firms fail to develop the foresight about where their industries are headed in the future, and how so many of them stumble badly as a consequence."

Argawal continues to study topics related to organizational decline namely on creative destruction through innovations. Concerning the future of research on decline he specifically pointed out three possible avenues: (1) What factors facilitate or retard the "abandonment" of products/technologies that seem to be rendered obsolete by new products and innovations?, (2) When a firm is at risk of failure, is it better to disband the resources, or continue efforts at strategic renewal? What are the contingency factors that impact this relationship?, and (3) When a firm dies, what happens to the resources that were previously bundled within it?

To a large extent the perspectives that scholars took on the future of decline research are strongly tied to their current research. Arent Greve, for example, formulated the basis of a

future research agenda as: “What is interesting to study is how technology, social networks and the organizational fields of firms shape the cognition, access to knowledge, and decision making in firms”. Garry Bruton took an international emphasis to propose, “the globalization effect, the regional importance and differences are also present, by the suggestion of the study of, for example, of a “contextualized Latin setting”. Notwithstanding, the methodological aspects and the need to come up with a clear and accepted definition and typology of decline were mentioned by Walter Nord and Rocki-Lee De Witt, as well as the “processes associated with these different types”, by Walter Nord.

Challenges and opportunities in future research

We find *prima facie* evidence in the statements of scholars such as Cameron, Pfeffer and Damodaran, who pointed out the “depressing” and negative nature of studying decline. The mindset, however, is just a facet that we complement with the lack of good data. The ability to build good datasets might provide additional leeway for future research on decline. Some statistical methods may, at least partly, permit overcome the data limitations, such as using matched sample techniques (see Harris & Bromiley, 2007; Collins & Hansen, 2012) comparing firms with different performances – which is an alternative for having small datasets.

Future research ought to go beyond the bias that studying decline is the opposite of studying success. This effort will likely comprise contributing to developing theory and not simply applying the existing theory. For instance, devising novel manners of using the resource-based view (RBV) in studying decline (see, Tornhill & Amit, 2003), which may actually contribute to better understand strategic resources, how they are built and especially how they may deplete.

This line of inquiry may be related to our prior suggestion on CEOs and Top Management Teams namely on the cognitive aspects of decision-making. This research may use the insights of Hambrick (e.g., Hambrick & Mason, 1984) on how CEOs make decisions. In fact, there is also a growing consensus that we need to understand better the practice of decision making and execution inside organizations (Mintzberg, 1987; Whittington, 1996). Strategy-as-practice approaches (Vaara & Whittington, 2012) is thus yet another research opportunity for organizational decline, especially focusing on works on turnaround, to contribute to better managerial and strategic decision practices in organizations.

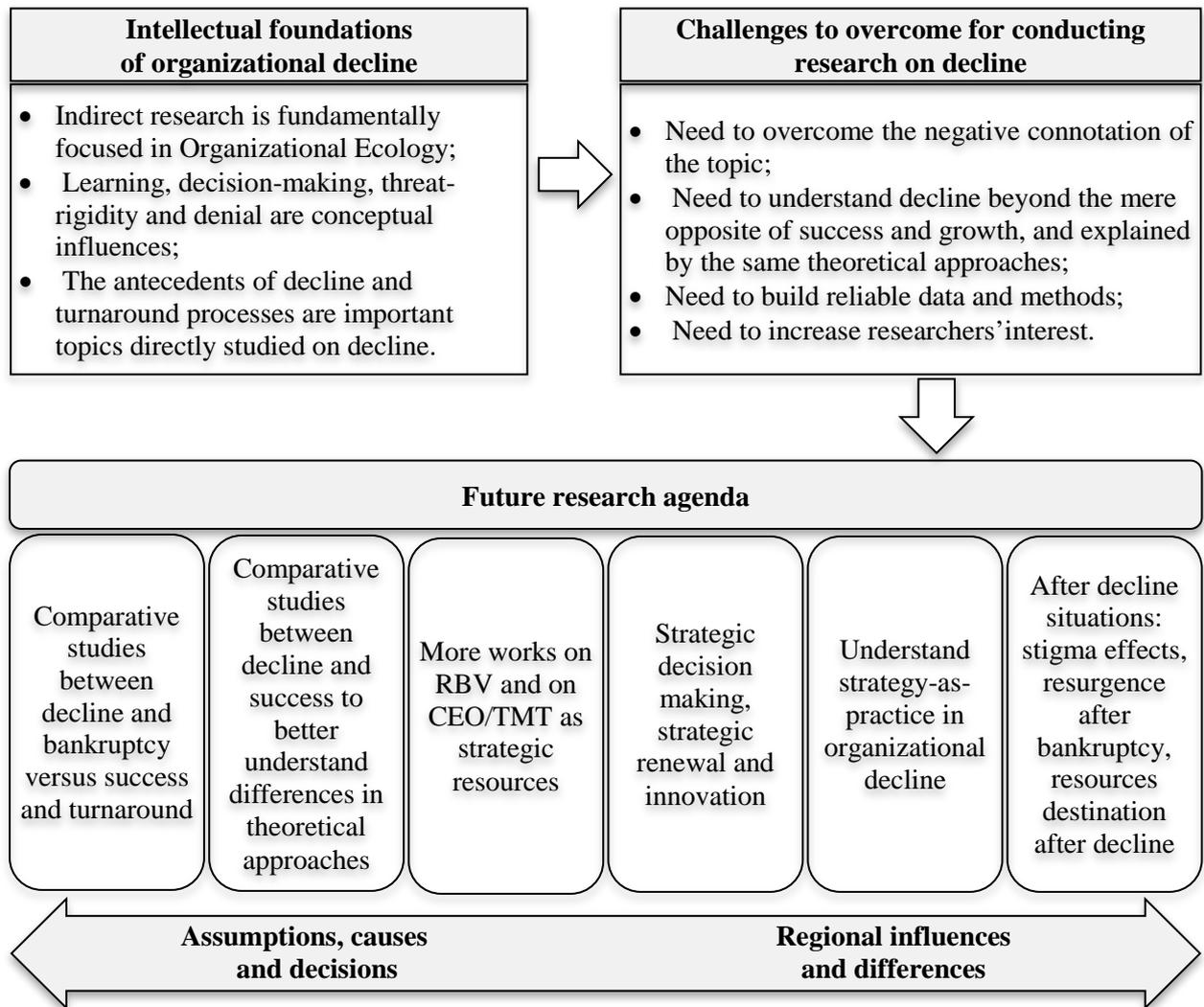
Future longitudinal research might be especially insightful since decline is a process, not a discrete event. That is, we ought to understand decline over time and as shown by Torres et al. (2011) we may trace firms’ declining performance. Organizational decline may be detected using standard performance indicators (often with financial or economic metrics), but the symptoms, causes and decisions that influence decline, and even the first signals of problems are visible many years prior (Hambrick & D’Aveni, 1988; D’Aveni, 1989).

To conclude, we call for additional research on organizational decline, following prior calls by Whetten (1980) and (Torres et al., 2011). Albeit some studies exist, decline is still a rather understudied phenomena and we fail to observe an upsurge in the more recent years (see also Serra, Ferreira & Almeida, 2013).

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Figure 1. Challenges to overcome and future research on organizational decline



Source: The authors.

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