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A close-up on closedowns:

An analysis of how authentic and transformational leadership can improve employee experiences of plant closures.

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Jönköping May 2012

Bachelor Thesis in Business Administration

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Date:	2012-05-18
Subject terms:	Organisational closedowns, employee reactions to closedowns, authentic leadership, transformational leadership.

Abstract

Problem: The well-being and health of workers can decrease substantially when their place of work is closed down. A smooth transition and well-managed closedown process, however, has shown to ease these effects. Despite this, very little research has been conducted on how leaders can manage a closedown process well. The purpose of this thesis, therefore, was to examine whether the ‘authentic’ and ‘transformational’ forms of leadership could ease the negative experiences of employees during organisational closedowns.

Method: Employee accounts of closedown processes were obtained by conducting semi-structured interviews. These were then analysed against the existing body of research on closedown processes, employee reactions to such processes and authentic and transformational leadership. Causal relationships were sought between the actions and behaviour of leaders and the reactions and experiences of employees.

Findings: This study found features of authentic and/or transformational leadership in all of the employee accounts that were examined. From this data, it can be deduced that the leadership features that were found, at least partly, eased the negative experiences of employees during closedown processes. In particular, the following eight authentic and transformational leadership characteristics were shown to have eased employee perceptions of closedowns: self-awareness, relational transparency, individualised consideration, inspirational motivation, idealised influence, encouraging the heart, inspiring a shared vision and meaning through communication.

Conclusion: When weighing the evidence, it can be concluded that certain aspects of the authentic and transformational leadership constructs can ease the negative experiences of employees during closedown processes. Authentic leadership features related to high relational transparency and high self-awareness were mentioned most frequently by the former employees interviewed, and can therefore be considered most important when seeking to ease employee experiences of closedown situations. With this being said, the many transformational leadership features mentioned by the interview respondents should not be disregarded. Although individual features attributable to transformational leadership were not mentioned as frequently, a greater range of such features was communicated by the respondents. It is argued, therefore, that a combination of the two concepts would be most effective when seeking to improve employee experiences and leadership during closedowns.

Acknowledgments

This Bachelor thesis would not have been possible without the help of numerous people in our surroundings, all of whom are impossible to mention here.

With this being said, we would like to thank our interviewees (you know who you are), to whom we are greatly indebted. We would not have been able to write this thesis without them and are extremely grateful that they shared their highly personal experiences with us.

We would also like to thank Magnus Hansson at Örebro University for inspiring us and providing us with valuable insight into the closedown process.

Furthermore, we would like to take this opportunity to show our utmost appreciation to Tom Simmons and Hanna Toremark for taking the time to give us both feedback and advice.

Last but not least we would like to show our gratitude to our tutor, Francesco Chirico, who has provided us with support and guidance throughout the course of this thesis.

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1 Introduction

This introductory section will outline the background of this thesis, provide a problem discussion and present the purpose of this study. The research questions upon which this thesis will be based will also be introduced. In order to facilitate understanding, this section will end with definitions of key concepts relevant for this thesis.

1.1 Background

Today's organisations are increasingly driven by cost reductions (Fryzel, 2009). Simultaneously, as a result of globalisation, more challenging markets put pressure on firms' competitive abilities (Hitt, Keats & DeMaie, 1998). According to Fryzel (2009), there are two primary ways in which organisations are responding to these modern challenges: mergers and acquisitions (M&A), where a number of firms are combined and strategic assets obtained; and off-shoring, whereby an organisation moves all or part of its business operations abroad. Both strategies, (M&A and off-shoring), can result in the downsizing of plants or specific business units. Consequently, multiple job losses may be caused due to positions in the workplace becoming redundant. In general, downsizing does not involve the termination of employment as a result of employees' own misconduct or other wrongdoing on their part (Cascio, 1993).

Taking each strategy in turn, mergers and acquisitions often result in the internal restructuring of an organisation. The merged or acquired entity is likely to have excess personnel following the restructuring, causing plants to downsize in order to maintain their profitability (Mueller, 2003). Off-shoring, involves the relocation of an organisation's production facilities from one country to a lower cost equivalent. As a result, one plant is downsized or ultimately closed and another opened (Mueller, 2003). In contrast to Fryzel (2009), Cameron (1994) argues that downsizing strategies are being pursued by organisations wanting to streamline their business operations. In such cases, downsizing is not the result of mergers and acquisitions or off-shoring, but rather a way in which to eliminate organisational ineffectiveness that has accumulated over time.

At the extreme end, downsizing can result in the closure of an entire service or production unit (Wigblad, Lewer & Hansson, 2004). When this occurs, an entire workforce may be laid-off or 'displaced', as it is known in the employment sphere (Cappelli, 1992). The remainder of this thesis will focus on this form of downsizing i.e. downsizing resulting in closedowns.

Closedowns occur in organisations throughout the world and Sweden is no exception. In 2004 alone, 12,191 employees were made redundant as a result of closures in the Swedish market (Wigblad, Lewer & Hansson, 2007). As recently as March 2012, the confectionary company Cloetta announced the closure of three Swedish factories (TT, 2012).

Naturally, when workplaces are downsized or closed down, workers are severely affected (Wigblad et al., 2004). Being displaced is extremely stressful for employees and can cause anger, depression and uncertainty about the future. Moreover, job loss is associated not only with a loss of income, but also with a loss of identity for the displaced worker, since personal identification with one's occupation is common (Blau, 2004; Kaufman 1982).

In light of the effect that job displacement has on workers, it is in an organisation's interest to ensure that the process for terminating employment is carried out smoothly and with as much care as possible. Seen from a wider perspective, failing to do so may cause damage not only to the reputation of the individual organisation, but also that of its corporate group, especially if workers feel they have been mistreated. This may lead to future difficulties in attracting new employees and customers while at the same time upholding the competitive advantage of the business (Ahlstrand, 2010).

Given this impact and the continuous use of downsizing strategies by organisations in an attempt to reduce costs, methods aimed at easing employee experiences of closedown processes need to be developed. Despite this, very little research has been conducted on the subject. An article by Norman, Avolio and Luthans (2010) suggests, however, that the way in which workforce leaders approach negative events such as downsizing procedures could influence employee experiences of such crises.

There are different leadership approaches that could be appropriate in such instances. Transformational leadership, for example, refers to the process of "*moving the follower beyond immediate self-interests through idealized influence (charisma), inspiration, intellectual stimulation, or individualized consideration*" (Bass, 1999, p. 11) and involves influencing workers so that the negative impact of the imminent change to their employment is diminished. In turn, authentic leadership can be related to the feelings and emotions of employees. Leaders with this leadership style, create transparent, trusting relationships with workers while projecting resilience, hope and optimism for the future (Norman et al., 2010). Both transformational and authentic leadership can be applied when times are tough and to situations that do not necessarily have positive outcomes (Bass 1985; Norman et al., 2010). Furthermore, the attributes required to implement these leadership styles are not necessarily innate to leaders, and the relevant leadership techniques can be learned at any time (Bass, 1985; George et al., 2009).

1.2 Problem discussion

As mentioned previously, the well-being and health of workers can decrease substantially when their place of work is downsized or closed down. A smooth transition and well-managed closedown process, however, has shown to ease these effects. Knowing that employees are harmed by poorly-managed closedowns and that well-managed closedowns decrease this harm, facilitating employee experiences of the closedown process becomes important from an ethical standpoint. Corporate social

responsibility is a part of business ethics and includes, among other things, being responsive to the needs and welfare of employees (Sloane & Gavin, 2010). A well-managed closedown process can also bring about positive outcomes for firms since their reputation is maintained and vital stakeholder relationships upheld.

Despite this, very little research has been conducted on how leaders can implement a closedown process in this manner. In a closedown situation it is not uncommon that leaders walk onto the factory floor talking about financial aspects, discussing market situations and the organisation's responsibility to its customers. Instead of easing the experience for employees, this often has a negative effect on worker motivation (M. Hansson, personal communication, 2012-04-02). Achieving well-managed closedown processes and facilitating employee reactions to these therefore present major challenges for organisations and their leaders. In light of this, we consider there is a need to determine and develop models for doing so.

Given that both leadership and closedown processes are extremely complex, we recognise that developing models at this preliminary stage of research is unrealistic and that the discussion must be narrowed. An initial examination should therefore be made into which, if any, leadership actions and/or behaviours make the closedown process easier for employees. As such, this thesis will focus on employee experiences of plant closedowns in relation to two forms of leadership: authentic and transformational.

1.3 Purpose

From an employee perspective, job loss is often perceived more stressful by individuals than, for example, losing a close friend (Kaufman, 1982). A leader's action during organisational transitions can, however, have a large impact on employees' experiences (Marks, 2007). Despite this, little research has been conducted on the relationship between the traits and behaviour of leaders and reactions of followers during plant closures. This thesis aims to fill part of this void by examining the impact of two types of leadership (transformational and authentic) on employee experiences during closedown processes.

The purpose of this thesis is to establish whether two forms of leadership (transformational leadership and authentic leadership) can ease employees' negative experiences of worksite closures that have come about as a result of financial and/or strategic decisions. If this proves to be the case, the authors also seek to identify the specific factors associated with these two leadership constructs that facilitate employee experiences.

The following research question(s) will form the basis of this thesis:

- Does authentic/transformational leadership ease the negative experiences of employees during closedown processes that occur for strategic and/or financial reasons, if yes, what specific factors associated with authentic/transformational leadership ease employees' negative experiences of closedown processes?

1.4 Perspective

In order to gain an accurate impression of how closedowns are experienced by the workers affected and what can be done to ease the process for them, an employee perspective will primarily be adopted in the thesis. However, since both authentic and transformational leadership can be learned by organisational leaders, and facilitating the closedown process for employees can also give rise to positive outcomes for the organisations involved, an employer perspective will also be taken into consideration. Consequently, identifying the specific factors associated with authentic and transformational leadership that can ease employee experiences should contribute to better-handled closedown processes that benefit both employees and organisations.

1.5 Delimitations

This study will be conducted in a Swedish context. The labour laws concerning job displacement are highly country-specific. As such, certain factors that may ease the displacement process for employees may vary between countries.

Closedowns can vary in form, including closures of manufacturing plants or organisational functions or units. In order to limit the study and answer the research questions effectively, closedowns of production plants have been examined in particular. Although the conclusions drawn may also be relevant for closures of other organisational functions, our analysis was not conducted with these functions in mind.

Personal attributes and characteristics play an important role in how an individual experiences and copes with major life events. Linking the characteristics of an individual with his/her reactions are practices related to the field of psychology and are therefore considered beyond the scope of the thesis.

1.6 Definitions

Leadership - Throughout the years, there have been many different approaches to and definitions of leadership. Leadership can for example been viewed as a trait, a set of behaviour or as a process of influence (Bass, 2008). In light of this there is no universal definition of the term. Rather the applied definition in a situation should depend on what aspect of leadership is being studied (Bass, 2008).

In this thesis a definition provided by House, Javidan, Hanges and Dorfman (2002) will be used. The aforementioned authors define leadership as "*the ability of an individual to*

influence, motivate, and enable others to contribute toward the effectiveness and success of the organisations of which they are members.” (House et al., 2002, p. 5).

Leader - In light of the leadership definition presented above, a leader in this thesis will refer to a member of an organisation who is perceived as a leader by his/her followers, either as an informal leader or as an individual in a formal leadership position.

Authenticity - The concept of authenticity was first established in ancient Greece (Luthans & Avolio, 2003). Allen (2004, p. 64) defines authenticity as *“the condition or quality of being authentic, trustworthy, and genuine, free from hypocrisy”*.

Authentic Leadership - There is some ambiguity with regards to how authentic leadership can and should be defined. In this thesis, however, a commonly accepted definition by Luthans and Avolio will be applied. Authentic leadership in organisations will thus refer to: *“a process that draws from both positive psychological capacities and a highly developed organisational context, which results in both greater self-awareness and self-regulated positive behaviours on the part of leaders and associates, fostering positive self-development”* (Luthans & Avolio, 2003, p. 243).

Transformational Leadership - Over the last 20 years extensive research has been conducted on the concept of transformational leadership (Avolio, 2004). Bass (1999, p. 11) refers to transformational leadership as: *“the leader moving the follower beyond immediate self-interests through idealized influence (charisma), inspiration, intellectual stimulation, or individualized consideration”*.

Closedown - In contrast to general forms of downsizing where some employees are laid-off while others remain (Blau, 2006), a closedown in this thesis will refer to a process where *“all the employees at a particular worksite...are downsized at a designated time”* (Blau, 2006, p.13). In academic literature, this concept is also commonly referred to as a work-site/ function closure or organisational death (Blau, 2006; Marks 2007).

Large Corporate Group - According to Swedish law and the Annual Accounts Act (ÅRL) a large corporate group is defined as a publicly listed organisation that fulfills more than one of the following conditions:

- The average number of employees has amounted to more than 50 people during the previous two years.
- The corporate group’s balance sheet totalled at least 40 million Swedish Krona during the previous two financial years.
- The corporate group’s net sales have amounted to at least 80 million during the last two financial years respectively.
(1kap §3, ÅRL (1995:1554)).

1.6.1 Concept distinction between management and leadership

In a closedown situation it is important to distinguish between management and leadership. With regard to facilitating the process of displacing employees, management and leadership describe two different phenomena. According to Marks and Vansteenkiste (2008), managers often disregard the notion that employees need assistance when being let-go and instead focus both time and resources on the physical work that remains - a view that is consistent with the management description proposed by Bennis and Nanus (1985). These authors describe management in terms of controlling, planning, problem-solving, and rational and hierarchical thinking (Bennis & Nanus, 1985). According to Tichy and Devanna (1986), however, changes related to large organisational change, such as a change in strategy or the dismissal of employees requires more than traditional managerial skills. These authors define a need for value-driven and courageous visionaries. Although little research has been conducted on leadership during closedown processes, the concept per se involves communicating with employees, showing empathy in given situations, enhancing employee motivation and building a vision for the future (Bennis & Nanus, 1985). In light of these differences, this thesis will focus on leadership as opposed to management.

1.7 Thesis disposition

The thesis disposition presented below aims to provide an overview of our thesis structure and design. A short description of each thesis chapter follows accordingly.

Chapter two consists of a frame of reference. It reviews the existing literature on authentic and transformational leadership, closedown processes and employees' reactions to closedowns. The theories presented here will form the basis for analysing the empirical information gathered.

Chapter three of the thesis presents the method that has been used for obtaining data and conducting analyses. This section also aims to clarify the rationale behind the authors reasoning.

Chapter four sets out the results from the interviews conducted and analyses of these results based on the frame of reference presented.

Chapter five explains the conclusions drawn from the data analyses and answers the research questions presented.

Chapter six closes the thesis with a discussion of the results and their implications. Suggestions for further research are also offered.

2 Frame of reference

This section will consist of prior research and theories about the closedown process, employee reactions and experiences of closedowns and transformational and authentic leadership. The information presented here will form the basis on which our empirical data will be analysed.

2.1 The closedown process

According to Carroll (1984), a plant shut-down can occur for several reasons, driven both by internal and external factors. For example, a business may be operating within a declining industry or choose to closedown its operations due to outdated technology or facilities. Closedowns can also come about as a result of market saturation and/or decline or from transferring facilities to low cost countries (Hansson, 2008).

Plant or business closures can also occur at different organisational levels. In light of this, Hansson (personal communication, 2012-04-02) highlights the importance of considering the perspective taken when analysing closedowns. Viewed from a multi-facility firm or corporate group perspective, closedowns are a form of downsizing and as such the concepts overlap. Viewed from an employee perspective, however, the same closedown is not a form of downsizing, but rather the closure of an entire workplace. The closure of facilities in large companies can therefore be considered “*downsizing involving closure*” (Hansson, 2008, p. 39).

According to Hansson and Wigblad (2006), the closedown process can be viewed as the time between the official announcement of the closure of an organisation and the actual closedown date. In order to describe the process that a business goes through from the start to the end of the closedown, Hansson (2008) divides the process into four different stages:

The Pre-Notice Period

The first period, the so-called pre-notice period, represents the time when a decision about a closedown has been formulated, but not yet expressed to the relevant stakeholders, particularly the employees. During this stage rumours may start circulating, however, there is still some unfinished business concerning the closedown (Hansson, 2008).

The Advanced-Notice Period

The second stage in the closedown process is often referred to as the advanced-notice period. This stage begins when the closedown has been officially announced. This is the point at which people who are affected by the closedown, for example the employees, may start to question the closedown decision (Hansson, 2008).

The Count-Down Period

The time from when the union has finished its negotiations to the time of the actual closedown and the end of production is called the count-down period (Hansson, 2008).

The Run-Down Period

The run-down period begins when production has been halted and only a few people remain to handle the administrative work. This stage finishes on the date when the operations are finally closed down (Hansson, 2008).

Due to labour market legislation, most Swedish closedown processes last approximately six months (Hansson, 2005). In Sweden, the relevant laws (Lag (1974:13) om vissa anställningsfrämjande åtgärder, LAS (1982:80), MBL (1976:580)) require management to give advanced notice to their employees and issue a public statement prior to the closedown. Moreover, the business usually collaborates with labour unions to produce a social plan for the employees that face dismissal (Carroll, 1984). According to Hansson (2005), however, it is extremely important to take the industry within which the business operates into consideration. This is because industry type may cause the closedown period to vary substantially (Hansson, 2005).

2.2 Employee reactions and experiences of closedowns

Major life-events are stressful for individuals. Even events that are positive can be stressful since the transition itself can be a cause of strain (Angelöw, 1999). If an event is perceived by an individual to be uncontrollable, it is often experienced as more strenuous (Thompson, 1981). According to Hobson, Kamen, Szostek, Nethercut, Tiedmann and Wojnarowics (1998), being laid-off is one of the most stressful events a person can experience. In light of this the Social Readjustment Rating Scale, which is a common frame of reference used for analysing the impact of stress, lists job loss as a major life event (Holmes & Rahe, 1967).

Organisational transition refers to the process of moving an organisation towards an unknown state, such as when a plant, office or business unit is closed. Due to the uncertainty associated with the process, it is often more psychologically demanding for individuals than experiencing basic incremental change, such as a change in daily routine (Marks & Vansteenkiste, 2008). According to Marks (2007), employees commonly experience negative emotions during transitions. It is not uncommon for employees to begin to distrust management, feel powerless and incompetent, as well as fearing for their now insecure future (Marks, 2007; Hansson, 2008). During this process people often experience a sense of ambiguity and chaos.

According to Blau (2006) the closure of a production unit or service can be experienced much in the same way as the death of a loved one. In view of this, Sutton (1983) argues that it is necessary for workers to accept the impending loss and focus on trying to disconnect from the organisation and reconnect with what is to come. This is

corroborated by Cunningham (1997) who states that employees that are able to accept the death of a workplace can often grow personally as a result. According to Harris and Sutton (1986), such acceptance can often be seen through the expression of feelings such as anger and sadness.

Before a stressful event such as a closedown occurs, rumours tend to circulate within the firm (Hansson & Wigblad, 2006). A study conducted by Wirtz, Ehlert, Emini, Rüdüsüli, Groessbaues, Gaab, Elsenbruch and von Känel, (2006) has shown that the anticipation of a stressful event such as a closedown, on which rumours can build, can cause just as much, if not more, anxiety and stress than the actual event itself. Despite this, employees often enter into a state of shock upon the official announcement of the closedown. In a study conducted by Sutton (1987) sadness was found to be the most common reaction when organisations close operations.

Job loss often has severe consequences for employees. Long periods of unemployment and significantly reduced earnings can have a detrimental impact on the health and well-being of individuals (Tang & Crofford, 1999). Many individuals work not only for economic incentives, but identify themselves with their work. Manufacturing workers, in particular, take great pride in their work role and their identity is often closely related to it (Hansson & Hansson, in press). In light of this, workers can often experience a loss of personal identity when their worksites are closed down (Kaufman, 1982). As a result, employees of a closing firm are forced to cope with both the loss of their sense of belonging to a larger social structure, and the loss of identity with their profession (Hansson & Hansson, in press).

Cullberg (2006) has described a mental crisis as a state where previous experiences and learned behaviours are not adequate for coping and comprehending a new situation. According to Carlander (2010) an unwanted and burdensome announcement can lead to crisis. A common model for describing the experiences of individuals during such events is the so-called four stages of crisis (Cullberg, 2006). This model is divided into four phases: the shock phase, the reaction phase, the processing phase and the re-orientation phase. In a study conducted by Wahlund (1992) the model was adapted to fit individuals' reactions during closedown processes. It should be noted, however, that individual reactions to crises vary, since what is fact for one person could be fiction for another (Lazarus & Folkman, 1984).

The initial stage of the model, the shock phase, can last for up to a day. Shock is often characterised by machine-like and distant behaviour. According to Wahlund (1992), there are numerous psychological defence mechanisms that can help an individual cope during this stage: regression, denial, projection and rationalisation are a few examples. The affected employees can either react passively or with panic at this initial shock (Angelöw, 1991). In times of crisis, therefore, it is important that individuals are offered an outlet for the emotions they are experiencing (Wahlund, 1992).

The reaction phase on the other hand can last for several months. It is during this stage that an individual starts to understand the consequences of the event (Cullberg, 2006). The phase is usually characterised by strong emotions that can be difficult to comprehend. Forceful illogical outbursts are also not uncommon. These outbursts can, however, facilitate an employee's transition. Towards the end of the reaction phase many questions regarding the closedowns occurrence begin to arise and employees usually experience difficulties finding meaning. During this part of the reaction phase communication and support is important (Wahlund, 1992).

The third phase of crisis, the processing phase, is often a gradual process whereby an individual starts to orientate himself/herself in a new situation (Cullberg, 2006). Employees seek answers to their questions and lively discussions can occur. The phase can be eased with an open accepting environment (Wahlund, 1992).

When the third phase has been completed, it is followed by the re-orientation phase. In contrast to the prior stages, this final phase is infinite (Angelöw, 1991). New foundations are established and a sense of direction is found. Individuals usually go on to new activities during this final phase of crisis (Wahlund, 1992).

2.2.1 What can be done to ease these reactions and experiences?

There is no easy way to deal with organisational change. Transitions in particular are difficult to know how to approach since individuals react and cope differently. Allowing for emotions to surface may help a leader manage organisational change more effectively (Marks, 2007).

Since losing a job is a stressful experience for employees (Hobson et al., 1998; Holmes & Rahe, 1967) effective leaders recognise employees' need for emotional support. During these times, workers often feel the need to be heard as a way to cope and prevent their self-esteem being damaged. Studies have shown that this type of support lowers stress levels and increases well-being. Leaders should simultaneously focus on raising spirits and establishing a positive outlook for the future; for example, through the creation of a new vision (Marks, 2007).

It is important that organisations try to counteract the negative emotions and experiences brought forth by the transition process. Creating a shared vision is one way by which this can be done. By compelling workers to look ahead and recognise the possibilities that the future has to offer, a sense of direction is offered in a situation which is initially perceived as gloomy. If leaders are seen to have a plan for the future, employees are more likely to maintain some degree of trust in their abilities (Marks, 2007).

Poorly organised closedown efforts have a negative impact on employees; therefore, it is of great importance that leaders try to ease the situation. If organisations are to continue using downsizing as a way of increasing competitiveness and responding to

external factors in their environment, the importance of efficient closedown practices will be heightened further (Marks, 2007).

2.3 Authentic leadership

The increasingly challenging business environment of the 21st century has led both scholars and practitioners alike to acknowledge the need for a more genuine form of leadership (Avolio & Gardner, 2005). Authentic leadership can be manifested in numerous ways, however, the concept is based primarily around the notion that leaders should aim to stay true to themselves and act in a way that is perceived by others as real and genuine (Shamir & Eilam, 2005). Authentic leadership is a fairly new concept and is an emerging genre in present day leadership research (Luthans & Avolio, 2003). According to Bass (2008) the area was identified by theorists researching transformational leadership; however, Avolio and Gardner (2005) claim that sociology and education form the basis of the emergence of the construct.

Although the term may seem easy to define at first glance, it is highly complex as it encompasses a multitude of concepts and ideas (Cooper, Scandura & Schriesheim, 2005). A study of the literature shows that, at present, there is some ambiguity with regard to how authentic leaders and authentic leadership can and should be defined. Luthans and Avolio (2003, p. 242) define authentic leaders as: *“those who are deeply aware of how they think and behave and are perceived by others as being aware of their own and others’ values/moral perspectives, knowledge and strengths; aware of the context in which they operate; and who are confident, hopeful, optimistic, resilient and of high moral character.”*

Shamir and Eilam (2005) on the other hand provide a narrower explanation of the term. The authors propose a number of features that are generally true of authentic leaders. For instance, instead of letting the expectations of others guide their actions, authentic leaders follow their own convictions and are motivated by personal incentives rather than by status or honour. Furthermore, their behaviour is not falsely mimicked, but genuinely driven by their own morals and values. This stance is corroborated to some extent by Luthans and Avolio (2003) and by George, Sims, McLean and Mayer (2008). Luthans and Avolio (2003) argue that authentic leaders pursue transparency and promote ethical behaviour while maintaining a consistent link between their values and actions. George et al. (2009) add that authentic leadership should be viewed as something that differs from leader to leader and is unique.

According to Gardner, Avolio and Walumbwa (2005) however, authentic leadership is comprised of more than just the authentic leader. They advocate the following as characteristics which promote authentic relationships: guidance towards worthy objectives, trust, transparency, openness and emphasis on follower development. This view is shared with Eagly (2005) who believes that leadership is a two sided phenomenon contingent upon both the actions of leaders and the reactions of followers.

In this regard authentic leadership can be viewed as a relational process, created both by leaders and their followers.

Regardless of the potential differences, a number of scholars in the field seem to agree that authentic leadership can favourably be viewed as a “*root construct*” (Avolio, Gardner, Walumbwa, Luthans & May, 2004, p. 805) of other positive forms of leadership such as ethical, transformational or charismatic leadership (Ilies, Morgeson & Nahrgang, 2005; Avolio & Gardner, 2005); and although different viewpoints of authentic leadership may exist, the different definitions can be viewed as complementary of one another and contribute to a deeper understanding of the term (Luthans & Avolio, 2003).

Numerous models have been developed, both theoretical and practical, depicting the processes of authentic leadership (Terry, 1993; Shamir & Eilam, 2005; Ilies, Morgeson & Nahrgang 2005; Gardner, Avolio, Luthans, May & Walumbwa, 2005; George et al., 2009). A selection of these will be presented below.

2.3.1 Ilies, Morgeson & Nahrgang’s model

In a model created by Ilies, Morgeson and Nahrgang (2005) authentic leadership is related to a number of psychological constructs and is said to consist of four related components: self-awareness, unbiased processing, relational authenticity and authentic actions. The creators of the model argue that these elements of authentic leadership are of particular importance since they influence the well-being of both the leader and his/her followers (Ilies, Morgeson & Nahrgang, 2005).

Self-awareness

According to the scholars, self-awareness concerns an understanding of one’s own emotions, while consciously acknowledging one’s own strengths and weaknesses; both are core aspects of emotional intelligence. In turn, emotional intelligence can be related to effective leadership and the maintaining of trust (Ilies, Morgeson & Nahrgang, 2005). The authors argue that since emotional intelligence is positively correlated to self-awareness, a high degree of the latter should lead both to a more effective leadership and an increased well-being (Ilies, Morgeson & Nahrgang, 2005).

Unbiased Processing

Unbiased processing is related to the ability not to exaggerate or distort, deny or ignore relevant information gained from experiences and facts. The authors are of the opinion that this quality is closely related to personal integrity and strong character, both of which influence leader decision-making and actions (Ilies, Morgeson & Nahrgang, 2005).

Relational Authenticity

The third concept that the scholars believe is related to authenticity is known as relational authenticity. It involves creating open, trusting relationships with followers. The authors are of the opinion that establishing a high level of trust leads to cooperative behaviour among followers, a free flow of information and increased satisfaction (Ilies, Morgeson & Nahrgang, 2005).

Authentic Actions

Authentic behaviour and/or actions refer to the process of acting in accordance with personal values, beliefs and needs. The creators of the model argue that leaders who act in an authentic manner experience greater motivation at work (Ilies, Morgeson & Nahrgang, 2005).

Ilies, Morgeson and Nahrgang (2005) believe that conceptualising authentic leadership into four components in this way is useful when considering the effects of leadership on both follower well-being and organisational outcomes. In order to determine whether an individual possesses the components outlined above, the authors suggest the use of interviews.

2.3.2 Walumbwa, Avolio, Gardner, Wernsing & Peterson's model

In 2008, the model presented in section 2.3.1 above was integrated with a model by Luthans and Avolio to form the basis of a comprehensive model constructed by Walumbwa, Avolio, Gardner, Wernsing and Peterson. Building on prior research, these authors identified four authentic leadership components: relational transparency, internalised moral perspective, balanced processing and self-awareness (Walumbwa et al. 2008). Although these components are similar to those listed above, some differences do exist. In light of this, a short summary of the terms will be provided below.

Relational Transparency concerns the degree to which a leader promotes a level of openness with his/her followers and encourages them to disclose their opinions and the challenges they experience.

Internalised Moral Perspective concerns the degree to which a leader encourages a high level of ethical behaviour both in themselves and in others. According to Brown, Treviño and Harrison (2005, p. 120) ethical behaviour in this context refers to leader affirmation of “*normatively appropriate conduct through personal actions and interpersonal relationships*” (cited in Walumbwa et al., 2008).

Balanced Processing concerns leaders' ability to analyse information objectively before making decisions.

Self-awareness refers to the leader's ability to acknowledge and accept his/her own strengths and weaknesses and the impact that his/her actions and behaviour has on others.

The components listed above form the basis of an authentic leadership questionnaire, the ALQ, designed for analysing the degree to which each of the components are met by leaders in organisations and whether authentic leadership is in place (Walumbwa et al. 2008).

2.3.3 George's model

In contrast to the theoretical models presented above, George's approach to authentic leadership has a more practical focus. In his model, the author provides essential qualities and characteristics of authentic leaders (George, Sims, McLean & Mayer, 2009). According to George et al. (2009), authentic leaders are passionate about their work, have well defined goals and sense of purpose. They have strong values that they behave in accordance with and are good at connecting with others. Moreover, authentic leaders often have strong self-discipline and usually exhibit calm and collected behaviour. They are also sensitive to the needs of others and show compassion towards their peers (George et al., 2009).

George et al. (2009) are of the opinion that authentic leadership is something that can be developed in individuals over time. In this sense authentic leadership is not something that is limited to just a few but rather something that can be learnt. It is accessible to anyone (George et al., 2009).

2.3.4 Terry's model

Like George et al. (2009), Robert Terry (1993) presents a practical approach to authentic leadership. The scholar proposes a model centred on the actions of leaders in different situations and encourages leaders to be true not just to themselves, but also to the people that follow them, the organisation in which they operate and to society at large (Terry, 1993). According to Terry (1993) the challenge for leaders is to continually strive towards identifying authentic actions and acting in accordance with these.

In order help leaders understand key organisational issues and identify authentic actions, Terry (1993) has created the *Action Wheel*, depicted in figure one, which consists of six interrelated components; power, mission, meaning, existence, resources and structure. 'Power' includes aspects regarding motivation, energy creation, morale and control; 'mission' concerns goals, objectives and aspirations; and, 'meaning' can be related to values and ethics. In turn, 'existence' concerns factors related to history and identity. 'Resources' concern human and financial capital, equipment, and information; while 'structure' describes the policies and procedures in place in a firm (Terry, 1993).

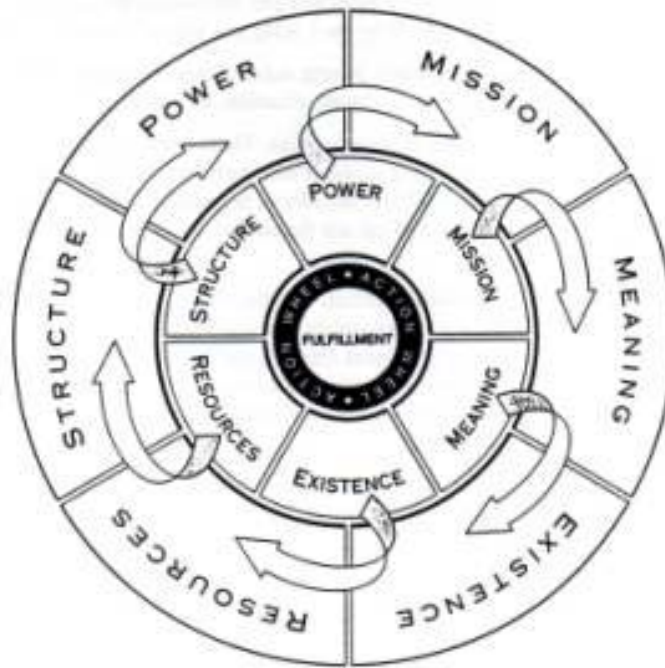


Figure 1. Terry's Action Wheel (Terry, 1993, p. 84)

According to Terry (1993) the action wheel is an analytical tool that should be used to answer two leadership questions:

1. What is the problem actually about?
2. What can be done about it?

The first question can be answered by assessing employees' concerns and identifying these concerns on the action wheel. The second question involves selecting appropriate responses to the aforementioned problems or issues. When doing so, Terry (1993) advocates seeking numerous explanations and responses, ultimately picking the action that comes closest to solving the problem. The author asserts that by locating the root of the problem on the action wheel, and basing their actions around what is really going on, leaders are able to act authentically (Terry, 1993).

2.4 Transformational leadership

In 1978 James McGregor Burns established the term transformational leadership (Avolio, 2004). The concept encompassed more than the notion of social exchange that had been the focus of previous leadership research. In his research, Burns tried to link leadership with the concept of followership (Avolio, 2004). In general terms, transformational leadership concerns going beyond simple agreements and exchanges to activate higher follower needs; resulting both in increased trust, loyalty and respect and followers' willingness to go beyond what is expected of them (Bass, 2008).

Transformational leaders behave in ways that enable them to achieve superior results. They are attentive to the needs of their followers and possess a unique ability to motivate followers to exceed their own interests and work towards common goals. A transformational leader leads through his/her vision and inspires followers to accept this vision as their own (Avolio, 2004).

Transformational leadership has been the most widely researched leadership construct of the past two decades (MacGregor & Avolio, 2004). Since the mid eighties several models have been developed, (Bass, 1985; Bennis & Nanus, 1985; Tichy & Devanna, 1986; Kouzes & Posner, 2007), the most prominent of which will be presented below.

2.4.1 Bass' model of transformational leadership

In 1985 Bernard Bass developed the theories regarding transformational leadership by giving an extended focus on followership and proposing that transformational leadership could also be applicable in situations where organisational outcomes are not necessarily positive (Bass, 1985). He also identified four elements of transformational leadership, which will be described below:

Inspirational Motivation

Inspirational motivation concerns a leader's ability to translate intangible and abstract goals into more concrete objectives. The term can also be related to a leader's capacity to motivate followers by framing his/her message in a meaningful way. In order to convey their vision, leaders who lead by inspirational motivation use symbols and formulate clear expectations to enhance team spirit (Bass & Riggio, 2006).

Intellectual Stimulation

Transformational leaders stimulate their followers' efforts to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways (Bass, 2008). Leaders who lead by intellectual stimulation encourage creativity and new ideas, as well as requesting creative solutions to problems. Furthermore, followers are often involved when problems are addressed and solutions found (Bass & Riggio, 2006).

Individualised Consideration

Developing relationships between leader and followers is essential if change is to be facilitated. By giving followers individual attention and acknowledging their needs, transformational leaders help followers to grow. Moreover, by conveying that they understand both the capabilities and the struggles of workers, transformational leaders show that they value their followers (Hutchings & McGuire, 2007).

Idealised Influence

Idealised influence is descriptive of leaders who are perceived as role models by their followers. The leader shows that he/she is a dedicated member of the group and is

admired and deeply respected by followers. It is also common that followers place a considerable amount of trust in the leader, are committed to realising the leader's vision and are prepared to make sacrifices in order to do so. Leaders who lead with idealised influence also have high moral standards and strong ethical beliefs (Hutchings & McGuire, 2007; Bass & Riggio, 2006).

2.4.2 Bennis and Nanus' alternative view of on transformational leadership

Instead of looking at leaders' behaviours and characteristics Bennis and Nanus chose a different approach to transformational leadership. In contrast to Bass, these researchers pinpointed four principles or strategies commonly adopted by transformational leaders when working with employees (Bennis & Nanus, 1985).

Attention through vision

The first strategy raised by the scholars, concerns a leader's ability to construct and emphasise clear visions about an organisation's future state. The articulation of a clear vision helps followers to clarify their roles while creating a sense of belonging for individuals, both to the organisation itself and to society at large. According to Bennis and Nanus (1985), these visions should be simple and expressed with intensity if they are to create energy and inspire commitment in followers. Furthermore, for them to be effective, it is of utmost importance that the visions are perceived by followers as both realistic and credible (Bennis & Nanus, 1985).

Meaning through communication

In addition to having the ability to create effective visions, transformational leaders contribute to the forming of behaviours and shared meanings in line with the norms and values of an organisation (Bennis & Nanus, 1985). Bennis and Nanus (1985, p. 107) describe these leaders as "*social architects*" who inspire change and move individuals to transcend old philosophies and accept new ways of thinking.

Trust through positioning

According to Bennis and Nanus (1985) trust is an extremely important component of effective leadership. It is the emotional glue that connects the leader with his/her followers and a measure of the legitimacy of the leadership. Transformational leaders build trusting relationships with their followers by making their standpoints and opinions known and behaving in accordance with these, particularly in difficult or uncertain situations (Bennis & Nanus, 1985).

The development of self

The fourth and last strategy identified by Bennis and Nanus (1985) to a large extent concerns learning and the development of a positive self-regard. Transformational leaders are greatly aware of their competences and know both their strengths and weaknesses. Simultaneously, they are fundamentally driven by a willingness to learn and committed to developing their capabilities. As a result, leaders that are

transformational are able to engross themselves in their work with the knowledge that they have the means to succeed (Bennis & Nanus, 1985). This has a reciprocal effect on followers and induces a higher level of confidence in the leader.

2.4.3 Kouzes and Posner's model of transformational leadership

The Kouzes and Posner model of transformational leadership is comprised of five so called “*practices of exemplary leadership*” (Kouzes & Posner, 2007, p.14) that help organisational leaders accomplish far more than usual. These practices are: modelling the way, inspiring a shared vision, challenging the process, enabling others to act and encouraging the heart (Kouzes & Posner, 2007).

Modelling the way

In order to achieve superior results, transformational leaders must express their values and beliefs clearly and personally model the behaviours and standards they expect followers to conform with. By leading through example in this way transformational leaders earn their right to lead, thus influencing followers through a sense of mutual respect (Kouzes & Posner, 2007).

Inspiring a shared vision

Exemplary leaders also create exciting, powerful visions that inspire follower commitment and guide their actions. They are able to gain employee support by listening to their hopes, dreams and future expectations and communicating a vision that corresponds to these. This enables followers to have a positive outlook on the future where they see possibilities rather than obstacles (Kouzes & Posner, 2007).

Challenging the process

Transformational leaders continually look for new ways to improve both themselves and their team. This demands willingness to step into the unknown and challenge current beliefs and ways of doing things. Since these leaders are highly aware that change involves experimentation and some degree of risk, these leaders take care in implementing change gradually, constantly learning from prior mistakes (Kouzes & Posner, 2007).

Enabling others to act

Effective leaders acknowledge that collaboration and trust are a necessity if an organisation is to work well and if employees are to go beyond what is expected of them. In light of this, transformational leaders foster good relationships and create environments that make it possible for followers to do their work successfully (Kouzes & Posner, 2007).

Encouraging the heart

According to Kouzes and Posner (2007) transformational leaders recognise the contributions of followers and reward their accomplishments. They give praise where

praise is due and celebrate victories. This encouragement builds a collective spirit that can support groups both in times of change and when times are tough (Kouzes & Posner, 2007).

The model proposed by Kouzes and Posner (2007) highlights the practices used by effective leaders rather than their personality traits. Thus it has a prescriptive quality; it presents actions and behaviours that can be applied by leaders who wish to become more effective.

2.4.4 Tichy and Devanna's model

Tichy and Devanna (1986) have a different take on transformational leadership and use a metaphor to describe transformational organisations and their leaders. The scholars focus heavily on organisational change and motivation and use a three act play to explain the transformational leadership process related to this (Tichy & Devanna, 1986).

Act one *recognising the need for revitalisation* aims to illustrate the challenges leaders face in the stages prior to change. During this period the transformational leaders focus is on alerting the organisation about the need to transform. In turn, the transformational leader motivates followers to disregard previous methods, no matter how comfortable, in favour of new opportunities and possibilities (Tichy & Devanna, 1986).

In contrast, act two concerns the *creation of a new vision* along with the attempts made by the leader to transition organisational focus to a new and positive future state. Followers often experience a sense of disconnection to the past at this stage while simultaneously not being emotionally ready for the future. The transformational leader therefore tries to mobilise commitment and taps into follower emotions and needs (Tichy & Devanna, 1986).

The third and final act of Tichy and Devanna's (1986) transformational leadership model refers to the efforts made by the leader to *institutionalise the change* made in the organisation so that it extends beyond the leader, and is instilled in the culture and core values of the firm or department. According to the authors this can for example be achieved by refocusing organisational priorities and redesigning human resource systems. Transformational leaders' help others endure these changes by empowering followers to meet the change rather than fear it (Tichy & Devanna, 1986).

2.5 Concept distinction authentic vs. transformational leadership

At first glance the transformational and authentic leadership concepts are similar. As mentioned previously, authentic leadership can be viewed as a "*root construct*" (Avolio et al., 2004, p. 805) that can incorporate other positive leadership forms such as transformational leadership. In light of this, and in order to avoid confusion, it is important to distinguish between the two concepts.

Transformational and authentic leadership differ substantially with regard to their interaction with followers, and primarily in their respective takes on follower development. Contrary to transformational leadership, authentic leadership is based less on appealing to followers through inspiration, and more on setting a personal example and showing dedication.

Authentic leaders develop followers through transparent, open relationships and encourage follower authenticity through their own character. In contrast, transformational leaders develop their followers through a powerful and positive vision and through taking the individual needs of followers into careful consideration. They are often described by followers as inspirational and/or charismatic. Leaders who are transformational often try to develop followers into future leaders; however, the same cannot be said of authentic leaders. Instead, authentic leaders aim to develop follower authenticity and encourage followers to stay true to themselves, their goals and their beliefs through the leader's own self-awareness. Although this could potentially lead to the development of new leaders it is just as likely to not involve a leadership role at all. For authentic leaders the fit between a follower's goals and beliefs and their future role is most important (Walumbwa et al., 2008). The high level of self-awareness exhibited by authentic leaders also allows them to show support for follower emotions.

Transformational and authentic leadership also differ with regard to how leaders gain the trust of their followers. Through the relational authenticity component of authentic leadership, authentic leaders create open, honest, enduring relationships with followers that inspire a mutual sense of trust (Ilies, Morgeson & Nahrgang, 2005). Followers and leaders genuinely know one another and can therefore be entirely open about both their concerns and expectations. Trust is built through the interaction between follower and leader. In contrast, transformational leaders gain the trust of followers by making their standpoints and opinions very clear and always sticking by them (Bennis & Nanus, 1985). This enables followers to feel they can predict leader behaviour, reducing uncertainty and increasing reliance on the leader, thus building trust.

In light of the aforementioned discussion, "*transformational leaders can be authentic or inauthentic and non-transformational leaders can be authentic*" (Shamir & Eilam, 2005, p. 398).

In an attempt to further clarify the differences between the two concepts and provide a quick overview, the aspects from each of the models presented in the frame of reference, and that characterise each of the leadership constructs were grouped, as set out in table one.

Leadership Features		
	Authentic	Transformational
Follower perceptions of the leader	<ul style="list-style-type: none"> • Real • Genuine • Confident • Hopeful • Optimistic • Resilient • Opinionated • Calm • Collected • Trustworthy • Self-aware • Compassionate • Passionate • Self-disciplined 	<ul style="list-style-type: none"> • Visionary • Inspirational • Opinionated • Proactive (meets change rather than fears it) • Goal oriented
Leader actions and behaviour	<ul style="list-style-type: none"> • Displays high moral character • Shows integrity • Articulates well-defined goals • Views information objectively • Displays openness • Behaves ethically 	<ul style="list-style-type: none"> • Articulates common goals • Rewards accomplishments • Creates a collaborate climate • Behaves ethically • Focuses on future opportunities and possibilities • Conveys and understandings of follower struggles • Defines roles clearly • Displays high moral standards • Motivates followers
Leader-follower interaction	<ul style="list-style-type: none"> • Creates relationships built on trust • Aids follower development • Shows empathy towards follower emotions • Guides followers towards worthy objectives • Is transparent with employees • Open to employee opinions • Creates a sense of purpose for both leader and followers 	<ul style="list-style-type: none"> • Challenges followers • Mutual sense of belonging • Shared meanings • Mutual respect • Individual consideration of followers • Followers admire the leader • Collective spirit • Shared norms and behaviours

Table 1. Combined features of the transformational and authentic leadership models

2.6 Prior research on leaderships affect on follower reactions

Prior research has shown that leadership traits, values and behaviours can influence employee reactions and attitudes in times of change (Oreg & Berson, 2011; Walumbwa, Wang, Wang, Schaubroeck & Avolio, 2010). Furthermore, stressful situations have been shown to increase the need for a high level of emotional support for employees. Leader opportunities to increase positivity and decrease negativity are also enhanced when times are tough (Peterson, Walumbwa, Avolio & Hannah, in press). According to Oreg and Berson (2011) and Walumbwa et al. (2010) both transformational and authentic leadership can be positively correlated with the well-being of employees during organisational transitions.

Transformational leaders for example, can affect follower perceptions of change in numerous ways. Through their vision and long-run perspective, transformational leaders have the ability to impact the future outlook of followers. Furthermore, intellectual stimulation enables transforming leaders to challenge the existing state of affairs and in doing so further facilitate employee acceptance (Oreg & Berson, 2011).

On the other hand, by displaying a high level of self-awareness, authentic leaders are able to show that they understand and are empathetic towards follower experiences. Authentic leaders also adjust their behaviour to suit the emotional needs of employees (Peterson et al., in press).

The open and honest dialog associated with the relational transparency component also enables authentic leaders to sustain healthy relationships with followers: relationships that are characterised by a free flow of information, the sharing of concerns and an open expression of feelings (Walumbwa et al., 2010; Peterson et al., 2010).

Despite these findings, previous research on transformational and authentic leadership and their relation to employee reactions has tended to focus on change or organisational transition in general, not specific situations per se. This shows a gap in the existing literature. This thesis aims to close that gap somewhat and seeks to examine authentic and transformational leadership's impact on employee reactions during closedown situations. The method used for this study follows below.

3 Method

In order to conduct an effective study, numerous aspects need to be considered. This section aims to clarify the techniques that will be used to collect and analyse the primary and secondary data relevant to this thesis. The specific methods that will help answer the research question and fulfil the purpose of the study will also be described in detail.

3.1 Research approach

A deductive or inductive perspective can be chosen when collecting and analysing data (Saunders, Lewis & Thornhill, 2009). When a deductive perspective is used, theory is obtained at an initial stage and hypotheses developed from this (Warren & Karner, 2010). According to Saunders et al. (2009) this approach is particularly useful when researchers wish to explain “*causal relationships between variables*” (Saunders et al., 2009, p.125). Since the aim of this thesis was to examine the relationship between certain forms of leadership and the experiences of employees during organisational closedowns a deductive research approach was deemed appropriate and was therefore the approach used.

In addition to the research perspective, there are three main purposes of research. Studies can be explanatory, descriptive and exploratory in nature (Saunders et al., 2009). Explanatory research refers to studies that seek to identify if potential links exist between one variable and another (Saunders et al., 2009). Hence, the main objective of an explanatory study is to gather knowledge about a specific subject or situation and try to explain the relationships found (Patel & Davidson, 2011). This form of research fits well with the purpose of this thesis which was to investigate if a certain form of leadership could aid or facilitate employees’ reactions to and experiences of closedown processes. In light of this, the thesis presented will be of an explanatory nature.

3.2 Research strategy

When conducting a study, two main research strategies can be chosen, qualitative or quantitative (Bryman & Bell, 2003). According to Jacobsen (2002) the aim of qualitative research is to give a rich description of the situation and the environment, while highlighting important details and the uniqueness of each respondent. A qualitative approach is used when the researcher seeks a deeper understanding of a situation or wishes to provide increased clarity to a problem (Jacobsen, 2002). In order to gain the insights mentioned above, interviews and other non-numerical data collection methods are commonly used when conducting qualitative studies (Saunders, et al., 2009).

With regards to this thesis, there were several benefits of using a qualitative data collection method. Firstly, it contributed to a varied collection of information since each individual respondent was able to provide his/her own interpretation of a process or

relationship (Jacobsen, 2002). This facilitated a more nuanced understanding of employees' reactions to and experiences of the closedown process and their leaders.

Secondly, the approach highlights flexibility and openness in the sense that the examiner lets each respondent speak freely rather than pushing for certain answers (Jacobsen, 2002). As such, the technique allowed the authors to understand employee perceptions and experiences of the leaders involved in the closedown, and their reactions to certain leader attributes and behaviours, without influencing the answers of the respondents and in turn jeopardising the validity of the study.

Lastly, a qualitative research method emphasises a certain level of closeness between researcher and respondent. The goal of the method is often to get under the skin of the respondent, either through long discussions or through long-term observations (Jacobsen, 2002). Since being displaced as a result of a closedown is a highly sensitive issue that individuals many experience difficulty talking about, it was deemed that this aspect of a qualitative study could encourage respondents to relax and become more inclined to open up about what they had endured.

3.3 Data collection

Both primary and secondary data were collected as a basis on which to develop the empirical material and analysis. The primary data collected was in the form of interviews and the secondary data consisted of pre-developed theories.

3.3.1 Primary data

There are several techniques for collecting data and selecting participants for a qualitative study, the most prevailing of which is the conducting of interviews (Saunders et al., 2009). Finding participants who fulfil the data needs of the study being conducted however, can be difficult (Polkinghorne, 2005). As mentioned previously, the objective of qualitative studies is to attain a deeper understanding of an experience; as such participants who can contribute to this understanding should be selected for interviews.

According to Polkinghorne (2005), those who are most likely to provide useful information about a certain experience are those individuals who have gone through or are going through the experience. Consequently participants are not selected at random. In light of this, interviews were conducted with workers who had been exposed to a closedown process.

Identifying respondents who had experienced a closedown situation however, was difficult. According to Polkinghorne (2005), when this is the case, a snowballing strategy can be useful. When conducting research using a snowball approach, a small number of people that are relevant for the specific purpose of the study are contacted. This could, for example, be an organisation or an individual who is knowledgeable

about the subject within the field of study. These contacts can then help to identify potential respondents (Bryman & Bell, 2003).

Swedish law requires that labour unions are present when workers are displaced for whatever reason. This includes displacement as a result of organisations closing down facilities. Therefore, the authors of this thesis consider them highly knowledgeable about closedown processes. In light of this, numerous labour unions within the Jönköping region were contacted in the initial stages of this thesis. Contact was also established with individuals at businesses that the authors knew had shut down various operations in the past. Initial contact was made by e-mail and followed up with a telephone call.

With the aid of the initial contacts, the authors were put in touch with prospective interviewees. Due to the fact that memories fade, individuals who had recently experienced a closedown were primarily needed. However, since former employees generally move on after being displaced, some difficulty gaining contact to such individuals was encountered, despite the snowball sampling method. As a result, all individuals that the authors were put in touch with were interviewed, with this being said, only individuals who had experienced closedowns in the last five years were involved in this study.

Like the initial contacts the potential interviewees were contacted by e-mail and telephone through which interview dates were organised. All interviews were then confirmed by telephone. All of the people contacted were positive towards participating and were willing to take part in the study.

For the most part, the interviews were conducted face to face; however, since one of the interviewees was indisposed due to prior work commitments abroad, this interview was conducted via telephone. Face to face interviews were preferred since this allowed observation of facial expression and body language. Due to the sensitive nature of the topic being studied these observations could contribute to a more flexible interview situation.

When searching for secondary data, a prominent Swedish researcher within the field of organisational closedowns, Magnus Hansson was identified. Hansson has conducted numerous studies on organisational closedowns within a Swedish context and therefore possesses a high degree of expertise. Since the available data on closedowns is somewhat limited and further insight on the subject necessary, a need was recognised to discuss the general topic of closedowns with an expert. An e-mail explaining the purpose of the thesis was sent to Hansson at Örebro University and an interview arranged shortly after.

3.3.1.1 Interview structure

As previously mentioned, an interview is a common and widely used method to gain information about a specific topic (Saunders et al., 2009). There are different types of

interview; therefore it is extremely important that a researcher analyses which is the most preferable in collecting appropriate data.

One of the most popular interview types is the structured interview. The aim of a structured interview is to ensure that each interviewee is presented with exactly the same questions in the same order, this to increase the reliability of the interviews (Merton, 1946). There are also semi-structured interviews where questions can vary from each interview but the same themes covered (Saunders et al., 2009). This form of interview facilitates a more relaxed setting where both the respondent and the interviewer can be flexible about the subject being discussed. When this method is used, answers are less likely to be constrained and a greater understanding facilitated (Saunders et al., 2009).

When using either one of the interview types presented above however, it is important to acknowledge the fact that there are limitations when using interviews as a research method. The interview may for example not give the specific information the researcher is hoping to acquire. Another limitation is that the respondents may not be willing to discuss sensitive topics; hence difficulty gaining relevant information may be experienced. It is also important to bear in mind that interviews are time consuming and it is therefore essential to be prepared before the interview (Saunders et al., 2009).

In this thesis, semi-structured interviews have been conducted since each respondent had been in similar situations albeit in different organisations. A need to adjust and modify the questions being asked in order to fit the specific context was predicted. Furthermore, since job loss is a highly sensitive subject, a relaxed and flexible setting was preferable as it could ease the interview experience for the interviewee and result in an increased willingness to discuss the topic.

In order to minimise errors and misinterpretations, a voice recorder was used during each of the interviews conducted. Saving the audio-files enabled the authors to accurately review the information gathered during the course of the thesis. In accordance with what Saunders et al. (2009) refer to as sound research ethics, interviewees were asked to consent to the recording and publication of the primary data gathered.

Furthermore, so as to protect the integrity of the respondents, each interviewee and the organisations they worked for have been anonymised in this thesis. In the analysis section, the respondents will be referred to as Alpha, Beta, Gamma, Delta, Epsilon and Zeta. A short description of each employee, their previous position and the characteristics of the organisation for which they had worked are provided in table two in order to provide some context.

Respondent	Description
Alpha	Blue collar worker, unexpected closedown that came about as a result of off shoring, large corporate group, labour union representative.
Beta	White collar worker, unexpected closedown that came about as a result of streamlining production, large corporate group.
Gamma	Blue collar worker, expected closedown that came about as a result of off shoring, large corporate group.
Delta	White collar worker, unexpected closedown that came about as a result of M&A, large corporate group.
Epsilon	Blue collar worker, unexpected closedown that came about as a result of streamlining production, large corporate group.
Zeta	Blue collar worker, unexpected closedown that came about as a result of an acquisition, large corporate group.

Table 2. Interview respondents

In a further attempt to protect the respondents, the transcriptions made from each of the interviews conducted will not be presented in the body of this thesis or its appendix. Should a full transcript be required, it can however be made available after agreement with both the authors and the respondent in question.

3.3.2 Secondary data

Secondary data can be useful when seeking to answer a research question. Most studies consist of a combination of primary and secondary data, this to verify the data collected and the conclusions drawn (Jacobsen, 2002). The process of validating research through integrating established theories with the primary data obtained is referred to as triangulation (Denscombe, 2009). In this thesis, secondary data in the form of previous research on leadership and closedowns were integrated with insights gained from an expert within the field of closedowns and interviews with employees affected by closedowns.

According to Saunders et al. (2009) secondary data can include; newspaper articles, journals, books, encyclopaedias and other library resources to name a few. The secondary data used in this thesis has been obtained through resources available at both the Jönköping University and Örebro University libraries. Finding data regarding the closedown process, transformational and authentic leadership and employee reactions to displacement was the primary objective of the information retrieval process. With this being said, literature concerning organisational death and downsizing has also, to some extent, been taken into account after personal communication and discussion with Magnus Hansson, a leading researcher in the field of closedowns.

Information about the transformational and authentic leadership fields respectively, was found in journals such as *The Leadership Quarterly*. However, with regards to both

leadership constructs, and transformational leadership in particular, much of the original research was found in books. When this was the case, the original source was used rather than an article citing the original source of data. This decision was made to limit misinterpretations that could otherwise have arisen as a result of interpreting the prior interpretation of someone else. The decision was taken after deliberation with Daniel Gunnarsson, an experienced librarian at the Jönköping University library.

Data regarding downsizing, organisational death and the closedown process was retrieved through search engines such as Business Source Premier and Scopus. In turn, secondary data concerning employee reactions to large scale organisational change, unemployment and worksite closures was obtained via the PsychINFO database.

3.3.3 Data presentation and analysis

According to Saunders et al. (2009) if a deductive research method has been applied, previously established theories can be used to analyse data. In order to determine if factors associated with transformational and/or authentic leadership can ease the way employees' experience closedown processes, the primary data gathered was compared to literature on transformational and authentic leadership and employee experiences of closedowns presented above.

Saunders et al. (2009) assert that an analysis framework can be created by identifying the main variables of a construct and sorting each of the variables into categories or groups. In light of the fact that numerous complementary but sometimes overlapping models exist on both authentic and transformational leadership, the existing models were used when conducting an analysis.

When analysing qualitative data in the form of semi-structured interviews, choosing between a narrative (taking the substantial parts of the interview and placing them in chronological order) and categorical (extracting the distinct aspects of the interview capable of generalisation) analysis approach often represents a false contradiction since the two methods can be seen as complementary of one another (Gillham, 2008). According to Gillham (2008) a narrative can in fact merge with a categorical analysis. This notion is confirmed by Saunders et al. (2009) who state that both categorical analysis and a narrative can be used individually or in combination to aid the interpretation of data.

With regards to this thesis, there were numerous benefits related to combining a narrative and categorical data analysis approach. During interviews for example, interviewees often provide information about an experience in the order events took place (Saunders, 2009). This order could be of significance to the interviewee. As a result it was identified that analysing the respective interviews as a whole rather than in parts could provide greater insights about both the closedown process and the interrelated experiences of the employee. Creating a narrative text for each of the interviews also enables a greater focus on the actions and experiences of interviewees

without sacrificing the organisational context within which the experiences have occurred (Saunders, 2009). Examining different forms of leadership's effect on employee reactions in the context of organisational closedowns was after all the basis of this study. In turn, categorising the data gathered aids the identification of relationships within the primary data (Saunders et al., 2009). This was highly relevant for this thesis since one of the aims of the study was to find out if a causal relationship exists between authentic and/or transformational leadership and the experiences of employees during closedown processes. Categorisation also contributed to a quick overview of the narratives and their respective key features.

In light of the arguments presented, the primary data collected for this thesis was analysed using both a narrative and categorical analysis method. A narrative of the semi-structured interviews was made first: the audio-files from the semi-structured interviews conducted were transcribed and substantial statements identified. Thereafter, themes, patterns and relationships were sought and categorised into groups. An analysis was then conducted based on both the narratives as a whole and the categorisations made.

Once the primary data was analysed comparisons were made with the existing body of literature presented in the frame of reference. Each respondent's statements were analysed separately. Similarities between the features of both transformational and authentic leadership and positive accounts of leader behaviour from the interviews were searched for.

3.4 Validity and reliability

Two main concepts can be related to the quality of a study: validity and reliability. Validity concerns research's ability to measure what it intends to measure (Eriksson & Wiedersheim-Paul, 1991). Reliability on the other hand refers to the credibility of the methods used to collect, interpret and analyse data (Saunders et al., 2009). When conducting a qualitative study, numerous problems associated to validity and reliability can arise. These were taken into consideration and dealt with in order to ensure that the data presented is credible (Saunders et al., 2009).

3.4.1 Validity

Validity concerns the causal relationship between variables (Saunders et al., 2009) and the connection between the theoretical foundation of the study and the empirical evidence collected (Svenning, 2003). When conducting a qualitative study it is important to critically examine if the conclusions drawn are logical and sound (Jacobsen, 2002).

A study's validity can be increased through a critical examination of the references used (Jacobsen, 2002). With regards to this thesis the search words used to obtain secondary data have been chosen deliberately so as to remain close to the original phenomenon. Furthermore, before incorporating downsizing literature into the study, an expert on the

closedown process was consulted. Extra caution was also exercised when using other literature than that specifically related to downsizing resulting in closedowns.

Through the use of semi-structured interviews, the validity of the research presented was strengthened further since spontaneity is encouraged by allowing the interviewees to speak freely about pre-defined themes. According to Jacobsen (2002) information that is offered spontaneously can be considered more valid than information that is forced.

The validity of the results found is also dependent on whether they can be applied to other research settings (Jacobsen, 2002), or in this case, whether certain leadership features can influence employee reactions during closedowns in general. Since the respondents in this study came from numerous organisations, had different responsibilities within the organisations and were of both genders, this problem was somewhat reduced. With this being said, due to the limited number of participants interviewed, any generalisations of the findings should be made with care.

3.4.2 Reliability

A study's reliability concerns the trustworthiness of the data collected (Jacobsen, 2002) and refers to whether or not the techniques used to obtain the data yield consistent results (Saunders et al., 2009). According to Jacobsen (2002) all methods of research will affect the result in one way or another, however the author highlights that these biases should aim to be reduced.

In order to limit the so called "*context effect*" (Jacobsen, 2002, p. 271), which implies that the environment in which interviews are conducted can influence the results of the interview, interviews were conducted in a quiet, neutral place, behind closed doors. This was done to encourage participants to talk openly about their experiences and their views of the leadership at their previous workplace, hence increasing the chances of generating more reliable results.

Due to the highly delicate and personal experiences being discussed, a decision was also made to keep the identity of the interviewees and the organisation for which they have worked anonymous throughout this thesis. This was done out of respect for the participants and as a further attempt to promote honest answers.

4 Results and analysis

This section will present the results from the interviews conducted for this thesis. Each narrative section represents the personal accounts of each respondent and will be followed by a categorisation of the account. Thereafter each respondent's answers will be analysed using the data presented in the frame of reference.

4.1 Respondent Alpha

The organisation in question was founded in the 19th century and had been located in the same location since its establishment. The company expanded to several other facilities in other locations since then. At the beginning of the 21st century, it was acquired by another company that was in the same line of business. A few years later, it was announced that production at the original factory was going to cease and be moved to a low cost equivalent abroad.

4.1.1 Narrative Alpha

“The general reaction when we found out about the closedown was shock. The decision to close down was not expected. We had already agreed to lower our salaries and the lease for the factory was long-term and did not run out for several years. After the state of shock, some individuals turned the closedown into something positive, and saw it as an opportunity to do something new with their life, such as going back to school, for example. During the closedown the atmosphere among the employee was good and we grew tight. The labour union organised trips and other get-togethers, with money from both the union and from the organisation.

There were a few strong individuals who made the transition a little difficult in the beginning and quarrelled a lot. Generally, these were the ones who usually made themselves heard. At first, these individuals didn't want to resume working - what was the point? But after the union representative had talked to them they continued with their tasks. In the end, we were all on the same page.

We found out that they planned to shut down production when the management from America came to visit. They gathered all the employees and held a meeting in English to inform us about the decision. The average age of the workers was rather high - over 50 years old - which meant that only half of us understood the information. This was not the right way to do things. The meeting should have been in Swedish. The American leaders did not handle the closedown well. The Swedish leaders did what they could to keep production in Sweden.

The union negotiated a longer period of notice for us, if we were able to meet certain production goals. They also negotiated so that if someone got a new job, they could start it and still get their salary from the factory during the period of notice.

The HR manager let us have a minister - not that many of us were religious - but if someone wanted to talk, he/she was there as a fellow human-being. He/she was with us until the end. I think this was much appreciated by the employees. The minister was always involved in all the activities outside the organisation's walls as well. The HR-manager was a decent and good human-being. He showed empathy towards us. Not sympathy, but empathy. He/she was very, very empathetic. He/she suffered as much as we did. I still have contact with him/her. Just the other day I was at his/her house and had a coffee. We had moulded him/her well. He/she began working at the company when he/she was quite young and had climbed his/her way to the top to become HR-manager. He/she tried to encourage and motivate everyone during the closedown. He/she tried to show enthusiasm and encourage us to move on and make the most of the situation. We had confidence in him/her. It's important to have confidence from both sides.

I understand why they closed down given that the cost was much lower abroad, but I can't understand why they moved the distribution warehouse abroad. That still bothers me. It should have stayed. I would work for the company again if my competencies suited their needs."

4.1.2 Categorisation Alpha

Employee reactions

Shock: "The general reaction when we found out about the closedown was shock".

Surprise: "The decision to close down was not expected. We had already agreed to lower our salaries and the lease for the factory was long-term and did not run out for several years."

Anger: ". This was not the right way to do things. The meeting should have been in Swedish."

Confusion: "I can't understand why they moved the distribution warehouse abroad. That still bothers me."

Acceptance: "I understand why they closed down given that the cost was much lower abroad..."

Unity: "During the closedown the atmosphere among the employee was good and we grew tight." "In the end, we were all on the same page."

Optimism: "After the state of shock, some individuals turned the closedown into something positive, and saw it as an opportunity to do something new with their life, such as going back to school, for example."

The leader

Empathy: “He/she showed empathy towards us. Not sympathy, but empathy. He/she was very, very empathetic. He/she suffered as much as we did.”

Compassionate: “The HR manager let us have a minister - not that many of us were religious - but if someone wanted to talk, he/she was there as a fellow human-being. He/she was with us until the end. I think this was much appreciated by the employees.”

Motivating: “He/she tried to encourage and motivate everyone during the closedown.”

Enthusiastic: “He/she tried to show enthusiasm...”

Optimistic: “...encourage us to move on and make the most of the situation.”

The leader-follower relationship

Followers had confidence in their leader: “We had confidence in him/her. It’s important to have confidence from both sides.”

Positive group dynamic: “We had moulded him/her well. He/she began working at the company when he/she was quite young and had climbed his/her way to the top to become HR-manager.”

Genuine relationship: “I still have contact with him/her. Just the other day I was at his/her house and had a coffee.”

What went wrong?

Poor communication: “They gathered all the employees and held a meeting in English to inform us about the decision...This was not the right way to do things, the meeting should have been in Swedish. The American leaders did not handle the closedown well.”

Lack of information: “I understand why they closed down given that the cost was much lower abroad, but I can’t understand why they moved the distribution warehouse abroad. That still bothers me. It should have stayed.”

4.1.3 Respondent analysis Alpha

Respondent Alpha’s story contained many common reactions associated with a closedown process. The initial shock of the closedown decision experienced by the respondent is congruent with the first stage of the ‘four stages of crisis’ model presented by Cullberg (2006). In his/her description of the closedown process, however, the respondent fails to express experiences associated with the reaction phase. Nevertheless, it is likely this stage took place since Alpha went on to describe employee behaviour commonly associated with the processing phase, namely turning the experience into something positive that could enable alternative careers or the possibility of further education. In view of the fact that respondent Alpha seems to have accepted the closedown, is currently employed elsewhere and is not negative towards the idea of

working for the organisation in question again, it can also be argued that the re-orientation phase has been entered. It is likely; however, that the respondent has not accepted the closedown entirely, given that confusion still exists with regards to the warehouse move abroad.

With regard to the leader described in the narrative provided by Alpha, he/she shows signs of both authentic and transformational leadership. Being empathetic towards the needs and emotions of followers, and showing compassion and exhibiting optimism, even in the midst of a closedown, are all features associated with authentic leadership (Terry, 1993; George et al., 2009). Furthermore, the compassion showed by the leader when he/she provided the workers with a minister, can be seen as a way of contributing to their emotional support - something that can lower stress and increase the well-being of employees during closedown process (Marks, 2007). In turn, motivating employees and enhancing team spirit is closely related to the inspirational motivation component of transformational leadership (Bass, 1985). Raising team spirit is described by Marks (2007) and Kouzes and Posner (2007) as a way to ease employee reactions during plant closures and tough times in general. It appears, therefore, that the leader at the firm for which Alpha worked eased employee experiences through his/her behaviour.

It can be established from the narrative that the relationship between the followers and the specific leader described by Alpha was very positive. The dynamics between the leader and the group were good and the followers had confidence in their leader and vice versa. Having confidence in someone can indicate trust. Relational transparency, and the trust included in the concept, is characteristic of authentic leadership (Ilies, Morgeson & Nahrgang, 2005). Individuals engaged in honest and trusting relationships are less likely to experience the negative aspects flowing from management distrust during closedowns, as described both by Marks (2007) and Hansson (2008). Furthermore, Ilies, Morgeson and Nahrgang (2005) assert that high levels of trust lead to increased satisfaction in followers. In light of this, it could be said that the trusting relationship between leader and follower described by Alpha shows signs of authentic leadership and that this leadership could potentially have decreased the stress and anxiety experienced by employees during the closedown process.

The aspects of the closedown that were negatively perceived by respondent Alpha seem to be related to poor communication and a lack of information provided by the corporate group leaders. Potentially, these two problems could have been eased if the corporate leaders had exhibited certain qualities pertaining to the relational transparency component of authentic leadership. This component is characterised by a free flow of information and an honest, open dialog (Walumbwa et al., 2008). It could be argued, therefore, that Alpha's negative experiences could have been eased to a greater extent if the information had been allowed to flow more freely and had not been distorted through the use of a foreign language. According to Walumbwa et al. (2010), a free flow of information fosters positive relationships and interactions between leaders and employees.

From Alpha's description of the closedown as a whole it is evident that language barriers and poor communication were major problems. The lack of effective communication during the initial stages of the closedown was the first, and one of the only, concretely negative leader behaviours mentioned by the respondent, which demonstrates the high importance placed by the respondent on good communication. Thus it can be argued that clear and open communication, particularly during the advanced-notice period, is crucial for a smooth closedown process. It is submitted that authentic leadership and the relational transparency component would help address followers' needs for effective communication.

4.2 Respondent Beta

Respondent Beta worked for a large corporate group. The group's worksites included a newly built factory in Sweden which had been heavily invested by the group to replace its old premises which had been deemed unsuitable. Simultaneously, work was underway for the construction of a separate factory abroad for the purpose of making similar products to those made at the factory based in Sweden. This resulted in some parts of the products being manufactured in one of the group's locations and completed in another. In order to limit the resultant disturbances in the supply chain it was eventually decided that all production was to be moved to the factory abroad.

4.2.1 Narrative Beta

"The decision to close down came twice. The first time, it was decided that the machines and equipment were to be upgraded, but that never really succeeded and the price competition grew. The disturbances in the supply chain were also problematic. That led them to their decision later to close the Swedish factory. The closedown decision was made by the corporate group leaders.

Before the closedown decision came there was a lot of tension. The atmosphere was troubled. There were rumours: "what were they going to move now, or are we going to shut down?" It was difficult to keep the motivation up. That wasn't easy. But we couldn't do anything but our best with what we had - fight with the possibilities we had. One thing was for sure, if we didn't do anything we would only make the closedown decision even easier for the corporate group leaders.

When the decision to close was announced people were dismayed. It was a shock, even for those who had predicted the closedown. Many women had worked there for several years. People were sad and worried. They thought it was a good place to work and couldn't really understand why they would shut down such a new factory.

The corporate group leaders were upfront with information, and that's important not to withhold information. But the employees felt that the company hadn't prepared enough for what would happen to each individual. The company was unable to respond to employees' concerns, such as, "What will happen to me?" – and consequently, they stopped working and factory production was brought to a halt. There was no incentive

left. In the end, the company had to offer more money. They nearly doubled individuals' salaries at that point. After all, the customers still needed products.

My relationship with the corporate group leaders was quite good. I had worked previously for the company abroad, which meant that I had maintained quite a lot of contact with them. My relationship with the plant leader was quite good. He/she was employed at the same time as me. There was no large management team at the factory. The divisional leader came and visited during the closedown. That was ok since he/she was always open with information. He/she supported me during the process and helped me with the information.

I thought everything was handled well, apart from the fact that the information meetings could have been handled differently. They could have done that considerably better. I predicted that people would stop working since they didn't know what incentives existed. People were offered jobs at the factory abroad, but that's difficult of course. I was offered another job within the organisation, but I didn't accept it for personal reasons."

4.2.2 Categorisation Beta

Employee reactions

Dismay: "When the decision to close was announced people were dismayed."

Shock: "It was a shock."

Sad and worried: "People were sad and worried."

Confusion: "and couldn't really understand why they would shut down such a new factory."

Passivity: "They stopped working... There was no incentive left."

Uncertainty: "The decision to close down came twice."

Fighting spirit: "But we couldn't do anything but our best with what we had- fight with the possibilities we had."

The leader

Open/upfront: "he/she was always open with information."

Supportive: "He/she supported me during the process and helped me with the information."

The leader-follower relationship

Lack of individual consideration: "the employees felt that the company hadn't prepared enough about what would happen to each individual. The company couldn't answer when the employees asked thing like "what would happen to me.""

Positive relationships: “My relationship with the corporate group leaders was quite good. I had previously worked for the company abroad and that meant I had had quite a lot of contact with them.... My relationship with the plant leader was quite good. He/she got employed at the same time as me.”

What went wrong?

Lack of individual consideration: “But the employees felt that the company hadn’t prepared enough for what would happen to each individual. The company was unable to respond to employees’ concerns, such as, “what will happen to me?”

Lack of information: “the information meetings could have been handled differently. They could have done that considerably better.”

Unprepared: “The company was unable to respond to employees’ concerns, such as, “what will happen to me?”

4.2.3 Respondent analysis Beta

When categorising respondent Beta’s interview many negative reactions were revealed. Emotions such as uncertainty, shock, dismay, worry and sadness were experienced at the organisation where Beta was employed. Due to the fact that the closedown decision was announced twice and revoked the first time, a lot of uncertainty was experienced by employees. Wirtz et al. (2006) state that rumours and the uncertainty that exists prior to a stressful event such as a closedown can cause as much stress as the event itself. From the narrative it can be derived that the rumours that circulated during the pre-notice period (Hansson, 2008) likely contributed to the uncertainty experienced at the firm and were a cause of tension.

The initial dismay and shock of the closedown experienced at respondent Beta’s place of work is consistent with the first stage of crisis described by Cullberg (2006). This stage quickly progressed into the reaction phase as the employees started to question the decision to close such a new factory. The lack of meaning and loss of incentive to continue working that were experienced at the organisation are also common during this stage.

In a study conducted by Sutton (1987), sadness was described as the most common reaction during closedowns. This emotion is also evident in Beta's description. Workers at the plant experienced both sadness and worry. Expressing feelings such as sadness can be a sign of the start of acceptance (Harris & Sutton, 1986). Although not explicitly mentioned, there are indications that respondent Beta and his/her colleagues, at least partly, have accepted the closedown, surpassed the processing phase and entered into the re-orientation phase. The fact that respondent Beta was offered a new job elsewhere and a fresh start strengthens this notion for him/her in particular, since having a new future direction is a common component of the re-orientation phase (Wahlund, 1992).

Despite probing, respondent Beta spoke little about his/her leader and his/her characteristics and behaviour during the closedown. With this being said, the little that was mentioned was of interest. Beta describes his/her closest leader as open and upfront with information. This openness and frankness with information can be connected to the relational transparency component of authentic leadership. Relational transparency concerns the degree to which a leader discloses information and promotes and encourages openness with followers (Walumbwa et al., 2008). A high degree of openness and information, such as that displayed by Beta's leader, indicates a high level of relational transparency and, as such, is a sign of authenticity. According to Walumbwa et al. (2010) and Peterson et al. (in press) relational transparency can be positively correlated to the well-being of employees during organisational transition.

Beta also acknowledges that he/she received support from the leader during the closedown. This support was expressed in the form of "help with the information". Although the self-awareness component of authentic leadership has an element related to the support of followers, this element focuses on emotional support (Peterson et al., in press). In light of the description provided by Beta, it might appear that he/she did not receive support characteristic of authentic leadership, but was supported in a more practical way. However, an authentic leader adapts his/her behaviour to the emotional needs of the follower (Peterson et al., in press) and perhaps Beta was not in need of much emotional support during the closedown. This makes it difficult to fully discount the possibility that the leader described by Beta did, in fact, possess qualities associated with a high level of self awareness and was, therefore, authentic with regard to this component of authentic leadership.

In the narrative provided by Beta, he/she describes a lack of individual consideration for the employees' future by the corporate group leaders. According to Beta this was also one of the negative features of the closedown. The employees expressed a need for more information concerning the individual - a need that could not be met by the leaders involved. Bass (1985) asserts that an important aspect of transformational leadership is the consideration of individual follower needs. The leadership described by Beta did not fulfil this criterion and, as a result, the closedown was experienced as poorly managed. Taking that into consideration, it can be argued that, had the closedown been led by a leader that exhibited behaviour indicative of the individualised consideration component of transformational leadership, some of the negative aspects associated with the closedown experience, particularly in the advanced-notice stage, could have been avoided.

4.3 Respondent Gamma

Respondent Gamma was employed at an organisation that was, at the time of displacement, over 300 years old. Although the products manufactured had changed over the years, the factory had remained. The closedown process was lengthy and happened gradually. It came about as a result of a number of changes in ownership and

a subsequent move of production abroad. The respondent in question had been employed at the same factory for most of his/her working life, following in the footsteps of several generations of his/her family that had also worked there - something that was fairly common at the plant.

4.3.1 Narrative Gamma

“In the years prior to the closedown there was an uneasy atmosphere in the organisation. The company had changed owners a number of times, but the last time it was sold, we started to sense that a closedown was on its way. The number of products we made decreased along with the number of employees and functions. The closedown decision was not a surprise - not for me; I predicted it. There were rumours; people talked about the factory closing years before, and they came true. The reactions were different. A lot of people were inconsolable when the decision came though; many had worked there for many years. After we received our notice, working wasn't that fun. We went to work but we didn't do anything extra, we took things one day at a time.

Before the decision to close down the leaders nitpicked a bit, they picked at little things. The leaders at our factory didn't know that there was going to be a closedown process either; I don't think so anyway. But suddenly we were all in it together. The leaders at the organisation were quite good. There were a lot of negotiations about benefits and how long our period of notice was going to be. In the end we got quite a lot -a couple of months extra.

Before the closedown we didn't get support from the leaders at the organisation. They didn't support us when we needed it. I don't think the leaders from the top of the organisation down understood that they had influenced the final decision to close down. Myself and a lot of others thought they did. I don't think they could have changed the decision to close down at that point - it was too late. After the closedown decision we supported each other, but not in the same way we had before.

I think we got the information we needed. I can't claim otherwise. During the closedown period I had confidence in my leaders. They had to do not only what was best for us, but what was best for themselves too. Before the closedown period I didn't have confidence in them. It changed during the closedown. We were all in it together and we talked in those terms as well. Before it was 'us' and 'them'; then it just became 'us'.

I understand that we closed for financial reasons. It's cheaper abroad, but it always has been. We have always been able to compete on quality rather than price. I don't think anything could have been done differently when the decision had already been made - maybe before though. A distinct leader wouldn't have helped; there was no turning back.”

4.3.2 Categorisation Gamma

Employee reactions

Uncertainty: “The company had changed owners a number of times, but the last time it was sold, we started to sense that a closedown was on its way. The number of products we made decreased along with the number of employees and functions.”

Inconsolable: “A lot of people were inconsolable when the decision came; many had worked there for many years.”

Less incentive: “We went to work but we didn’t do anything extra, we took things one day at a time.”

Bitterness: “A distinct leader wouldn’t have helped; there was no turning back...I don’t think the leaders from the top of the organisation down understood that they had influenced the final decision to close down.”

Acceptance: “I understand that we closed for financial reasons.”

The leader

Unsupportive: “Before the closedown we didn’t get support from the leaders at the organisation. They didn’t support us when we needed it.”

The leader-follower relationship

Confidence: “During the closedown period I had confidence in my leaders. They had to do not only what was best for us, but what was best for themselves too. Before the closedown period I didn’t have confidence in them. It changed during the closedown.”

Collectivism: “The leaders at our factory didn’t know that there was going to be a closedown process either- I don’t think so anyway....Before it was ‘us’ and ‘them’; then it just became ‘us’...suddenly we were all in it together and we talked in those terms as well.”

4.3.3 Respondent analysis Gamma

In contrast to many of the other respondents interviewed, respondent Gamma’s story showed few signs of the stages of crisis described by Cullberg (2006). According to Gamma, the closedown did not come as a shock, but was expected due to numerous redundancies and a reduced product range prior to the announcement. The countless rumours that flourished in the pre-notice stage also contributed to Gamma being able to predict that closure was imminent. The aforementioned could be a major contributor to why the stages of crisis did not occur. It is likely that the phasing out and reduction of both staff and products led to the gradual processing and acceptance of the upcoming closedown. As a result, the situation was not perceived as either a shock or crisis.

The reaction phase presented by Cullberg (2006) does however seem to have occurred for some employees at the organisation. Gamma noted that many of his/her colleagues

were inconsolable after the closedown was announced. A strong emotional reaction like the one described is a common feature of this second phase (Wahlund, 1992).

Respondent Gamma stated very clearly in the interview that he/she did not think that a more distinct leader would have helped him/her cope with his/her experiences of the closedown. Despite this he/she asserts that the relationship and dynamic between the employees and the leaders of the firm changed and improved after the closedown decision was announced. Gamma describes this by stating: “before the closedown decision it was ‘us’ and ‘them’; then it just became ‘us’.” This new state is said to have created a feeling of confidence in the leadership; suddenly everyone was on the same page. According to Gamma, the confidence that developed did not exist prior to the closedown process. Contrary to Gamma’s assertion, that a more distinct leader would not have helped, increased confidence and trust in leaders is generally positively correlated with employee well-being during closedowns (Marks, 2007). ‘Idealised influence’, a component of transformational leadership, involves, among other things, the leader showing that he/she is a dedicated member of the group, and is also related to followers having trust in the leader (Hutchings & McGuire, 2007; Bass & Riggio, 2006). Both of these aspects are consistent with the leadership described by Gamma. In light of the fact that leader-follower relationships improved when leaders exhibited behaviours associated with idealised influence, it can be argued that leader behaviour could, in fact, have had a positive impact on employee experiences during this plant closure.

Respondent Gamma highlights an increased level of collectivism within the workgroup and between the leaders and their followers several times in his/her narrative. Early in his/her narrative, Gamma describes everyone “being in it together”, a sentence that is repeated in the final stages of the interview. This repetition, combined with the fact that the string of words is mentioned in a positive light, suggests that collectivism was positively correlated to the closedown experience. In light of the discussion above it would further imply that the idealised influence aspect of transformational leadership could ease employee experiences during the advanced-notice, count-down and run-down period of the closedown.

4.4 Respondent Delta

The company in question was part of a larger corporate group. It was founded during the 18th Century and grew from that point onwards. At the time of the closedown, the organisation had factories at numerous locations in Sweden.

4.4.1 Narrative Delta

“Even before the closedown, when the new corporate group was formed there was a lot of talk about how long we would stay and which location was going to disappear. There were a lot of people who thought another location was going to go and that they were

going to move to ours. There were rumours. One factory had been shut down a couple of years before us. We knew someone had to go.

When I heard about the decision to close I was surprised. I had been at the company for a long time. When the closedown decision came we were all sad. There were many people from the area that worked for the company. Some were sad; some didn't feel at all good. The best thing was to keep working.

I had known about the decision a little while before it was announced to many of the others, but I wasn't allowed to say anything. That was difficult. When the official announcement came I felt relieved, if that's the right word to use. It became a lot easier to look people in the eye. We tried to take care of each other as much as we could.

The relationship between the employees and the corporate leaders of the firm was not positive. They were absent. With some of them it was 'us' and 'them'. I've never worked like that. I'm used to something completely different. My relationship with the leaders was ok. I had a good relationship with the leader of the factory. He/she felt like crap as well. We were all in the same situation, everyone was displaced, even the leader of the plant. Everyone was equal.

Our factory leader was always present. He/she was always there, didn't hide, and showed himself/herself. He/she did little things - nothing was allowed to cost a lot of money, of course, but he/she made sure that the company paid for a farewell party for everyone. He/she put himself/herself on the line there, signing those invoices. It was really appreciated by everyone.

The factory leader also let me take a course at University during the closedown. That was beneficial. Everyone was allowed to try new jobs during they closedown period as well, but that derailed a bit. We all received a bonus if we endured the closedown until the last day of our notice period. It was quite a lot of money extra each month.

We talked a lot about our own futures; about what would happen to us. I got offered a new job that I accepted, and then that became my future. When that happened I felt a bit like I was in between two things. Our factory leader got another job at another factory.

I didn't really feel that I received all that much support during the closedown. We were told we were going to receive help from a welfare officer, but that kind of disappeared. The support was minimal. Personally, I think that could have helped.

It's not all that fun when people come to start stripping down the factory. That could have been handled a lot better. The dismantling was sad to watch. You've put your life into something and suddenly people start tearing it down. It should've been done in the evenings or at weekends. I tried to tell them that, but I got shot down.

The information could have been much better. They told us to phase out as quickly as possible. The closedown took about a year. We had weekly meetings, but that sort of died out towards the end. The information was completely worthless.

In hindsight, I think the decision to close our factory was wrong. One of the other factories should have gone. There were a lot of politics involved. I didn't have confidence in the leaders at the top. I thought they made completely the wrong decision. They said the closedown was about transport costs. I know what stuff like that costs, so I don't agree. I don't have a positive view of the company today. I wouldn't work there again."

4.4.2 Categorisation Delta

Employee reactions

Uncertainty: "Even before the closedown, when the new corporate group was formed there was a lot of talk about how long we would stay and which location was going to disappear."

Surprise: "When I heard about the decision to close I was surprised."

Sadness: "When the closedown decision came we were all sad. There were many people from the area that worked for the company...Some were sad; some didn't feel at all good...The dismantling was sad to watch."

Resilience: "The best thing was to keep working."

Anxiety: "I wasn't allowed to say anything. That was difficult."

Relief: "When the official announcement came I felt relieved."

Unity: "We tried to take care of each other as much as we could."

Shock: "suddenly people start tearing it down."

Helplessness: "I tried to tell them that, but I got shot down."

Non-acceptance: "I don't have a positive view of the company today. I wouldn't work there again...I thought they made completely the wrong decision."

The leader

Presence: "Our factory leader was always present...He/she was always there, didn't hide, and showed himself/herself."

Consideration: "He/she did little things- nothing was allowed to cost a lot of money, of course, but he/she made sure that the company paid for a farewell party for everyone."

Individual consideration: "The factory leader also let me take a course at University during the closedown."

Self sacrifice: "He/she put himself/herself on the line there, signing those invoices. It was really appreciated by everyone."

Mood: "He/she felt like crap as well."

The leader-follower relationship

Broken promises: “We were told we were going to receive help from a welfare officer, but that kind of disappeared”

Lack of support: “The support was minimal.”

Positive relationship: “I had a good relationship with the leader of the factory.”

Equality: “We were all in the same situation, everyone got displaced, even the leader of the plant. Everyone was equal.”

What went wrong?

Distrust: “They said the closedown was about transport costs. I know what stuff like that costs, so I don’t agree”

Poor information: “The information could have been much better... The information was completely worthless.”

Broken promises: “We had weekly meetings, but that sort of died out towards the end.”

Absence: “The relationship between the employees and the corporate leaders of the firm was not positive. They were absent.”

Lack of Confidence: “I didn’t have confidence in the leaders at the top”.

4.4.3 Respondent analysis Delta

When the closedown decision came, respondent Delta’s initial reaction was surprise. It could be argued that shock connotes a more negative reaction by a person than surprise. This suggests that Delta did not enter the first phase of crisis described by Cullberg (2006), which is characterised by shock, but rather entered directly into the reaction phase. Also, when recounting his/her experience, Delta explains that he/she felt sad when told about the closedown decision. Sadness is an emotion common in the later stages of crisis (Wahlund, 1992), which adds further weight to the foregoing argument.

There are several plausible explanations for why the shock phase failed to occur; including, in particular, the rumours of possible closure, the respondent having to witness the closure of a sister plant and the fact that it was commonly known among employees that one production facility would close.

After the reaction phase, respondent Delta seemed to enter into the processing phase of the crisis model. The processing phase is partly characterised by individuals gaining the ability to clearly look towards the future (Wahlund, 1992). Delta’s enrolment in a University course, as an alternative to work during the closedown process, could be viewed as a proactive attempt by Delta to move on. This transition into the processing phase was partly facilitated by the factory leader who encouraged him/her to do so. Being able to acknowledge the needs of an individual follower and inspire a long-term

perspective in this way are both characteristics of transformational leaders (Bass, 1985; Kouzes & Posner, 2007; Tichy & Devanna, 1986). According to Oreg and Berson (2011), both acts can also positively affect followers' perceptions of change. In light of the fact that individual consideration was shown by the leader and a long-term perspective established, Delta's leader shows signs of transformational leadership. Delta's positive reaction to his/her leader's actions also suggests that these leadership techniques at least partly eased Delta's experience of the closedown.

According to Bass and Riggio (2006) and Hutchings and McGuire (2007), transformational leaders are able to show that they are dedicated members of the group through idealised influence. Delta explains in his/her narrative that the leader was always present and in the same situation. He/she also put himself/herself on the line by making sure a farewell party was held. This indicates true dedication to and consideration for the group. These specific acts of leadership were appreciated by the employees. Since it can be argued that appreciation is a consequence of experiences being eased, transformational leadership clearly had a positive role in the closedown.

In his/her story, Delta explains that he/she was offered a new job during the closedown process that he/she accepted. This demonstrates the start of the re-orientation phase, since the respondent was given a fresh start and new future outlook (Wahlund, 1992). Delta also seems to have accepted that his/her previous workplace has closed although he/she has not accepted the explanation given by the organisation for why the closedown took place. This causes Delta to have a negative view of the organisation today. The negative perception could potentially have been counteracted if transparent information had been given by the leaders. This is somewhat corroborated by Delta who cites lack of good information as a feature of the closedown that could have been substantially improved. As mentioned in previous sections, the presentation of transparent information is part of the relational transparency component of authentic leadership (Walumbwa, et al., 2008). This component has formerly been shown to be positively correlated with employee well-being during transitions (Walumbwa et al., 2010; Peterson et al., in press). Had the leader possessed the relational transparency features of authentic leadership, the negative experiences of employees could possibly have been eased.

Respondent Delta is also negative towards the lack of support offered by the organisation and its leaders during the closedown process. In his/her opinion, more support could have generated a more positive experience of the plant closure. It is likely that this could have been facilitated by a more authentic leader. Authentic leaders have the ability to read the emotional needs of followers and adapt their behaviour accordingly through high levels of self-awareness (Peterson et al., in press). If the leader had been more authentic, Delta's need for more support could have been noticed and hence more support provided to enable him/her to view the upcoming change in a more positive light.

When examining respondent Delta's account of the closedown process experienced as a whole, a sense of sorrow is detected throughout. Although positive features of the leadership involved were referred to, the overall experience seemed negative. It could however be argued that, had Delta's leader possessed more features of authentic and/or transformational leadership during the entire closedown process as discussed above, this wholly unfavourable experience could have been reduced.

4.5 Respondent Epsilon

The company in question had factories at a number of locations in Sweden. Hundreds of workers were employed at the particular production plant in which the respondent worked. Both blue and white collar workers were displaced as a result of the closedown. The plant closure came as a result of production streamlining.

4.5.1 Narrative Epsilon

"I thought my place of work was really good. There was a family feeling about it. We were able to say what we thought about things both to leaders and our other colleagues. I think [the leaders] appreciated that we felt we could stop them when they walked by and ask "why did you do that?".

The leaders saw the individual; if someone wanted to grow they saw it and the individuals were usually allowed to. I always felt I had support from my leader. Even if the decision I made was wrong, he/she stood by me. I knew my closest leader so well that he/she could tell if I disliked something by the look on my face. I could do the same for him/her. Everyone had that kind of relationship. Everyone was really close-knit.

Before the closedown decision was announced, we suspected something was going to happen. We smelled a rat, but we never thought they were going to close down. We were asked to use our work over time to help the company out and we did. The other factories didn't do this. We were loyal at our plant. I don't think there were any rumours about closure.

The leaders at our factory were good, but there was no relationship with the leaders at the top. It was them who came to our factory and announced the closedown. Our first reaction was shock and panic. Why would they close our factory? - we're good and it's profitable. I didn't believe it at first. An hour later, we all stood at our machines again. We didn't want to let our customers down, and it wasn't their fault.

After the announcement we were all shocked, I was bitter. I said to my closest leader that he/she could tell the top leaders that it would be much appreciated if they could come down to the floor and talk to us. They never did. I don't think they had the courage. I thought that was really bad. The leaders at our factory were on our side of course.

The closedown process took about a year. I didn't hang around that long though [for the entire closedown]. I took off as soon as I got another job. I didn't want to watch it go under. Under the circumstances the leaders at our factory did what they could for us. Some of our leaders I really applaud. They were outstanding; very supportive and accommodating. Everyone was heard, they listened, they asked. We were allowed to go to other workplaces and try out new jobs while we were still employed, for example. They were good like that, very good.

We talked a bit about the future; some people started thinking about going back to school. We tried to have fun despite it all being sad. We were so tight. It was probably not quite as hearty as it was before though.

Some things they could have done differently, the fact that the corporate leadership team didn't come and talk to us was poor. We should have been able to ask questions. We never really got any answers. I don't understand why they closed us down. I probably sound positive about all this, but I am quite bitter. If they had informed us better I might have felt differently. They shouldn't have forced us to watch the production line being dismantled either, that could've waited."

4.5.2 Categorisation Epsilon

Employee reactions

Uncertainty: "Before the closedown decision was announced we suspected something was going to happen. We smelled a rat..."

Surprise: "We never thought they were going to close down."

Shock/panic: "Our first reaction was shock and panic."

Denial: "I didn't believe it at first."

Bitterness: "After the announcement we were all shocked, I was bitter."

Resilience: "An hour later, we all stood at our machines again. We didn't want to let our customers down, and it wasn't their fault... "We tried to have fun despite it all being sad."

Non-acceptance: "I don't understand why they closed us down."

The leader

Individual Consideration: "The leaders saw the individual; if someone wanted to grow they saw it and the individuals were usually allowed to."

Supportive: "I always felt I had support from my leader. Even if the decision I made was wrong, he/she stood by me."

Good: "The leaders at our factory were good"

Individual consideration and supportive: “Some of our leaders I really applaud. They were outstanding; very supportive and accommodating. Everyone was heard, they listened, they asked.”

Loyalty: “The leaders at our factory were on our side of course.”

The leader-follower relationship

Openness: “We were able to say what we thought about things both to leaders and our other colleagues. I think [the leaders] appreciated that we felt we could stop them when they walked by and ask “why did you do that?”.”

Personal relationship: “I knew my closest leader so well that he/she could tell if I disliked something by the look on my face. I could do the same for him/her. Everyone had that kind of relationship. Everyone was really close-knit.”

Openness: “I said to my closest leader that he/she could tell the top leaders...”

Individual consideration: “We were allowed to go to other workplaces and try out new jobs while we were still employed, for example...”

What went wrong?

Power Distance: “There was no relationship with the leaders at the top.”

Poor information: “Some things they could have done differently, the fact that the top leadership team didn’t come and talk to us was poor...I said to my closest leader that he/she could tell the top leaders that it would be much appreciated if they could come down to the floor and talk to us...We should have been able to ask questions. We never really got any answers...If they had informed us better I might have felt differently.”

Lack of empathy: “They shouldn’t have forced us to watch the production line being dismantled either, that could’ve waited.”

4.5.3 Respondent analysis Epsilon

Respondent Epsilon’s experiences prior to the closedown are indicative of those described by Hansson and Wigblad (2006). As predicted by the literature, rumours circulated before the closedown decision was announced and employees suspected something was about to happen. Despite this, the respondent reacted with shock when the official announcement of the closedown came.

Epsilon and his/her colleagues’ reactions during the closedown process were much the same as those described in Cullberg’s (2006) four stages of crisis model. The initial shock and panic experienced by the respondent is consistent with descriptions of the shock phase. The bitterness that followed is closely related to the reaction phase where a lot of strong emotions tend to arise. Another common reaction during this phase is to question the decision (Wahlund, 1992). This also occurred at the plant in question. In turn, seeking answers from management and expressing opinions about the decision to

close is typical of the processing phase (Wahlund, 1992). Although not explicitly stated, Epsilon's narrative indicates that the re-orientation phase was entered by the respondent, evidenced by the fact that he/she did not remain until the closedown process ended, but instead left the company as soon as a new place of work was found. Acquiring a new job is often a consequence of seeking new employment (as opposed to being head-hunted). It is likely, therefore, that the respondent took action towards finding a new direction, which is suggestive of his/her transferal into the re-orientation phase (Wahlund, 1992) notwithstanding the fact that Epsilon is still bitter about how the closedown was handled.

The leader described by Epsilon demonstrates qualities clearly associated with the individual consideration component of transformational leadership. Epsilon asserts that the leader acknowledged the needs of each individual during the closedown process and encouraged employees to move on, partly by giving them the opportunity to try new jobs on a trial basis. This behaviour was highly appreciated by employees. In light of this, it seems that these acts of transformational leadership eased employee experiences during the closedown.

According to Bass (1985), transformational leaders have the ability to build collective spirit that can support groups during difficult times. The leader described by Epsilon managed to foster close-knit relationships with and between everyone in the work team. Due to the predominantly favourable description of the leader in question, it appears that this leader behaviour was perceived positively by Epsilon. It can be argued, therefore, that the behaviour facilitated Epsilon's transition.

In addition to showing signs of transformational leadership, the leader at the organisation for which Epsilon worked also showed evidence of authentic leadership. The leader frequently offered unconditional support to employees and facilitated an open and honest dialogue. As mentioned in the analysis sections presented above, these two behaviours can be related to high levels of leader self-awareness and relational transparency, both of which can increase the well-being of employees during times of change (Oreg & Berson, 2011).

In accordance with respondents Beta and Delta, Epsilon criticises the information provided during the closedown. Although his/her closest leader can be described as transparent, the same cannot be said about the overall leaders of the corporate group. According to Epsilon, the bitterness experienced as a result of the closedown could potentially have been avoided had questions been answered and more information provided by these leaders, particularly during the advanced-notice period of the closedown. Hence, if the corporate leaders had showed more relational transparency and been more open, Epsilon's experiences could have been improved.

Forcing employees to witness the dismantling of their workplace shows a lack of empathy on the part of the corporate leaders of the firm. This specific action was named as a negative feature of the closedown process. This indicates that more empathy was

desired by Epsilon during the closure of the production facility. Empathy is exhibited by the adjustment of emotions in an attempt to show support and caring for an individual or group. As mentioned previously, this type of behaviour is consistent with the high level self-awareness possessed by authentic leaders (Walumbwa et al., 2008). Consequently, it can be argued that an increased level of self-awareness in the corporate group leaders could have facilitated a more successful closedown from the point of view of the employees.

As predicted by the respondent himself/herself, Epsilon's description of the closedown process as a whole is for the most part positive. Although negative toward the actions of the corporate group leaders, the general description of the leader closest to Epsilon was positive. Since this leader demonstrated features and behaviours clearly associated with both transformational and authentic leadership it appears that both these leadership constructs eased the overall closedown experience for Epsilon.

4.6 Respondent Zeta

Respondent Zeta had worked for the company for 25 years, during which the firm changed ownership several times. Initially, the company had Swedish owners, but the company was sold later to a company abroad. The closedown process lasted for more than a year and many of the employees were given the opportunity to work at the firm's factories located in other cities.

4.6.1 Narrative Zeta

"I really enjoyed my work and my workplace. Through the years, there have been different team leaders, but I have always had a good relationship with them. I have always been able to talk to them, whether it has been about personal things or not. Overall, the atmosphere at the plant was really good.

Before the announcement of the closedown reached us, there were some rumours. There are always rumours and you try to find answers to these rumours. Of course this makes you nervous. Some of us understood that something was going on and that something was about to happen.

When we found out about the closedown, there was an immediate sad atmosphere. Some got really sad, others panicked; but there was no uprising. Sometimes people can become really mad and ill-tempered, but those reactions came later on.

We gained a lot of support from the closest leaders. I did not know who to trust out of the corporate leaders. After a while we understood that much of what happened was prearranged, though. Of course, we got grumpy - we simply did not trust them.

During the closedown we all became extremely close. The team leaders carried a heavy burden, as they had to keep us motivated, but also gain information to discover what would happen and how much we would have to work. Our team leader found a new job

and left, but no one blamed him/her since you become your number one priority. Inside the group you all stick together, but as soon as you step out of the group, you don't want competition.

Those of us who got new jobs have been able to move on, but it's a bit like a divorce. You've been living together for so many years and then suddenly you're not with your friends anymore. One morning you get up and don't go to your usual workplace. Even though we see each other in town sometimes, and some of us work together now, it's not the same. It's very difficult.

We still don't understand the purpose of the closedown. Our plant was profitable, but the other factories were not - So we still do not understand why they chose us.

I would say that we were given enough information during the closedown. They told us what would happen and how much we had to work. We kept working until the end. We wanted to finish with our heads held high. Some people might not have cared or felt that it was no use to care about quality etc. But that was not the way we worked. We did what we had to until the end. We did not believe that was an appropriate way to handle things. It is not the customer's fault; they were not the ones who put us in the situation.

[The leaders] tried to motivate us by giving us some benefits. We got a wage increase which was quite a good incentive. Everyday things, such as having coffee breaks were the small things that mattered. There were many workers who just needed to talk. Those that needed to were allowed to vent their frustrations. Since we were all in the same situation we became quite equal [with the leaders]. They didn't have a job either.

Many of us were given opportunities to continue with the company at its other factories, but a lot of us felt that the corporate leaders could deal with that issue themselves. You don't treat people like they did during a closedown”.

4.6.2 Categorisation Zeta

Employee reactions

Uncertainty: “Before the announcement of closedown reached us, there were some rumours. There are always rumours and you try to find answers to these rumours.... Some of us understood that something was going on and that something was about to happen.”

Sadness/panic: “Some got really sad, others panicked.”

Delayed emotion: “...there was no uprising. Sometimes people can become really mad and ill-tempered, but those reactions came later on.”

Grumpiness: “Of course, we got grumpy- we simply did not trust them.”

Non-acceptance: “We still don’t understand the purpose of the closedown. Our plant was profitable, but the other factories were not - So we still do not understand why they chose us”.

Vocational pride: “We wanted to finish with our heads held high.”

Loyalty: “Some people might not have cared or felt that it was no use to care about quality etc. But that was not the way we worked. We did what we had to until the end.”

The leader

Supportive: “We gained a lot of support from the closest leaders.... Everyday things, such as having coffee breaks were the small things that mattered. There were many workers who just needed to talk. Those that needed to were allowed to vent their frustrations.”

The leader-follower relationship

Openness: “I have always been able to talk to them, whether it has been about personal things or not.”

Transparency: “I would say that we were given enough information during the closedown. They told us what would happen and how much we had to work.”

What went wrong?

Distrust: “I did not know who to trust out of the corporate leaders.”

4.6.3 Respondent analysis Zeta

Similar to respondent Delta, Zeta did not experience shock when the decision to close was announced, but reacted with a feeling of sadness instead. This indicates that Zeta did not enter the first phase of crisis described by Cullberg (2006), but entered the reaction phase immediately. These findings are in line with studies by Lazarus and Folkman (1984), which suggest that individual reactions to stressful situations can vary. A likely reason for why the respondent did not react with shock upon the announcement is the rumours that circulated within the firm.

Zeta’s interview provided few other indicators of the crisis stages described by Cullberg (2006); however, Zeta described that others reacted with anger and ill-temper later on. These emotions are consistent with the reaction and processing stages of the crisis model (Wahlund, 1992). The respondent also reacted grumpily and lost trust in the leaders during the closedown. Although grumpiness is not an emotion explicitly mentioned in the crisis models, Marks (2007) states that it is not uncommon for negative emotions and distrust to arise.

In his/her interview the respondent compares the closedown process to divorce proceedings. This is comparable to findings by Blau (2006) who states that the closure of a production unit can be experienced much in the same way as the death of a loved

one. Divorce is not as severe as death; however, both represent life events associated with loss. Being able to accept these types of situations facilitates moving on (Cunningham, 1997). This suggests that a leader, who can counteract the negative emotions brought forth by a closedown and aid the transition, could ease employees' experiences. According to Marks (2007), this can be done, for example, by compelling workers to recognise the possibilities that the future has to offer. It can be argued that creating an effective vision for employees is one way achieving this. This is also consistent with components of transformational leadership articulated by Kouzes and Posner (2007), Tichy and Devanna (1986) and Bennis and Nanus (1985).

The leaders at the firm that Zeta described showed qualities associated with authentic leadership. Providing emotional support to followers and displaying empathy towards their feelings are behaviours attributable to high levels of self-awareness (Peterson et al., in press). By giving employees the opportunity to talk about their experiences it appears that empathy was shown by the leader. Talking is one way of processing and dealing with a new situation (Wahlund, 1992). Allowing emotions to surface can also help leaders manage change more effectively (Marks, 2007). It is therefore possible to deduce from the data collected that the combination of these two approaches can ease employee experiences of closedowns.

The high levels of team spirit experienced at the plant in question, both before and during the closedown, can be attributed to leader behaviour. Transformational leadership has been shown to enhance team spirit through inspirational motivation or encouraging the heart (Bass, 1985; Kouzes & Posner, 2007). The inference that can be drawn from Zeta's account of the events is that the close-knit relationships within the work group during the closedown were perceived positively by him/her. It can be argued, therefore, that inspirational motivation can positively affect employee experiences of plant closures.

According to Zeta, enough information was provided by the team leaders during the closedown, which signifies the team leaders' good relational transparency (Walumbwa et al., 2008). Evidence of the team leaders' possession of this authentic leadership attribute can also be seen in the open relationships created with employees. Zeta asserts that he/she was always able to talk to the team leaders about both personal and work-related issues. However, since the reasons for the closedown were not fully explained and a high degree of distrust for the corporate leaders was articulated, the same cannot be said of the latter. The narrative provided by Zeta indicates discontent with this feature of the closedown, which suggests that increased relational transparency by the corporate leaders could have eased Zeta's negative experiences during this time.

When examining the rendition provided by Zeta as a whole, a clear distinction with regards to the feelings toward corporate group leaders and the leaders closest to the respondent became evident. While the team leaders at the plant, for the most part, were described positively, the corporate group leaders were seen in a negative light. The team

leaders at the firm for which Zeta worked exhibited behaviour related to the self awareness and relational transparency components of authentic leadership and the inspirational motivation and meaning through communication components of transformational leadership. The corporate group leaders on the other hand were not perceived to possess these qualities. As mentioned previously however, more behaviour related to authentic and transformational leadership exhibited by corporate group leaders would likely have been beneficial during the closedown.

5 Conclusion

This section aims to summarise the results obtained and analysis conducted for this thesis. It will provide conclusions drawn from the data presented above and attempt to answer the research questions outlined in section 1.3.

This thesis sought to examine if authentic and/or transformational leadership could ease employee experiences of closedowns and, if so, what specific factors related to those two constructs would do so. With regard to the first part of the question, (if authentic and/or transformational leadership can ease employee experiences of closedowns), none of the leaders described by the respondents were fully transformational or fully authentic, i.e. no single leader possessed all traits and behaviours associated with either construct. However, all the leaders did exhibit certain features associated with either of the two constructs. Features of both authentic and transformational leadership were found in all but one of the employee accounts (only respondent Gamma described leader features exclusively related to transformational leadership). Additional characteristics associated with the two constructs would have potentially eased the closedown experience for employees further if they had been demonstrated by leaders. Naturally, therefore a combination of the two leadership constructs would be desirable in a closedown situation.

The various features of the two constructs that were possessed by leaders seem at least in part to have eased the negative experiences of employees during the closedown processes examined. Furthermore, the data analysis also suggests that certain employee experiences could have been eased to a greater extent if the leaders had exhibited additional transformational and/or authentic behaviours.

With regard to the second part of the question, (what specific factors associated with authentic/transformational leadership ease employees' negative experiences of closedown processes), numerous features of authentic and transformational leadership have proved to ease employee experiences of closedowns. From the interviews eight leadership features could be distinguished:

- self-awareness
- relational transparency
- individualised consideration
- inspirational motivation
- idealised influence
- encouraging the heart
- inspiring a shared vision
- meaning through communication

Only two of these are associated with authentic leadership; however, it was these that were mentioned most frequently. In the authors opinion, the authentic leadership features high relational transparency and high self-awareness can therefore be

considered most important when seeking to ease employee experiences of closedown situations. With this being said, the many transformational leadership features articulated by the respondents should not be disregarded. Although individual features attributable to transformational leadership were not mentioned as frequently, a greater range of such features was communicated by the respondents. It is argued, therefore, that a combination of the two concepts would be most effective when seeking to improve employee experiences and leadership during closedowns.

When weighing the evidence found in this thesis, it can be concluded that certain aspects related to both the authentic and transformational leadership constructs can ease the negative experiences of employees during closedown processes for strategic/financial reasons. With this being said, further research needs to be conducted if one is to determine if the entire constructs respectively can facilitate the change.

6 Discussion of results and analysis

This final section will discuss the results of the thesis briefly and the aforementioned results implications for the academic world and practitioners alike. Furthermore, the limitations of this study will be identified and suggestions for further research proposed.

The findings of this thesis suggest that, in general, the leaders closest to the employees were in many ways perceived to be transformational and authentic by employees. These leaders were also perceived more transformational and/or authentic than other leaders at the organisation. The closest leaders also seemed to be those who eased or had the most potential to ease the negative experiences of employees. In light of the aforementioned findings and the fact that transformational and authentic leadership are leadership approaches that can be learnt, it may be beneficial for organisations to promote the development of the features associated with the two concepts in their middle and lower level leaders. The way in which this can be done is however beyond the scope of this thesis.

The results of the thesis also indicate that dissatisfaction with the corporate group leaders was common during the closedown processes examined. This could suggest that fostering leader-follower relationships during closedown processes is extremely important. Both authentic and transformational leadership are however process approaches that build on interaction between leader and follower which could present challenges to the development of such leadership at a higher corporate group level.

When discussing the results of this thesis it is important to note that all of the respondents that have been interviewed for the thesis have received jobs after the closedown. As a result, these respondents may be able to see the experience in a more positive light than those who did not find new employment. Long periods of unemployment and significantly reduced earnings can impact both the health and the well-being of individuals (Tang & Crofford, 1999). Their mindsets may therefore differ substantially to other former employees.

Employee reactions to stressful situations, closedowns included are also highly individual. How something is experienced by one person may be experienced quite differently by another. Likewise, a solution to a problem may work for one employee but not for another. Although authentic leadership in particular can counteract these problems to some extent by adjusting the leadership to fit the individual, the results may not be applicable to everyone and may need to be adapted to fit the needs of all individuals.

6.1 Research contribution

Previous research on transformational and authentic leadership has indicated that both constructs have a positive effect on followers' well-being during organisational transitions. Prior studies have however failed to consider the leadership constructs effect

on specific types of transition, including closedowns. A gap has therefore existed, in the current literature. This thesis has aimed to close this gap to some extent by suggesting that a combination of authentic and transformational leadership has the potential to ease the negative experiences of employees during closedown processes, hence increasing well-being.

6.2 Further research suggestions

Limited research exists on leadership's impact on minimising the negative experiences of employees during closedown processes. Substantially more research can therefore be conducted on the subject. Firstly, in light of the current study's relatively small sample size, similar studies should be conducted in order to confirm its results. A larger study could also determine if the two leadership constructs individually could ease the negative experiences of employees during closedown processes.

Secondly, an extended focus on the actions and behaviour of corporate group leaders during closedown processes is desirable. This thesis revealed many negative experiences related to the actions and behaviour of the corporate group leaders; and it is speculated that if they had acted in a more authentic and/or transformational manner, these negative experiences could potentially have been decreased, but such statements need to be confirmed.

Thirdly, extending research to include the effect of other leadership styles on the experiences of employees could be interesting. It could be that other positive forms of leadership also promote well-managed closedown processes on the part of the employees.

Lastly, it could be beneficial to examine authentic and transformational leadership's impact on employee reactions of closedowns in a context other than the Swedish market. As mentioned previously, Sweden has rather strict rules and regulations regarding the displacement of employees. It could therefore be interesting to study if the results of this thesis are applicable to other countries.

6.3 Implications for practice

In light of the fact that transformational and authentic leadership features have been shown at least partly to ease employee experiences of closedown processes and that both leadership constructs can be learned, the findings of this thesis could enable better handling of plant closures on the part of organisations. The specific actions found in the research that were shown to ease employee experiences and that can be applied by leaders wishing to promote well-managed closedown processes on the part of the employees are summarised in table three.

Form of leadership	Specific factors within those forms of leadership	Specific techniques within those specific factors
Authentic	<ul style="list-style-type: none"> • Self-awareness 	<ul style="list-style-type: none"> • Be empathetic to the employees' experiences. • Provide employees with emotional support. • Adjust the level of support to fit the needs of the individual. • Give the employees the opportunity to talk should they wish to do so.
	<ul style="list-style-type: none"> • Relational transparency 	<ul style="list-style-type: none"> • Create trusting relationships. • Provide employees with clear and truthful information. • Facilitate an open dialogue with employees.
Transformational	<ul style="list-style-type: none"> • Inspirational motivation • Encourage the heart 	<ul style="list-style-type: none"> • Work towards building team spirit. • Motivate employees to continue working by showing enthusiasm.
	<ul style="list-style-type: none"> • Idealised influence 	<ul style="list-style-type: none"> • Work toward becoming a dedicated member of the group/work team. • Encourage collectivism. • Demonstrate a presence in the workplace as much as possible.
	<ul style="list-style-type: none"> • Individual consideration 	<ul style="list-style-type: none"> • Allow workers to go to university courses during the closedown process. • Allow workers time to look for new jobs during the closedown process. • Give employees the opportunity to try new jobs during the closedown. • Present a plan for individual workers future, gives them incentive.
	<ul style="list-style-type: none"> • Inspire a shared vision • Meaning through communication 	<ul style="list-style-type: none"> • Create a positive outlook for the future.

Table 3. Techniques for better handled closedowns.

Since business is motivated primarily by balance sheets, not altruism, it could be beneficial to also highlight potential financial benefits associated with handling a closedown process well, particularly since many of the closedowns were implemented for financial reasons. In general, prior research has shown that a well-handled closedown enables organisations to keep its reputation intact and attract new employees for the organisation as a whole. The results above have established that this can be done for example by providing clear information to followers. Taking the well-being of employees into consideration during closedown processes and motivating them through showing characteristics associated with inspirational motivation and/or individual consideration i.e. transformational leadership could also save money since employees are more likely to keep working until the final stages of the closedown, thereby keeping

customers happy and generating more profit. Creating a tight-knit group through idealised influence was also shown in the thesis research to maintain employee willingness to keep working until the closedown is complete.

6.4 Limitations

There are always limitations to a study; research can never be perfect. Although the authors have aimed to be as extensive and objective as possible, some aspects are beyond control. Nevertheless, honest answers and results were promoted through the use of semi-structured interviews, which allowed the interviewees to speak freely; although it was difficult to fully ensure that respondents answered all questions truthfully.

In addition, the limited number of respondents involved in this study may limit the generalisation of our findings. Since the respondents came from numerous organisations, had different responsibilities within the organisations and were of both genders, the authors believe this problem was somewhat reduced. As mentioned previously, however, the results of the study could benefit from confirmation by a greater number of respondents.

6.5 Concluding remarks

This thesis serves as a starting point for further research on the impact of leadership on employee experiences of closedown processes. Taking the well-being of employees into consideration during organisational closedowns can easily be neglected by leaders at a firm, who may be too engrossed in the financial motivations behind the closures. The results of this thesis show however, that acting and behaving in accordance with specific features of authentic and transformational leadership could ease the negative experiences of employees, which would be to the end benefit of both workers and leaders. Although further research needs to be conducted, the study has introduced a topic that, at least in the eyes of the authors, is important, highly relevant and worth developing.

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Appendices

Interview questions for the respondents

Start with a short introduction of ourselves and why we are conducting an interview today.

Our aim: to extract personal experiences of situations in connection with closedown processes.

Background: Closedown processes and the leadership involved is a somewhat un-researched topic. Employee experiences during this process are important.

Interview Questions:

Part A:

- Tell us a little bit about the company you worked for.
- What was your role in the organisation?
- Did you enjoy your job?
- How did you perceive the relationship between the leaders and employees at the firm? What was the dialogue like?
- In general what was your relationship with the leader like?

Part B:

- How did the closedown take place?
- What was the atmosphere like before the closedown decision was announced?
- Were there any rumours prior to the announcement?
- How did you perceive the atmosphere and any rumours?
- How did the leaders act prior to the announcement?
- How long did the entire closedown process take?

- When and how did you receive news of the closedown?
- How did you react to the news?
- How did your co-workers react?

- How did you perceive the time when the organisation was negotiating with the labour union?
- How did the leaders act during this time?
 - Was anything positive?
 - Was anything negative?
- Were you supported by the leaders?
 - In what way?
- Did you receive help with understanding the purpose of the closedown?

- What did the flow of information look like?
 - What information were you given?
 - When did you receive this information?

- Tell us a little bit about the leader.
 - What were his/her positive qualities?
 - What were his/her negative qualities?
- How did the leader act during the closedown process?
- Were there any informal leaders?
- Did you talk about the future?
- Did you have confidence in your leader?
- What is your view of the leader's actions today?
- What is your view of the organisation today?

Interview questions for Magnus Hansson

Start with a short introduction of ourselves and why we are conducting an interview today.

Our aim: to gain more insight into closedown processes and the effect of leadership on employee reactions and experiences of these.

Background: Closedown processes and the leadership involved is a somewhat un-researched topic. Few articles have been published on the subject. In light of your rich research, we consider you an expert within the field of closedowns and are an important source of knowledge.

Interview Questions:

- Tell us a little bit about your background within the field of closedowns.
- What characterizes a successful closedown process, what does it look like?
- Can you tell us about a company that executed a closedown well?
- Can you tell us about a company that executed a closedown poorly?
- What, if any, effect do you believe leadership has on employee experiences of closedowns?
- In your opinion, is there a certain type of leadership that can ease the negative experiences of employees during closedowns?
 - What type of leadership would that be?
 - What leadership qualities could impact employee experiences?
- Is there anything you believe we should take into careful consideration when analysing the impact of the leader on employee reactions?

Magnus Hanssons interview transcript

Let us begin with a short description of your background within closedown processes.

Wow. In '91 I started working at a plant in Lidingö in Stockholm. I worked with quality development, quality management, some other quality improving projects and I was in charge of the quality leading system for that specific plant. After a couple of years a closedown decision was announced, they said that they were shutting down the whole plant. I was given the opportunity to continue my career though at the head office of Swedish Shell.

This is the practical experience and knowledge I have been through, in other words I have been in that situation. I moved to Örebro, I started studying, was accepted in 2003 I think it was, to the graduate programme. I started to think what to write about, everyone wrote about growth, they wanted to describe companies that were working well, why they were working well, what a good leader is characterized by and I did not want to be like the others. I was more interested in things that happened when a good job was not done.

I became interested in downsizing, restructuring and regional development in the Bergslags region. Later on I realized that might not be that interesting, that it would be difficult to do an exciting research project about it. I went and did some interviews, preliminary interviews at different companies. I got a tutor who had written about downsizing before, Rune Wigblad, he worked here before [at Örebro University], now he works in Dalarna. We started to think about what I could write my dissertation about and came to the conclusion that I would focus more specifically on businesses that have been closing down their plants and try to follow some closedown processes, from the moment when they decide to close down the plant till the last day.

We wrote the first article which was more of an analysis, given that we already knew about the productivity effect within closedowns [the closedown effect], the effect that I have been writing a lot about and that my research has been about. We compared productivity effects driven by humans, the Hawthorne effect is a well known example so we compared it to the closedown effect.

After a while I started to work with a case, Gusab Stainless in the Sandvik Group in Mjölby which closed down. 120 people were affected by this closedown. We followed the process from the day they decided to close the plant and a year and a half forward. After that I did a study of Gislaved Däckfabrik. This was a bigger closedown, around 750 people were affected. As you can see I have been working with a few different cases. The first case, Gusab Stainless, I followed in detail, I was there quite often to see how the process developed. I looked at variations in their productivity and connected it to critical events that took place. For Gislaveds Däckfabrik and the dubbing unit we conducted a bigger and broader study where we compared four different types of cases. We divided the data by profession and calculated the productivity for each. After it could be concluded that we had found a statistically proven productivity effect in three of the four cases we compared.

The two things, the empedi projects have shaped what I am doing right now. What I've done is broaden [the field in which I work] in terms of collaborating with for example work psychologists in Stockholm. Together we analysed a closedown. Now we're in the initial phases of following the closedown of Malaco's plant in Gävle. We also have data from the closedown of the Spendrup plant in Vårberg, Stockholm. We have focused not only on closedowns but also on downsizing.

If we move on to the next question; what do you think a successful closedown process would look like?

Successful from what perspective? One could at least identify three different aspects, which aspects are you thinking of?

Mostly, the employee related aspects.

A closedown can be analysed from an employee perspective, a business perspective, these two do not have to compete of course, and from a regional development perspective. Therefore the question is extremely difficult to answer. The processes are extremely complex. I will try to illustrate a few things. The Gusab case was in way a successful closedown for the employees since the closedown process took a long time, a year and a half. The management was socially responsible since they developed special solutions for every single employee. They did not approach it with a standardized pre-packaged solution, which I've seen in other cases. They offered education, and early retirement, and the employees were given the opportunity to try other professions. They were highly socially responsible.

What I consider a paradox but at the same time interesting, was that the attendance at these events was extremely low in the beginning. They knew that they had a year and a half left. The attendance was low in the beginning, but when they came closer to the final date it hit them that: "oh I am about to lose my job". The attendance grew but not that much.

The degree of social responsibility was different in Gislaved. That was a two part closedown; there was the tire production and the dubbing unit. The production of the tires took about six months to close down and it took almost two years with the dubbing closedown. There was a total lack of social responsibility, no support activities for the employees. The only support activity was initiated by Gislaved County, where the Employment Service came to the plant. From one point of view, the closedown could be considered bad due to the lack of social responsibility but from another point of view the closedown was better since the industrial structure was better and it was easier to find new jobs. More people became unemployed in Mjölby compared to Gislaved. So, on the one hand it was good for employees in Mjölby because they encountered more social responsibility but on the other hand it was good that the majority of the employees in Gislaved found new jobs.

A third example, I was in Stockholm last week where I presented a paper that compares two different plants within the Scania Group, one in Falun and the other one in Sibbhult.

That closedown was unique. Scania is a very unusual company that has their own take on their role in society. I consider this to be really exciting; they take a great deal of responsibility. They had these closedowns, which took between 32-38 months. What they did was that they provided a great deal of socially responsible support activities and simultaneously created opportunities to start new companies. Scania helped people who were about to lose their jobs, around 1250 people. They helped them build up these new companies and enabled them to act as subcontractors to Scania for long periods of time. This enabled Scania to secure their future supplies. That's a really good closedown seen from an individual, a business and a regional perspective.

Going back, you say that you are interested in employees. It is not easy to determine what a good closedown looks like, what we can say, generally speaking, from the research results we have gathered, is that seen from an individual's perspective, long closedown periods are positive and closedowns where companies are socially responsible are positive.

You have already gone on to the next question but, do you know about a business that has had an unusually successful or unsuccessful close down process?

Scania was a successful one; Gusab Stainless was a successful one.

We are writing about the effect of leadership on employee experiences during closedowns. What, if any, impact do you believe they have?

I believe so. I have written a book chapter in the Global Human Resource Management Case Book. That shows a good example of the impact of leadership and I also believe it is important to mention there being different kinds of leadership. Many of the companies that close down belong to Groups. Sometimes conflict can arise between the group management and the local management. The Gusab case is an example. The Group management took the decision to close down, the employees had a strong negative view of the Group management but they had an extremely positive view of the local management.

What one could say about many closedown cases is that when a closedown decision is taken it triggers a very big change. During normal operations there are given institutional and economic structures. The institutional structure concerns norms, rules and routines, processes and so on. The economic structure concerns the management control system where they have goals such as, "we want the productivity to grow with x percent and we want to produce this much." All of the demands the management has on the employees, are a part of the economic structure. These kinds of structures change when the closedown decision is announced, the management becomes busy dealing with the closedown, and they stop controlling the day-to-day processes. We have seen very clear examples of when management control systems disappear. This triggers the development of informal leadership, spontaneous organizing, day to day rationalization, different kinds of improvements and so on.

Discussing leadership is difficult since formal leadership is often absent but informal leadership is extremely present [during closedowns]. Informal leadership occurs through

some kind of a legitimization process, i.e. someone or some people take an informal leadership role. Going back to the Gusab case, it was very clear that there were people who had no responsibility or formal power, they were the ones who brought everyone together and established commitment. After a while they had several informal leaders who started competing with each other. They had never competed with each other before, they had never been inclined to make the machines work well, but now they started to compete about who could produce the most. At the same time they had no managers that told them what to do; they were responsible for the planning of the production. If we look at the Scania case, during the closedown they continued as if it was normal operations. Management control remained. They had something called SPS, Scania Production System, inspired by the Toyota Production System. They kept doing this during the whole close down process, they kept measuring productivity, they kept leading, and in fact they did not change the institutional or the economical structure.

Next question, do you believe that there is a certain kind of a leadership that can ease the negative reactions employees may experience during a closedown? In that case, what type of a leadership? What qualities do you believe, or have you seen that could have an impact?

It is difficult to describe specific leadership styles but the ones who look after the employees, who look at things through an employee perspective, are in many cases successful. Bosses or leaders that show up in the plant and have a rhetoric where they mention the market, saying things like we have a responsibility towards our customers. The employees do not care about that, they are about to lose their jobs, why would they care about the customers? Those arguments receive an opposite effect. Talking about both financial arguments and time arguments has negative effects.

I believe it's difficult to speak about bosses and leaders; our focus has been on other things. What we have done, looking at the article I published with Lars Häsänen and Johan Hellgren, is look at some psychological variables during the Pfizer closedown in Stockholm. That study is unique in the sense that we looked at the employees and not the leaders.

If the perspective is to analyze the leader perspective in reallocations and downsizing or close downs there is limited studies about this subject.

The last question, is there anything you believe we should consider when analyzing the impact of the leader on the employees reactions?

What one could do is to clearly show your selection of studies and mention that not many studies have been made.