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## Editorial Commentary

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# Threats and Responses in Organizational Research

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*In recent years, executives and their employees have faced a wide range of threats to, and within, their organization. We put forward a framework that organizational scholars can use to position their ideas within the literature on threats and responses. We delineate different types of threats that firms often face. We also develop a set of constructs that, taken together, can be useful for describing how managers assess threats and how they might react to them. In addition, we identify several theories that explain organizational threats and responses, including two (protection motivation theory and integrated threat theory) that have proven useful in other disciplines but have yet to take hold in management studies. Lastly, we offer examples of how to expand extant theories to the domain of organizational threats and conclude with a call for research on threats and responses in organizational research.*

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Firms, as well as their employees, seem to be under siege. A common refrain in academia is that it is a difficult time to be an administrator, and for many of the same reasons, it is a difficult time to be a manager. Some of the factors that threaten firms are largely external, such as pandemic-related disruptions and economic uncertainty, while others arise from internal problems, such as sexism and racism, that prevent the best people from advancing. In response to emerging societal and environmental trends that have had a profound impact

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on organizations, it seems an apropos moment to reflect on what we have done and can do as management researchers to explain and understand the multitude of threats that organizations face.

A threat occurs when there are “circumstances in which individuals, groups, or organizations perceive impending negative or harmful consequences of their vital interests” (Amabile & Conti, 1999: 631). Firms that are threatened are not necessarily in crisis, but there is an identifiable potential for harm. Scholars have devoted considerable attention to research on firms’ strengths (Barney, 1991), weaknesses (West & DeCastro, 2001), and opportunities (Short, Ketchen, Shook, & Ireland, 2010), but there is less structure surrounding the literature on the “T,” or threats, of the Strength, Weakness, Opportunity, and Threat (SWOT) framework. This is an important omission because, as we are all aware, new types of threats are arising with unprecedented frequency. As management academics, we need to understand not only how organizations interpret threats but also what actions they undertake in response to these threats.

In this editorial, we bring together the context, constructs, and theories for describing, explaining, and understanding organizational threats and responses. We summarize these in Table 1, thus offering a preliminary framework for developing and describing research on threats and responses in organizational research. Furthermore, we call for a renewed set of research questions that address existential issues about organizations and the people that work for them in view of new and evolving threats.

## Context

Threats can emanate from external and internal contexts of organizations. Stated differently, threats can be imposed on the organization by *external* factors, or they can arise from *within* the organization (the latter of which are sometimes categorized as weaknesses in SWOT analyses).

Externally, changes in the firm’s general environment, sometimes viewed through the PESTEL lens (i.e., Political, Economic, Sociocultural, Technological, Environmental, and Legal), can introduce a range of threats to an organization’s existence and operations. Political developments, for example, elections of Republican versus Democratic presidents, can threaten governmental support for firms operating in different industries. Economic uncertainty, such as the tumultuous markets of 2008 or the increase in inflation of 2021, can paralyze managers who are trying to make long-term investments in specific assets. Emerging sociocultural trends, such as the rapid change to a virtual workforce due to the need for social distancing to prevent the spread of COVID, force firms to adapt or fall behind those who do. Technological advancements continue to upend entire industries, and in recent years, we have seen that events can precipitate the swift adoption of artificial intelligence, causing the emergence of a new type of threat to employees’ job security. As the world begins to take notice of climate change, the potential for environmental disaster is rapidly arising, becoming so grievous so quickly that research on issues such as strategic supply chain management and resiliency can barely keep up (Ketchen & Craighead, 2020). Moreover, when firms aim too high or neglect their stakeholders, it becomes the responsibility of regulators, investors, and activists to threaten firms to keep them in line. For example, in

**Table 1**  
**Proposed Framework for Research**

<b>External Threats</b>	<i>Environmental</i>	Threats from PESTEL influences (e.g., economic fluctuations, regulatory constraints).	Delmas and Toffel (2008) Shi & Connelly (2018)
	<i>Governance</i>	Threats to managerial decision-making (e.g., activist shareholders, the market for corporate control).	Goranova and Ryan (2014) Shi et al. (2020)
	<i>Competitive</i>	Threats imposed by industry rivals and contenders (e.g., market entry, price wars).	Andrevski, Miller, Le Breton-Miller, and Ferrier (2021) Yu and Cannella (2007)
<b>Internal Threats</b>	<i>Micro-Level</i>	Organizational threats arising from individual-level problems (e.g., corruption, harassment).	Chawla, Gabriel, O'Leary Kelly, and Rosen (2021) O'Leary-Kelly, Bowes-Sperry, Bates, and Lean (2009)
	<i>Macro-Level</i>	Organizational threats arising from systemic problems (e.g., product recalls, layoffs).	Ketchen, Snow, and Hoover (2004) Wowak, Ball, Post, and Ketchen (2021)
<i>Constructs</i>			
<b>Threat Assessment</b>	<i>Certainty</i>	The conditional probability that the threat will be acted upon if there is no or an insufficient response.	Fugate, Prussia, and Kinicki (2012) Mitchell, Greenbaum, Vogel, Mawritz, and Keating (2019)
	<i>Vulnerability</i>	Expectancy of being exposed to a threat based on susceptibility and pervasiveness.	Boer and Seydel (1996) Ifinedo (2012)
	<i>Severity</i>	Magnitude of the adverse effects that the threat may introduce if it is acted upon.	McMath and Prentice-Dunn (2005) Rainear and Christensen (2017)
<b>Response Options</b>	<i>Fight</i>	Actions, rhetoric, or coopting behavior initiated to eliminate or mitigate a threat (reduces certainty).	Chattopadhyay et al. (2001) Ferrier (2001)
	<i>Flee</i>	Repositioning designed to avert, divert, or hide from a threat (reduces vulnerability).	Smart and Vertinsky (1984) Wang and Shaver (2014)

(continued)

**Table 1 (continued)**

	<i>Freeze</i>	Defensive behavior designed to shield from or protect against a threat (reduces severity).	Crilly, Hansen, and Zollo (2016) Staw et al. (1981)
<b>Response Appraisal</b>	<i>Likelihood</i>	Probability of initiating a response (usually pertains to fight response). Driven largely by motivation.	Chen et al. (1992) Kaplan (2008)
	<i>Speed</i>	The time between threat and response (usually pertains to fight response). Driven largely by capability.	Chen and Hambrick (1995) Nadkarni, Pan, and Chen (2019)
	<i>Efficacy</i>	The extent to which a selected response is effective at eliminating, avoiding, or diminishing a threat.	Hengst, Jarzabkowski, Hoegl, & Muethel (2020) Milne, Orbell, & Sheeran (2002)
<b>Response Effects</b>	<i>Cognitive Constraints</i>	Narrowing the field of attention, simplifying information codes, or reducing channels.	Ocasio (1995) Shi et al. (2018)
	<i>Control Concentration</i>	Power and influence converging and escalating to upper levels of the hierarchy.	Greve (2011) Shimizu (2007)
	<i>Resource Allocation</i>	Internal resources consumed and/or control rights of external resources reallocated.	Griffin, Tesluk, and Jacobs (1995) Latham and Braun (2009)
<b>Threat Externalities</b>	<i>Contagion</i>	Threat expands its reach to firms with industry or interpersonal connections.	Kang (2008) Paruchuri and Misangyi (2015)
	<i>Escalation</i>	The threat is heightened, either for lack of response or retaliation against a response.	Gnyawali and Madhavan (2001) Wiggins and Ruefli (2005)
	<i>Perception</i>	Feelings of threatening situations or behavior that may or may not align with the likelihood of a negative outcome.	Gilbert (2005) König, Graf-Vlachy, and Schöberl (2021)
<i>Theories</i>			
<b>Threat Rigidity Theory</b>	<i>Individual Responses</i>	Explains what people and organizations commonly do when they are threatened.	Shi et al. (2018) Staw et al. (1981)
<b>Protection Motivation Theory</b>	<i>Defense Mechanism</i>	Explains why some people and organizations engage in behavior designed to shield them from a threat.	Floyd, Prentice–Dunn, and Rogers (2000) Rogers (1975)

*(continued)*

**Table 1 (continued)**

<b>Awareness-Motivation-Capability Framework</b>	<i>Counter-attack</i>	Explains when people and organizations are likely to respond aggressively to a competitive threat.	Chen (1996) Shi et al. (2021)
<b>Integrated Threat Theory</b>	<i>Perception versus reality</i>	Explains who is likely to feel threatened, regardless of whether a tangible threat exists.	Croucher (2017) Stephan and Stephan (2000)

September 2021, it was reported that Amazon had run into regulatory trouble by profiting from COVID disinformation, forcing legislators to threaten their executives (Grullon, 2021).

This last threat dovetails with the discussion that some scholars have had about how *governance* mechanisms can turn into threats (Aguilera, Desender, Bednar, & Lee, 2015). Top executives are increasingly concerned about the threat of powerful shareholders (Shi & Hoskisson, 2021) and activist short-sellers' intervention (Shi & DesJardine, in press). Managers also want to avoid becoming a target for stakeholders' activism, including that of social activists (Briscoe & Gupta, 2016). The threat of a takeover also governs managerial behavior and leads firms to refrain from long-term investment such as corporate social responsibility (Kacperczyk, 2009). Studies have found that the media and financial analysts can threaten a firm's stock price and reputation and even the CEO's job security (Farrell & Whidbee, 2002; Wiersema & Zhang, 2011). Management academics have historically considered governance structures under the broad categories of boards, shareholders, executive compensation, and the market for corporate control (Dalton, Hitt, Certo, & Dalton, 2007), but all of these are evolving so quickly that managers face threats that they have never encountered. For example, shareholders are getting on boards with increasing regularity, presenting CEOs with a new type of threat in the boardroom (Christie, 2019). Another example is the growing influence of common ownership, wherein common owners can threaten the managers of seemingly disparate, or even rival, firms to behave in ways that benefit other firms to the detriment of their own (Connelly, Lee, Tihanyi, Certo, & Johnson, 2019).

Other external organizational threats exist in the *competitive* sphere. For example, competitors can threaten to enter a firm's product or geographic markets (Chen, 1996). Even when not competing directly, product substitutes can threaten a firm's competitive advantage. Additionally, alliance partners can prove beneficial to competitiveness, but they also introduce the threat of opportunistic partner behavior. A firm's buyers and suppliers can threaten its ability to compete via such mechanisms as switching, parallel sourcing, and vertical integration. Further, as firms develop unique knowledge structures, they take on the threat of knowledge loss, which could occur through a variety of means, such as competitors strategically hiring employees (Somaya, Williamson, & Lorinkova, 2008). The COVID pandemic has had a punctilious effect on many competitive threats, as it eliminated some competitors, benefited a few, and changed the nature of competition in particular industries. As such, research on competitive dynamics and the phenomena that shape competition must continue to develop and offer new insights into the threats that managers face in changing competitive landscapes.

Internally, sometimes firms can be their own worst enemies, with threats arising from within their ranks and as a consequence of their own decision-making. Some of these originate at the *micro level* but have organizational-level consequences. For example, the potential malfeasance of their own employees, including top managers, can threaten firms. Perhaps the most egregious example to date is the executives at Enron, who were supposed to be “the smartest guys in the room” but were ultimately found to be the “most corrupt guys in the room.” This threat is not as isolated as it might seem, and management researchers should employ both empirical and conceptual tools to try to uncover where and when this type of threat is most likely to appear. At lower levels in the organization, employees could engage in drug abuse, incivility, or shirking behaviors that threaten organizational efficiency and workplace safety. More generally, various forms of job stressors threaten productivity at all levels of the organization. That is, there are a variety of situations wherein people within the organization can threaten others within the organization or even the organization itself.

Other internal threats can arise from *macro-level* processes. For example, employees may feel threatened by the potential for restructuring, layoffs, or changes in strategic directions. Conversely, if top executives expand quickly via acquisitions, it can harm firm performance and threaten their job security (Lehn & Zhao, 2006). Managers must also remain vigilant of their product design and manufacturing so that product recalls do not threaten the welfare of the firm’s customers or harm the firm’s reputation. Additionally, we are increasingly becoming aware that systemic racism embedded within organizational structures poses a threat to many firms, especially those that have allowed biased organizational cultures to prosper. Relatedly, in family firms, the threat of losing socioemotional wealth can push managers to respond protectively (Shi, Connelly, & Li, in press). Summarily, researchers must be cognizant of scenarios wherein the organization can be a threat to itself and its own people.

## Constructs

The first step in recognizing a threat is *threat assessment*, which largely pertains to determining the extent to which the organization should be concerned about a potential problem. There are three fundamental elements to assessing threats. The first is determining its *certainty*, which is the conditional probability that a threat will materialize if there is no or an insufficient response. Organizations can develop a false sense of security about threats that are sufficiently rare, such as cyberattacks that compromise customers’ information or natural disasters that disrupt their supply chain. The second element pertains to determining the organization’s *vulnerability*, which is the expectancy of being exposed to a threat based on its susceptibility to and pervasiveness of the threat. For example, organizations with long, global supply chains would be more vulnerable to a natural disaster than a firm that is more vertically integrated. Third, the *severity* of a threat relates to the magnitude of the adverse effects that the threat could introduce if it is acted upon. A natural disaster that decommissions the firm’s only supplier of a rare resource would have more severe consequences than one that only affected a common resource.

These three components work together to allow managers to assess a threat. An example is the ongoing responses that many top executives had to make to COVID-19 and its variants. Before they could craft a response, they first had to answer questions about certainty (e.g., How likely is it that our employees would be affected?), vulnerability (e.g., How would

the disease spread in our work environment?), and severity (e.g., If our employees get COVID-19, how would it impact them and our firm?). People are asking these questions of themselves at the individual level, but managers need to think through the answers at the organizational level as they assess the extent to which their organization should be concerned about a particular threat such as COVID-19.

Potential *responses* to a threat often come in three forms known as fight, flee, or freeze. To *fight* a threat means that managers engage in actions, rhetoric, or coopting behavior to eliminate or mitigate the threat, thus reducing its certainty. For example, powerful institutional investors often threaten top managers with public demands, and some managers may choose to counter the claims directly and garner support from stakeholders to defend their positions. To *flee* suggests that managers reposition the firm to avert, divert, or hide from a threat, thus reducing their vulnerability. In the institutional investor example, this might mean adopting constitutional constraints on shareholder power or turning the company private to get away from the threat (Connelly, Shi & Zyung, 2017). To *freeze* means that managers stop taking actions and adopt a defensive position, presumably with the hope that they can reduce the potential severity of the threat.

Given an imminent threat and a potential organizational response, managers must then assess some key aspects of their response. The first is their *likelihood* of responding, which is the probability that they will even generate a response at all. A related notion is the *speed* of their response, which is the time between when a threat arises and a response is implemented. These two dimensions, the likelihood and speed of a response, are driven in large part by the firm's motivation and capability to respond. For example, when a competitor opens a new store in a market leader's primary geographic region, the market leader will be strongly motivated to respond and probably highly capable of responding to that threat. Likelihood and speed decrease when firms view the threat as not especially compelling (i.e., low motivation) or when there is little that firms can do (i.e., weak capability). When organizations do respond to a threat, they often examine the outcomes of their response to determine its *efficacy*. This describes the extent to which a selected response is effective at eliminating, avoiding, or diminishing a threat. For example, CEOs may engage in public dialogue to defuse a threat. An apology can be an effective means of defusing a threat to the organization from a competency failure, but it is far less effective at defusing a threat to the organization from an integrity failure (Connelly, Ketchen, Gangloff, & Shook, 2016).

When an organizational threat arises, there is a range of behavioral consequences that top executives commonly experience. One is that the threat will sometimes impose *cognitive constraints* on the individuals being threatened such that they narrow their field of attention, simplify the information codes with which they are willing to engage, and reduce the channels by which they receive information (Staw, Sandelands, & Dutton, 1981). At the same time, threatened individuals will also seek to *concentrate control* so that power and influence converge onto fewer people and escalate to higher levels within the hierarchy (Staw et al., 1981). Threatened individuals will also attend carefully to *resource allocation* as they seek to utilize and consume internal resources and reallocate the control rights of external resources. For example, the findings of Shi, Connelly, and Cirik (2018) imply that managers under threat from short-sellers reduce their information-processing demands, consolidate power and decision-making, and defer uncertain or new forms of resource allocation.

There are also characteristics of the threat itself that could be foundational to developing our theories of organizational threats and responses. For example, *contagion* describes how a threat expands its reach to firms with industry connections or board interlocks. For example, Shi, Wajda, and Aguilera (2022) provide a framework for understanding spillover between organizations, and the threats that organizations face can certainly diffuse throughout a population of organizations in the ways that these authors describe. The threat contagion effect requires us to differentiate an *explicit threat* from an *implicit threat*. An explicit threat refers to the threat faced by an organization that is a direct target of external or internal threats, whereas an implicit threat pertains to the threat perceived by an organization that is not directly targeted by the threats. For example, firms targeted by shareholder activism are faced with an explicit threat from activist shareholders, but firms belonging to the activist shareholders' portfolios but not targeted by shareholder activists are nonetheless subject to an implicit threat (Shi, Connelly, Hoskisson, & Ketchen, 2020).

Another important concept is threat *escalation*, which pertains to scenarios where threats become heightened, for either lack of a response or retaliation against a response. This can often take place in the competitive space, where firms threaten their competitors with tactical actions such as price reductions, and this trade-off of responses results in a price war that heightens the threat for all firms involved (Chen, Smith, & Grimm, 1992).

## Theories

As threats from within and outside organizations continue to evolve and change character over time, it is imperative that our theories and explanations of organizational threats grow with them. Toward this end, we highlight nine theoretical perspectives that either have been or could be central to our understanding of organizational threats and responses. We also offer sample research questions to demonstrate ways in which each theory could be useful for expanding knowledge of the subject. The first four of these (which we include in the framework summarized in Table 1) have the organizational threat at the core of the theory. The next five theories discussed below are examples of how other, more general, management theories might provide additional understanding.

### *Threat Rigidity Theory*

According to threat rigidity theory (Staw et al., 1981), threats elicit two key forms of responses. The first pertains to *information restriction*, which is a cognitive manifestation of the stress and anxiety that the threat brings about. The second pertains to managers' *span of control*, which becomes focused when faced with a threat. Due to these responses, managers have a reduced ability and willingness to consider new ideas and, instead, resort to highly proximal actions, such as tightening budgets and concentrating power. This is the most popular managerial theory of threat response, but it deals mainly with the freeze response, devoting less attention to ways in which managers can fight back against organizational threats or points in the threat's timeline:

- How does threat rigidity occur at the organizational level?
- What types of individuals are most susceptible to threat rigidity?



### *Protection Motivation Theory*

Protection motivation theory (Rogers, 1975) has gained considerable traction in the academic literature on threats in healthcare, sociology, and information systems but—remarkably—has yet to make its way into management research. In contrast to the reactive theories that dominate extant managerial studies, protection motivation theory provides a proactive view of how individuals respond to threats before they materialize. The main components are *threat appraisal* and *coping appraisal*. The former is a combination of the appraised severity of and vulnerability to the threat. The latter is divided into self-efficacy, which describes whether the actor can perform the recommended coping response, and response efficacy, which describes whether the coping response is effective at reducing the threat. The ideas underlying protection motivation theory seem highly intuitive and could offer management scholars a new way of viewing organizational threats and help predict whether and how managers will be prepared to face these threats:

- What are some pertinent organizational or workplace moderators that could be useful for developing a management-specific version of this theory?
- What manager attributes can affect their threat appraisal processes?

### *The Awareness, Motivation, and Capability (AMC) Framework*

At the organizational level, the AMC perspective (Chen, 1996) fundamentally concerns threat response. This conceptual lens originated in the arena of competitive dynamics as a tool for describing responses to a specific type of threat: competitive rivalry. It emphasizes whether and when managers will respond to a threat. This theory incorporates *threat assessment* because a response is a function of the extent to which managers are aware of a given threat. This conceptual framework is unique insofar as it deals directly with the *likelihood* and *speed* of managerial responses to competitive threats, which are based on their motivation to respond and capability of responding. Scholars working within this framework are mainly focused on the motivation and capability dimensions, while it is assumed that executives are aware of the threat, but there is considerable room for unpacking the dimensions of awareness and applying the AMC framework to threats outside of the competitive sphere. For example, sociological trends have afforded firms a heightened awareness of the threat of systemic racism, and the AMC framework could raise some interesting questions about the extent to which these firms are motivated to respond and capable of responding in ways designed to combat this problem:

- What are the managerial biases that reduce awareness of threats?
- What factors influence managerial interpretations of adverse events at competitors as a competitive threat or opportunity?

### *Integrated Threat Theory*

Another theory that has emerged recently and begun to take shape in psychology is integrated threat theory (Stephan & Stephan, 2000). The main idea behind this theory is that there

are large differences between realistic threats that actually pose danger and symbolic threats that reflect how an individual feels. The theory, to date, is based largely on in-group and out-group experiences. For example, Corenblum and Stephan (2001: 251) observe that “negative intergroup attitudes are predicted by proximal factors consisting of perceived threats from out-group members; these threats, in turn, are predicted by distal factors such as perceived differences in group status or negative out-group contact.” The core principles of the theory revolve around the notions of realistic threats, symbolic threats, intergroup anxiety, and negative stereotypes. Given the theory’s focus on groups and perceptions, we expect it could be of value to management researchers investigating group responses to threats:

- How do employees react when they perceive their jobs are being threatened by out-group members even if the out-group has no effect on jobs?
- When do CEOs from particular groups (e.g., political groups, social groups) feel that their organizations are more threatened than they actually are?

### *Behavioral Theory of the Firm*

Behavioral theory of the firm asserts that organizations engage in problemistic search activities in the face of performance shortfalls (Cyert & March, 1963). Since severe performance shortfalls can threaten an organization’s survival, the behavioral theory of the firm predicts that organizations whose performance is below aspiration levels will engage in risky search activities to improve firm performance and alleviate the survival threat. For example, Iyer and Miller (2008) find that underperforming firms engage in risky acquisition activities aiming to improve firm performance. Yet Chen and Miller (2007) show that firms reduce R&D investments when faced with bankruptcy threats. Scholars have attempted to reconcile threat rigidity theory and behavioral theory of the firm by investigating various firm-level contingencies, such as firm size, resource slack, managerial risk preference, power concentration, and problem perception capability (e.g., Audia & Greve, 2006; March & Shapira, 1992; Mone, McKinley, & Barker, 1998; Sitkin & Pablo, 1992). What has been neglected is the intertemporal tradeoffs that executives face in decision-making (Bansal & DesJardine, 2014). Specifically, threats may lead firms to escalate investments that mitigate threats immediately but deescalate long-term investments:

- How do managers balance short-term actions versus long-term actions in response to threats?
- How do external threats (often accompanied by performance shortfalls) bring about internal threats (in response to the external threats)?

### *Prospect Theory*

Prospect theory (Tversky & Kahneman, 1974) in one respect contrasts with threat rigidity theory insofar as it predicts that managers facing threats will be *risk-seeking*. Such behavior occurs because individuals in unfavorable circumstances feel that they have little to lose, whereas those in favorable conditions are risk-averse because they feel that they have more to lose than to gain. Prospect theory mainly emphasizes the fight response; thus, it could be viewed as complementary to threat rigidity theory. For example, Chattopadhyay,

Glick, and Huber (2001: 939) observe that “prospect theory leads us to expect organizations facing threats to respond with externally directed actions.” Some have sought to reconcile the contradictory explanations of threat rigidity and prospect theories, and the two could work together to provide a balanced view of managerial responses to threats. For instance, as short-sellers and meme traders are rapidly becoming threats to firms, scholars (Shi et al., 2018) have found that managers tend to freeze up when they are attacked, but they could also use prospect theory to help identify scenarios wherein managers would be more likely to take risks and fight back. Prospect theory, though, is based on inherent cognitive biases, so it is aimed almost exclusively at individual responses to threats and is notoriously difficult to generalize to organizational-level responses:

- What behaviors do threatened groups adopt when individuals within the group have different perceptions about the risks they face?
- How does the speed with which a threat arises (e.g., instantaneous versus slowly building) affect prospect theory predictions about managerial responses?

### *Organizational Ecology and Sensemaking*

Early management theory formulations of threat response use an evolutionary perspective to examine the life span of organizations under varying environmental conditions (Hannan & Freeman, 1977). Organizational ecology describes how firms cope with environmental threats by *adjusting their internal structure* or taking actions to *enhance their position* in the environment. This theory offers a sociological rather than a behavioral view of threat response. As such, it could be especially useful for evaluating emerging high-level threats, including pandemic-induced threats, that affect a wide range of organizations and industries.

Scholars later incorporated behavioral aspects into this perspective because environmental changes are ambiguous, so managerial sensemaking and interpretation (Thomas, Clark, & Gioia, 1993) became foundational to determining the actions that firms are likely to take when faced with a threat. This perspective, therefore, could be useful for understanding and explaining enactment, wherein an individual or firm’s behavior creates events and structures that could cause threats, which were not there before, to arise. Weick (1988) describes how principles such as commitment, capacity, and expectations affect sensemaking for individuals facing a threat. This conceptual lens would be especially appropriate for theorizing about threats that firms create for themselves, such as legal threats to their existence caused by their persistent neglect of their customers or the environment:

- Which cultural and sociological factors are the greatest determinants of organizations enacting their own threats?
- How do managers make sense of multiple simultaneous threats?

### *Social Network Theory*

Social network theory is useful for explaining ways in which firms are *vulnerable* to threats through their social networks and how threats can, by *contagion*, spread throughout a network of firms (Wasserman & Faust, 1994). Management researchers (Adler & Kwon, 2002) have

developed rich literature on the antecedents and consequences of social capital, using these insights to describe when and how social capital is important for firms under threat. Managers form personal ties and networks via social exchange over time, and these relationships are characterized by relational norms including benevolence, trustworthiness, and mutual support. When firms are threatened, managers can approach these personal contacts to gain social support, but these relationships can also constrain behavior by obligating managers to behave in particular ways.

This theory could be useful for explaining how threats diffuse throughout a network of organizations. The principle of “small worlds” (i.e., social networks with dense clusters that are only loosely connected to one another) suggests that a threat might spread rapidly within clusters of organizations. This happens, in part, because managers within the cluster compare themselves to those to whom they are connected so that threats diffuse throughout the cluster. This, combined with the principle of “network closeness” (i.e., the shortest path to traverse the entirety of a social network), may allow us to develop more complete models of how threats move from one organization to another:

- How do successful, and unsuccessful, responses to threats diffuse among organizations?
- Is network centrality a liability or asset for threatened firms, or is the value of social capital contingent on the type of threat?

### *Upper Echelons Theory*

Upper echelons theory (Hambrick & Mason, 1984) suggests that the characteristics of top managers can influence a company’s strategic choices because the top managers view external and internal threats through their own highly personalized lenses. While many factors may underpin firms’ myriad responses to threats, heterogeneity in managerial attributes can be critical to explaining such heterogeneous responses. Most existing upper echelon research focuses on the direct influence of managerial attributes on firms’ strategic decisions (e.g., Carpenter, Geletkanycz, & Sanders, 2004; Finkelstein, Hambrick, & Cannella, 2009) but pays little attention to the role of managers in shaping firms’ distinct threat responses (for an exception, see Shi & DesJardine, in press). This is an unfortunate omission because managers may not get too involved in making routine strategic decisions but play a critical role in influencing how firms respond to threats. As boundedly rational individuals (Cyert & March, 1963), managers have their own heterogeneous heuristics, biases, and cognitive styles. Future research might attempt to unpack how this heterogeneity can impact managers’ interpretation and framing of threats, as well as the strategic actions that they undertake in response to threats:

- How do managerial values or motives shape their interpretation of, and response to, external and internal threats?
- When do firms under threat replace their CEO or top managers, what do they look for in their replacements?

## Conclusion and a Call for Research

As the landscape of organizational threats has undergone significant changes, it is time for management researchers to respond. Practitioners are looking to us to help them understand the factors that are acting upon them and putting their organizations and people at risk, and they want guidance to navigate turbulent situations. As an academic community, we have tools at our disposal that could be essential for explaining threats and responses at a high level of abstraction so that practitioners can apply the lessons learned to the problems they are facing. Thus, we are asking that researchers view phenomena through the lens of organizational threats and responses. As new types of threats emerge, we need to incorporate them into our theorizing. Additionally, as managers get increasingly creative in how they respond to threats, we need to incorporate these responses into our theories. As some solutions eliminate threats and others do not, we need to offer a sophisticated rationale for when and why particular managerial actions may or may not be effective. Attention to this matter might lead you to consider how the relationships under investigation in your study, and the theories you use to describe them, can help create generalized knowledge about the evolving and imminent threats that organizations face.


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