

CHEATING THE FATES: ORGANIZATIONAL FOUNDINGS IN THE WAKE OF DEMISE

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On the basis of a qualitative, induction-driven study of six cases, we developed a process model of how former members of defunct organizations found new organizations to sustain valued elements of organizational life. Our model suggests that this process unfolds through four periods of organizing: disintegration, demise, gestation, and rebirth. The model identifies the affective, behavioral, and cognitive dynamics that give rise to movement through this process. Each of the periods that comprise the model is brought about by a distinct set of affective experiences, shared actions, and interpretive tasks that together shape an emergent process of founding.

How and why are new organizations founded? What role do founders' past organizations play in these new entities? Research on foundings has demonstrated the importance of genealogical connections to prior entities in the composition and performance of new organizations (Klepper & Sleeper, 2005; Phillips, 2002, 2005). The shape a new organization takes relies in great part on the cultural, economic and technological resources made available to its founders through their participation in their prior organizations (Agarwal, Echambadi, Franco, & Sarkar, 2004; Helfat & Lieberman, 2002; Johnson, 2007; Klepper & Sleeper, 2005).

Although many researchers have pointed to this "founder effect" (e.g., Delacroix & Carroll, 1983; Kimberly, 1979; Phillips, 2002; Stinchcombe, 1965), the processes by which such "imprinting" occurs have largely remained in a black box (Johnson, 2007). Nevertheless, the importance ascribed to prefounding experience suggests the need to examine how particular contextual factors influence

the nature of subsequent organizational foundings. Unlike the models of strategically planned foundings that are a traditional focus of entrepreneurship research, the model developed in this study provides empirical support for a "creation" approach to new venture formation (Alvarez & Barney, 2007, 2010), in which organizations unexpectedly emerge in the aftermath of the demise of earlier organizations. Thus, the purpose of this study is to develop a process model that explains how organizational death gives rise to a distinctive process of organizational founding. Our study responds to Whetten's (1987: 346) question, "How can the components of defunct organizations be used . . . to stimulate the generation of new organizations?" (1987: 346). This is an important issue that has been rarely addressed by research on organizational creation or death.

ORGANIZATIONAL CREATION AND DEATH

Scholars have identified many types of *de alio* ("from others") entrepreneurial ventures with their roots in the prior organizational experiences of their founders (Agarwal et al., 2004; Helfat & Lieberman, 2002; Phillips, 2002). Such new entrants include established organizations that diversify into new fields and planned new entities that are financially supported by industry incumbents, such as subsidiaries and spin-offs (Corley & Gioia, 2004). Not all *de alio* organizations are sanctioned initiatives; out of frustration with organizational issues, members may break away from an existing organization to found a separate entity (Agarwal et al., 2004; Brittain & Freeman, 1980; Dyck & Starke, 1999; Klepper, 2007).

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In studies of *de alio* organizations, a “parent” typically remains active in its “child’s” organizational environment, serving as either a provider or competitor for valued resources (e.g., Agarwal et al., 2004; Helfat & Lieberman, 2002; Klepper, 2007; Phillips, 2002); this line of research has not addressed new ventures with clear lineages to an erstwhile parent. However, although contemporary research has often characterized demise as a terminal moment (e.g., Sutton, 1987; Van de Ven & Poole, 1995; Weitzel & Jonsson, 1989), it may also promote the founding of new organizations (Dela-croix & Carroll, 1983). In such cases, a parent organization does not play an overt role in a new entity’s environment. It is thus likely that foundings of what we term *ex morte* (from death) organizations unfold in distinctive ways in the wake of organizational death.

An organization’s death is commonly experienced in ways comparable to how the death of a family member or close friend is experienced (Shepherd, 2003; Sutton, 1987). Such losses trigger a “conservative impulse” to revive a valued past (Marris, 1986). Rather than dispersing, members of dying organizations may participate in what we term “postdeath organizing,” a process of creating *ex morte* organizations that sustain valued elements of past organizational life. *Ex morte* organizations materialize as a direct result of the onset of organizational death. For instance, as an individual who founded an *ex morte* organization following the demise of the Maytag Corporation said, “If Maytag hadn’t closed, I never would have tried this” (Gilmour, 2008: 51).

Though organizational scholars have not previously studied postdeath organizing, our research suggests three common types of *ex morte* organizations that are formed by former members¹ of defunct organizations. Former members may create *alumni associations* to sustain their relationships with their colleagues. For instance, 650 former employees of Syntex Syva Corporation remain involved in an alumni organization that was formed amidst the acquisition and subsequent dissolution of Syntex in the mid-1990s (<http://www.syntexsyvaalumni.org> [accessed 3/18/10]). Former members may also create *museums or archive facilities* to preserve an organization’s artifacts, such as its records or products. Longtime customers of

the Polaroid Corporation launched a virtual museum to build “the biggest Polaroid-picture-collection of the planet,” which has amassed over 247,000 photos to date from over 19,000 individuals (www.polaroid.net [accessed 3/18/10]). They may also found *commercial ventures* to continue enacting their roles. For instance, Stack (1992) recounted the experience of employees who preserved their jobs by creating the Springfield Remanufacturing Company out of the demise of International Harvester.

Foundings of *ex morte* organizations are increasing over time. For instance, the Yahoo! Groups directory includes registrations of 491 *ex morte* alumni associations.² Between 2000 and 2007, the founding of such organizations increased at an average annual rate of 51.1 percent.

CONTRIBUTIONS OF THIS RESEARCH

As noted above, our purpose is to develop a process model that explains how new organizations are founded in the aftermath of organizational death. In particular, we focus on how members’ affective, behavioral, and cognitive reactions to an organization’s demise ultimately give rise to new organizations that carry forward core characteristics and values of their defunct predecessors. By drawing attention to the dominant role of social values and relationships in the founding of *ex morte* organizations, this research provides empirical evidence of organizations primarily structured as collaborative communities (Adler & Heckscher, 2006), which are shaped more by a stable set of mutual expectations than by hierarchies or market forces. The growing need for knowledge production in contemporary organizations increases the need for scholarly and practitioner understanding of such community-driven organizations (Adler & Heckscher, 2006).

Through its examination of postdeath organizing, this research affords an opportunity for researchers to better understand the origins and trajectory of organizational life. Scholars have examined the processes by which organizations are founded (Gartner, 1985; Greve & Salaff, 2003; Katz & Gartner, 1988; Reynolds & Miller, 1992; Wilken, 1979), yet their work has not generally investigated how valued resources from pre-entry experiences are

¹ For the purposes of this article, we define “members” as those individuals who share a sense of common identity and shared fate with an organization, whether they are paid employees (cf. Dutton, Worline, Frost, & Lilius, 2006). Thus, in addition to the role of employee, they may fill such roles as distributor and customer.

² Although corporate alumni groups are also registered with other web-based services (e.g., Google Groups, LinkedIn, corporatealumni.com), only Yahoo! Groups provided a searchable directory that included the dates these groups were formed. We excluded any groups that were formed while an organization was an intact entity.

carried forward to and imprinted on new organizational environments (Johnson, 2007). This research embeds the founding process more fully in a new entity's organizing context by making explicit the manner in which valued resources are culled from a pre-entry experience at a defunct entity and revived in a newly forming organization.

In prior research on foundings, it has also largely been assumed that new organizations are either *de novo* entrants that lack any parental heritage (Helfat & Lieberman, 2002) or *de alio* entities with "living" parents. By broadening scholarly understanding of the range of pre-entry experiences, this research provides greater clarity about the complex motives and influences underlying the creation and maintenance of newly formed organizations. Specifically, it draws attention to social and cultural values that underlie their creation. Ex morte organizations are explicitly formed with a commemorative intention. In addition to financial viability, sustaining the salvaged, valued elements of their defunct predecessors is a major concern in these organizations. For example, the Studebaker National Museum in South Bend, Indiana, states its primary purpose is to "keep the flame of the Studebaker tradition alive and burning for generations to come" (www.studebakermuseum.org [accessed 2/13/10]). Our research thus widens the potentially constraining lens of economic and technological considerations through which entrepreneurial activity has been traditionally studied (Johnson, 2007).

This research also offers an opportunity to better understand the intraorganizational dynamics that shape many types of organizational foundings. The entrepreneurship literature has traditionally focused on what Alvarez and Barney (2007) referred to as the "discovery" model, in which entrepreneurs exploit preexisting opportunities in primarily rational ways. This literature has typically addressed the creation of new organizations in terms of personal characteristics of founders (Delacroix & Carroll, 1983; Sørensen, 2007), including their personalities (McClelland, 1961), education level (Cooper, 1984, 1986), socioeconomic backgrounds (Gould, 1969), and social network composition (Casson & Della Giusta, 2007; Greve & Salaff, 2003). Sociological and ecological research have generally emphasized structural or population-level factors (Sørensen, 2007), such as political turbulence (Delacroix & Carroll, 1983), disasters (Campbell, 2010), market competition (Klepper & Sleeper, 2005), work environment characteristics (Dobrev & Barnett, 2005; Freeman, 1986), and regional cultures (Romanelli & Schoonhoven, 2001; Saxenian, 1994; Sørensen & Audia, 2000). Other authors have pos-

ited organization-level influences on subsequent organization foundings (e.g., Dobrev & Barnett, 2005; Gompers, Lerner, & Scharfstein, 2005; Klepper & Sleeper, 2005; Sørensen, 2007).

Much less attention has been paid to what Alvarez and Barney (2007, 2010) referred to as a creation model of entrepreneurship, in which there are no pre-defined entrepreneurs or opportunities to exploit. In these situations, creation opportunities are not objectively real, but are primarily social constructions that only come to exist through the actions taken by entrepreneurs (Alvarez & Barney, 2010). Further, entrepreneurs who are creating opportunities for entrepreneurship rarely know at the outset of their activities what shape they may take. Rather, these individuals are likely to try out ideas in "an iterative learning process that ultimately could lead to the formation of an opportunity" (Alvarez & Barney, 2007: 11–12) for a new venture.

The creation model points to the importance of the social dynamics underlying the founding of new organizations, dynamics that have received insufficient attention in research on entrepreneurship (Downing, 2005; Johnson, 2007; Lounsbury & Glynn, 2001). This study sheds light on how interactions among organization members, and the social forces they engender, give shape to new organizations, and the identities that come to define those organizations, as they emerge from their initial foundings through the time they become growing, stable entities. Through the shared affective experience, interpretive tasks, and courses of action of members, initial interest in saving a dying entity may evolve into a concerted effort to found and develop a new organization.

METHODS

Our study design was guided by our concern for developing a process theory that explains how an unfolding process yielded a particular outcome. The emphasis of process research is on the realization of an outcome and the events and occurrences that are necessary for it to occur, rather than on antecedents that explain variation in the occurrence of that outcome (cf. Elsbach & Sutton, 1992; Mohr, 1982; Van de Ven, 2007). As a socially grounded phenomenon, organizational creation represents a phenomenon best examined through processual analysis (Alvarez & Barney, 2010; Johnson, 2007; Lewin, Long, & Carroll, 1999; Low & MacMillan, 1988; McKendrick & Carroll, 2001).

We pursued an induction-driven research design that is suitable for generating theory about novel phenomena (Locke, 2001). Drawing on qualitative data, this approach allowed us to understand the

complex social processes underlying postdeath organizing that are less accessible through quantitative data (Eisenhardt & Graebner, 2007). We employed a multiple case study format, since it provides a more robust basis for theory building (Yin, 2003) and often yields more accurate and generalizable explanations than single case studies (Eisenhardt & Graebner, 2007).

Selection of Cases

We studied organizational closing processes and subsequent activities in six organizations, using a theoretical sampling approach (cf. Eisenhardt & Graebner, 2007; Yin, 2003) that is appropriate for building theory regarding a previously unexplored phenomenon. We based our selection of cases on several criteria that help to illuminate the processes we are seeking to describe. We specifically selected defunct organizations whose closings had produced publicly observable instances of postdeath organizing. Although this approach allowed us to identify those conditions that are necessary for the creation of ex morte organizations, the lack of unsuccessful instances of postdeath organizing in our sample limited our ability to theorize about what parts of our model may be sufficient for achieving this outcome.

Following the practice in contemporary research on organizational demise (e.g., Carroll & Delacroix, 1982; Hoetker and Agarwal, 2007; Sutton, 1987), we considered death to have taken place when an organizational entity or one of its distinct subunits, such as a physical facility or subsidiary company, was closed on a permanent basis. We limited our sample to instances of postdeath organizing that had been sustained for at least five years following an organization's demise; shorter-term efforts might be better understood as extended parting ceremonies (Harris & Sutton, 1986). This restriction also ensured a sufficient time horizon for examining sequences of events and the evolution of social processes over time, both of which are central to answering process-oriented questions (Van de Ven, 2007). Given that alumni organizations may potentially be more loosely structured than other types of ex morte organizations, we specified several criteria for inclusion of these organizations to ensure they were rigorously organized entities. First, each group needed to demonstrate evidence of incorporation as a for-profit or nonprofit organization or a requirement of formal membership commitment, such as the payment of dues. Second, we required evidence that these groups were managed on an ongoing basis through the involvement of more than one former member. Finally, we limited our

sample to alumni organizations that maintained a public presence through an actively managed website or a listing in a business directory.

In addition, we expected that large organizations with long lifespans would be more likely to have available informants and archival records that could be used to develop case histories. We thus limited our study to organizations that had existed for at least 30 years and had included at least 1,000 members before their deaths. These organizations were also generally quite large in terms of revenue; four of the six organizations in our sample were included in the *Fortune* 1,000 list for extended periods. Our cases³ included an equipment manufacturer (EquipCo), a magazine publisher (TextCo), a private college (Small College), an agricultural products firm (AgroCo), and two electronics companies (PCTech and SysTech). Table 1 provides background characteristics of each organization.

Sources of Data

Archival records. We gathered several thousand pages of archival material about our cases. The types of records that we collected for each case are summarized in Table 1. This material provided background about public events and actions that occurred after an organization had died and served as a primary resource for learning about the dynamics of postdeath organizing. Some of these records were available publicly, and our informants provided other material. Archival resources included press articles, annual reports, recorded oral histories, published and unpublished corporate histories and academic research, company documents, alumni newsletters, and the archives of an alumni message board. These archival records served as a guiding basis for constructing historical timelines about public events and actions that transpired following organizational death.

Interviews. We also interviewed participants in postdeath organizing. To identify potential informants, the first author contacted individuals who had explicit and public roles in such organizing. He found their contact information through public directories and websites. These informants, including leaders of three alumni organizations, two book authors, and a museum curator, were able to put us in touch with other individuals who were involved in the full range of ex morte organizations listed in Table 1. During initial conversations, the first author gathered preliminary data about an organiza-

³ The names of the organizations we studied have been replaced with pseudonyms to preserve the anonymity of our informants.

TABLE 1
Background Characteristics and Data Sources for Cases

Characteristic	EquipCo	TextCo	Small College	AgroCo	PCTech ^a	SysTech
Industry	Equipment	Publishing	Education	Agriculture	Electronics	Electronics
Age at death ^b	100+	55	100+	100+	40	30
Members	8,000	5,000	1,000	30,000	55,000	5,000
Archival sources	Press articles (49)	Press articles (6)	Press articles (4)	Press articles (25)	Press articles (15)	Press articles (2)
	Books (5)	Published history (1)	Published history (1)	Published histories (3)	Published histories (2)	Published history (1)
	Company memos (3)	Message board	Spin-off	Alumni	Annual	Annual
	Oral histories (2,000 pages)	archive (200 pages)	newsletters (4)	newsletters (3)	reports (12)	reports (15)
	Annual reports (12)	Alumni newsletters (6)		Company memos (2)	Company newsletters (8)	
Number of informants	6	5	4	7	12	7
Ex morte organizations ^c	Museum	Alumni group	Alumni group	Alumni group	Alumni groups (11)	Alumni group
	Commercial ventures (2)		Commercial venture	Commercial venture	Museum	Museum
	Collector group (2)			Collector group	Commercial ventures (3)	Commercial venture
Average lifespan ^b	37	9	10	23	10.6	25.3
Currently active	3	1	2	4	13	2

^a Although we identified a longer list of alumni associations for PCTech, we have only reported those with definitively documented founding dates.

^b In years.

^c The information reported on ex morte organizations is current as of June 2010.

tion's history and the origins of postdeath organizing to assess whether these cases met our selection criteria. Our informants also provided contact information for others who were involved in post-death organizing. Through this snowball sampling approach, we identified 44 individuals as potential informants and eventually conducted interviews with 41 people. The first author interviewed 26 of our informants twice and five of them three times.

The interviews were semistructured and commenced with a series of open-ended questions, which are included in Appendix A. The questions were designed to elicit information about the history of the organizations being studied and the nature of the informants' organizational memberships. As individuals provided situation-specific details, the author who was conducting the interview asked relevant follow-up questions to build a deeper understanding of the origins of postdeath organizing and the interviewees' roles in it. The interviews typically lasted about 60 minutes, with the length varying from 30 minutes to nearly two hours.

Procedures

We constructed case histories of each organization using data gathered from both the archival sources and interview transcripts. Triangulation of

archival and interview data enables richer and more reliable descriptions of each case (Denzin, 1989; Graebner & Eisenhardt, 2004; Jick, 1979) and is a means of establishing construct validity (Yin, 2003). As the archival sources were typically produced in "real time," triangulation also reduced the risk of our analysis being impacted by interviewees' retrospective construction of "new memories" (Loftus & Hoffman, 1989). In constructing these case histories, we engaged in both within-method (across multiple interviews) and between-method (across sources for a given case) triangulation (cf. Browning, Beyer, & Shetler, 1995). As a result, both archival and interview data supported 80 percent of the codes in the six cases. Further, only 16 percent of these instances were supported only by interview data. In the situations in which information gathered from interviews was not clearly consistent with what we learned from other interviews or archival sources, the first author arranged follow-up interviews to resolve any discrepancies. He also used these follow-up interviews to verify the accuracy of the case histories by sharing them with our informants.

Like much qualitative research, our analysis proceeded through cycles of inductive and deductive reasoning (e.g., Gavetti & Rivkin, 2007; Hoffman & Ocasio, 2004). Our initial familiarity with the liter-

ature on organizational death (e.g., Sutton, 1987) and more broadly, organizational change (e.g., Bartunek, 1984; Isabella, 1990) led us to expect that “sensemaking” (Weick et al., 2005) would play an important role in experiences of postdeath organizing. We were thus attuned to issues related to interpretive processes and outcomes in our initial reading and coding of our cases. However, these initial expectations did not constrain our examination of the case histories. In particular, the archival and interview data underlying our case histories revealed substantial and unexpected information about specific emotions that were prevalent among members at different times.

We analyzed the data using procedures recommended by Strauss and Corbin (1998) and Miles and Huberman (1994). This method entails repeated comparison of one’s data to a nascent model emerging from analysis and is particularly suitable for studying newly identified phenomena (Locke, 2001). We followed a replication logic wherein each case served as its own discrete “experiment” (Eisenhardt & Graebner, 2007; Yin, 2003). After inductively creating a list of first-order codes from the evidence in our case histories, we pursued a cycle of deductive reasoning, searching the existing literature for concepts and frameworks that could help explain what we found in our data. Using this approach, we identified second-order, theoretical groupings of the initial codes that had emerged from our data. For instance, the extensive representation of specific feelings in our first-order codes led us to review contemporary research on emotions. Drawing on this literature, we grouped first-order codes about specific emotional states into theoretical categories according to their degree of pleasantness, or their hedonic valence, and activation, or the level of arousal associated with them (Barrett & Russell, 1998; Russell, 2003).

We then organized these theoretical categories, or second-order codes, into aggregate theoretical dimensions that are represented in our data structure (cf. Corley & Gioia, 2004; Maitlis & Lawrence, 2007). These categories are displayed in the final column of Table 2. We found that the founding of ex morte organizations occurred through four distinct *periods of organizing* that we labeled *disintegration*, *demise*, *gestation*, and *rebirth*. Movement through these periods occurs by means of affective, behavioral, and cognitive generative mechanisms (Hedstrom & Swedberg, 1998; Van de Ven, 2007). First, members demonstrate distinct *affective experiences*, or “feelings of pleasure or displeasure and of activation or deactivation” (Seo, Barrett, & Bartunek, 2004: 424). Second, members pursue a series of *shared actions*, or conduct that involves two or

more members, in efforts that ultimately produce ex morte organizations. Finally, sensemaking processes (Maitlis, 2005) are dominated at different times by specific *interpretive tasks* (Isabella, 1990) that members perform to develop shared understandings of their evolving circumstances. We explain these dimensions, and the underlying theoretical categories, in the presentation of our findings.

Returning to another cycle of inductive analysis, we reexamined our data to gain an understanding of the temporal sequencing of the theoretical categories. As is often the case in process studies (Van de Ven, 2007), the processes we observed were not entirely linear in nature. However, the second-order codes are depicted in the process model in a temporal sequence that corresponds with the order in which they generally emerged in the case histories. For example, members launched ex morte organizations through reorganizing activities after they had already recovered the valued elements of their defunct organizations.

We took steps to verify the trustworthiness of our findings. First, we asked a researcher who was not familiar with our initial findings to code two of the cases as a means to assess interrater reliability (cf. Gersick, Bartunek, & Dutton, 2000). To do this, we provided the researcher with case histories of these two organizations and a list of our first-order codes. We asked the coder to identify instances of the first-order codes in both case histories, and our overall agreement rate was 79 percent. Second, Yin (2003) recommended that analyses of case studies include chains of evidence that enable external observers to understand how conclusions are derived from the case data. Thus, in Table 2, we have indicated the evidence from interview and archival data for each of our first-order codes. As the table makes clear, we only included elements in our model when they were corroborated by at least three archival sources and/or three interviews from at least four of the organizations in our sample. Although there is some variation in our cases, as we indicate below, we focused on commonalities among them to determine what was most necessary for accomplishing the outcomes that are our focus. Observation of constant elements in a heterogeneous sample enables more solid grounding for a general process model (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Sutton, 1987; Van de Ven, 2007). Appendix B provides a brief summary of each of our cases, and Tables 3–8 provide illustrative examples from our data of the theoretical categories that underlie the model.

TABLE 2
Data Structure^a

Evidence						Theoretical Categories	Aggregate Theoretical Dimensions
EquipCo	Text Co	Small	AgroCo	PCTech	SysTech		
A	A, b	A, b	A, B	A, B	A, b	Statements that conveyed beliefs that organizational life was coming to an end.	Disintegration
A, B		A, B	A, B	A, b	A, b	Statements that indicated understanding that organization was expected to close at a specified date	
A, B	A, B	A, b	a, B	A, B	A, b	Statements that conveyed beliefs that organizations had closed or changed into unrecognizable entity	Demise
B	a, B	A, B	A	A, b	A, B	Statements of awareness of preservation efforts	Gestation
B	A, b	A, B	A	A, B	A, b	Statements that connected new cycles of organizing with prior organizational life	
A, B	A, b	A, b	A, B	A, b	A	Explicit announcements about the formation of new organizations	Rebirth
A, B	A, b	A, B	A, b	A	A, b	Statements that tied the mission of new organizations to defunct predecessors	
A, B		A, B	A, B	A, B	a, b	Expressed anxiety about personal effects of organization's closing	Unpleasant/active emotions
A, B	A, B	A, b	A, B	A, B	A	Statements that convey anger with leaders about poor performance or organization's closing	
a, B	A, b	A, b		A, B	A, B	Expressed excitement about opportunities to sustain valued organizational elements	Pleasant/active emotions
a, B		A, B	A, b	A, b	A, B	Statements that conveyed happiness and optimism	
A, B	a, b	A	A, B	A, B	A, B	Expression of contentment with organizational life	Pleasant/inactive emotions
A, B	a, B	a, b	A, B	A, b	A	Statements that described peaceful conditions and absence of conflict	
A, B		A, B	a, b	A, b	A, B	Negotiating with organizational leaders	Rescue activities
A, B		A, B	A, B	a, B	A, B	Solicit help from outsiders	
A, B		A, B	A, B	A, b	A, B	Attempts to stave off need for action	Recovery activities
A, B	A, B	A, B	A	A, b	A, b	Engagement of channels for recovery	
A	A	A, B	A	A, b	A, B	Secure opportunities for preservation	Reorganizing activities
A, B	a, b	A, B	A	A	A, B	Tasks to create a simple organizational structure	
A, B	A, b	A, B	A, b	A, b	B	Formulation of roles and rules for new entity	Sustenance activities
A	A	A, B		A, b	A	Solicit ongoing involvement from members and outsiders	
A, B	A	A, B	A	A, B	A, b	Progress in gaining financial support or income	Disbelief
A, B	A	A	A, B	a, B	A	Statements that conveyed shock or denial of impending closure of organization	
A, B	a	A	A	B	A, b	Expectations that a solution would be found	Bracketing of valued elements
A, B	A	A, B	A	A, B	A, B	Statements about awareness of implications and effects of organizational death	
A, B	A, b	A, b	A, B	A, B	A, B	Identification of "best and worst" from organizational life	Identity labeling
a, B	A	A, b	A	A, b	A, b	Consensus among group of individuals about importance of saving valued elements	
a, B	A, B	A	A, B	A, B	A, B	Discussions among members about reasons for organization's past effectiveness	Sensegiving about legacy
A, b	A, B	A, B	A, b	A, B	A, b	Discussions among members about why they were preserving valued organizational elements	
a, B	A, B	A, B	B	a, B	A, b	Preparing mission statements for new organizations	Sensegiving about legacy
A, B	a, B	A, B	A, b	A, B	A, B	Articulation of purpose to other members	
a, B	a, B	A	A	A, B	A, b	Efforts to publicize organization's legacy externally	

^a Codes for the evidence categories are as follows: "A," evidence from three+ interviews; "a," evidence from two interviews; "B," evidence from three+ archival sources; "b," evidence from two archival sources.

TABLE 3
Illustrative Evidence: EquipCo^a

Dimension	Illustrative Quotations
Disintegration	"You don't know what it takes to make this decision. Anything that could have extended" EquipCo's equipment business had been attempted.
Rescue activities	"We were trying to talk with them [leaders] every way we could think of, but they wouldn't talk to us."* A group of EquipCo customers took out advertisements in a trade journal, in which they wrote an open letter to EquipCo management, insisting that EquipCo's business was viable.*
Disbelief	"We tried to get as many of our family and friends to buy [EquipCo products] as we could."**
Unpleasant/active emotions	"We couldn't, we wouldn't, let those Wall St. types take away everything we had worked for."*
Demise	"I was furious . . . I went up to the CEO and said "What are you going to do for the workers?"**
Recovery activities	"It seemed fitting that the flags were flying at half staff on the day they closed the factory gates. Forever."* "You can't revive a corpse."*
Bracketing of valued elements	"We got the mayor to go and ask them to donate the [products]. He scheduled a golf match with the CEO, won the match, and got us the cars."* Two dealers acquired assembly plant, rights, equipment, and parts inventory for a newly released product from EquipCo parent company.**
Gestation	"We started to buy everything that EquipCo was liquidating. . . we have over 40,000 parts."**
Reorganizing activities	"When they were going, I thought about that [product] collection. It would have been a shame to lose it and I said "Hey, we ought to be keeping these."**
Identity labeling	"Well, we got the [products] from the company. Then we put them in a warehouse, because we didn't know what to do with them."*
Pleasant/active emotions	"Many of the [products] were in really bad shape. But we found EquipCo customers who were eager to help us restore them. . . it was a lot of work."*
Rebirth	"They set about starting a new company. They rehired a lot of former EquipCo workers who had the skills to make the products."*
Sustenance activities	"Well, we wondered what we should do with the [products]. We realized that they were important to Townville and deserved to be displayed somewhere."*
Sensegiving about legacy	"We are trying to keep the EquipCo legacy alive. There's a lot to be proud of."**
Pleasant/inactive emotions	"It was like a second act. They were bringing back what EquipCo took away."*
	Museum hosts ongoing fundraising activities and seeks memberships.**
	When original partners died, surviving family sold spin-off to new owners.**
	EquipCo Museum seeks "to keep the flame of the [company name] tradition alive and burning for generations to come."**
	"Some of the old retirees come in from time to time. Any of the hostility that was there is long gone. Things are real friendly now."*

^a A single asterisk denotes evidence from interview data; a double asterisk denotes evidence from archival data.

FINDINGS

We present below the model that emerged from our data. Our presentation links descriptions of events with our theoretical categories to develop a generalized process theory of postdeath organizing that explains how it is generated from an experience of organizational death and evolves in its aftermath. We describe each of the four periods of organizing we observed, together with the generative mechanisms through which movement to the next period occurred. We first examine how the initiation of organizational death processes by organization leaders instigated a period of *disintegration* that prompted defensive efforts by members to save their organizations. We then explain how an organization's subsequent *demise* shifted members' concern toward identifying and salvaging valued elements of their now-defunct organizations. Next, we describe how former members grappled with an uncertain future during a period of *gestation* that ultimately led to an experience of *rebirth*, during

which ex morte organizations were founded to preserve the valued elements of a defunct entity. For the periods at the beginning of our model, we also describe the actions taken by the formal leaders who planned the organizational death processes. However, our model focuses on a subset of members whose reactions to their organizations' demises led them to eventually found ex morte organizations.

Disintegration

The starting point for our model is a pronouncement by leaders of an organization's impending death. Leaders formally launched their plans to close their organizations through public statements about plans that would lead to the dissolution of existing organizational structures. At EquipCo, the CEO called a press conference at which he announced that its equipment plants would close on a specified date. The leaders of PCTech and Sys-Tech issued announcements that their firms would

TABLE 4
Illustrative Evidence: TextCo^a

Dimension	Illustrative Quotations
Disintegration	"Little by little, they killed TextCo."*
Rescue activities	Insufficient evidence of this code for this case.
Disbelief	"I mean this was [founder's name]'s company. This couldn't happen."*
Unpleasant/active emotions	"Only the staff are getting hit. The villains keep their jobs."** "It was painful to watch it happen."*
Demise	"Our company was destroyed by morally degenerate outsiders who viciously abused and abandoned us."**
Recovery activities	"Before I left, I made sure to take my rolodex, company directory and email addresses. I figured it would come in handy."*
Bracketing of valued elements	"I remember reading the newspaper one day after I left and seeing news about several of my co-workers. It hit me that I had some great relationships with some fantastic people."
Gestation	"After all the doom and gloom, I sensed some light at the end of the tunnel."*
Reorganizing activities	"I sent a note to a group of my personal friends . . . If we couldn't keep in touch through the company, we said 'why not create a means to keep in touch on our own?'"* "Someone volunteered to be the webmaster, which made it possible to have a website . . . I didn't have those skills."*
Identity labeling	Ongoing discussions among members on online forum about why they joined the group and the importance of their relationships with other employees.**
Pleasant/active emotions	"This is the kind of life we ex-TextCo people knew existed somewhere over the rainbow!"**
Rebirth	Announcement of alumni group formation issued to e-mail list.** "All of a sudden, there were hundreds of us participating in this group."*
Sustenance activities	"We created a webpage and a message board so people could keep connected without going through me."*
Sensegiving about legacy	Alumni group moved from a website managed by its creator to a private Yahoo! groups forum.** "With the website, we've attracted some attention from the press and other folks . . . I talk about what we're doing with anyone who'll listen."*
Pleasant/inactive emotions	"We'll never have TextCo back the way it was . . . but I think people are generally satisfied with the group and what they get out of it."*

^a A single asterisk denotes evidence from interview data; a double asterisk denotes evidence from archival data.

be acquired by larger competitors. The leaders of Large University notified members of Small College it would be dissolved following the conclusion of the academic year.

The initiation of these plans commenced a period of *disintegration*, in which organizational structures were gradually dismantled. During this period, organizational activity and the resources and staff levels for performing them were steadily reduced. Leaders initiated rounds of layoffs and shut down departments or work processes as their plans progressed. This period of disintegration was marked by widespread confusion among members about the nature of their responsibilities and the current status of their organizations. A TextCo member recalled, "None of us knew where things stood on any given day." Multiple informants reported experiences in which they tried to complete work tasks, only to discover that colleagues had been laid off with no one assigned to assume their responsibilities. What was clear to members during this time was that their organizations were dying. A Small College faculty member likened the situation to being "on death row."

During the disintegration period, leaders were primarily concerned with closing activities (cf. Sut-

ton, 1987). Organizations stopped acquiring new inputs and ended production of new outputs. Leaders created schedules to close down their organizations in ways that fulfilled their external obligations. At EquipCo, leaders produced schedules for wrapping up the various manufacturing and distribution processes for its final product runs. Leaders also made arrangements to terminate or transfer remaining employees. For instance, Large University found new positions for Small College's tenured professors and laid off all remaining junior faculty and staff. Leaders at SysTech and PCTech handled the legal proceedings that were required to officially conclude the acquisition plans. The disintegration of organizational life triggered a series of reactions among organization members.

Affective experience. Archival records and informants' comments reflected the highly *unpleasant and active emotions*, particularly anger, that members experienced during this time. Much of this anger was directed explicitly at organization leaders, who were variously called "evil" (SysTech) and "empty suits" (PCTech). A Small College faculty member said, "They [leaders of Large University] decided to shut us down as soon as they

TABLE 5
Illustrative Evidence: Small College^a

Dimension	Illustrative Quotations
Disintegration	"The last year was a continual wake."* "We had hoped we could breathe some great life and fresh air into the school, but it didn't work."**
Rescue activities	Members of the Small community enlisted a noted peace activist to help them plan their campaign to save the college.*
Disbelief	"Students kept asking me if things were going to be ok. I didn't know what to tell them . . . I was confused too."*
Unpleasant/active emotions	"The faculty were angry about the previous president and the earlier turnaround effort."* "This is still very hard to discuss. Maybe in a few years."
Demise	"That [last graduation ceremony] was really tough. There were a lot of tears at the end."
Recovery activities	"We spent two years searching for a partner that would embrace our mission of education, social responsibility and community participation."* The Small Foundation acquired the Small campus in an arrangement with an outside partner and unsuccessfully attempt acquisition of school's charter from Large.***
Bracketing of valued elements	"A lot of us were very concerned about the charter and what Large would do with it."*
Gestation	"We [needed to] . . . find a different way to survive."*
Reorganizing activities	Small Foundation launches several educational initiatives.***
Identity labeling	"[The foundation's] educational programs and services . . . reflected the values and educational tradition of Small College."
Pleasant/active emotions	"We are absolutely thrilled that this collaboration will allow the foundation to continue the Small legacy on campus."*
Rebirth	"Don't write this as an obituary . . . One phase of our history is closing on June 30, but another phase is opening up"***
Sustenance activities	Foundation solicits alumni and other donors for capital campaigns to raise funds for a new scholarship program.**
Sensegiving about legacy	"The Foundation continues to promote the legacy of Small College."*** "With your support, we are carrying on that tradition educating [and] molding citizens and developing leaders."***
Pleasant/inactive emotions	"We're pleased with all of the work the Foundation has been able to accomplish."*

^a A single asterisk denotes evidence from interview data; a double asterisk denotes evidence from archival data.

saw an opportunity. They had no interest in saving us . . . money talks."

Shared actions. Studies have indicated the action tendencies associated with anger (e.g., Seitz, Lord, & Taylor, 2007), and here too, anger fueled a collective urge to take action among organization members, many of whom remained confident that they could solve the problems facing their organizations. As an EquipCo member said, "We couldn't, we wouldn't, let those Wall St. types take away everything we had worked for." Upon recognizing that their organizations were facing very real prospects of death, some members banded together to engage in *rescue activities* (cf. Walsh & Bartunek, 2009), both to contest leaders' decisions and to actively resist their plans for closure.

Members attempted to rescue their organizations in three common ways. First, they sought to engage in negotiations with organization leaders about the closing decisions. Many employees of EquipCo and AgroCo were unionized, and their union officers sought meetings with company leaders about the decisions. An EquipCo union officer said, "We tried . . . to get them [leaders] to change their mind." Second, members solicited guidance and

expertise from outsiders. Members of the Small College community enlisted a noted peace activist to help them plan their campaign to save the college. Employees from AgroCo pressured a local bank to provide financing through phone calls and public picket lines. Finally, members attempted to stave off the need for closing. An EquipCo member said, "We tried to get as many of our family and friends to buy [EquipCo products] as we could."

All of our cases except TextCo exhibited strong evidence of rescue activities. Unlike any of the other organizations in our sample, TextCo had remained an autonomous subsidiary of its acquirer for many years after it was purchased. In this case, the sense of impending demise that members experienced owed more to an announced name change and dissolution of the TextCo structure than to its earlier legal acquisition. By exerting control over an organization it already owned, the parent organization made clear the futility of rescue activities. As one TextCo member put it, "They [the parent company] just fired anyone who didn't toe the line."

Interpretive tasks. As their organizations disintegrated, confusion and a widespread *disbelief* about what was happening obstructed members'

TABLE 6
Illustrative Evidence: AgroCo^a

Dimension	Illustrative Quotations
Disintegration	"Things just started to unravel . . . the obstacles [to solvency] grew to be insurmountable."*
Rescue activities	Employees from AgroCo pressured a local bank to provide financing through phone calls and public picket lines.**
Disbelief	"The idea that AGroCo was going down . . . it was just impossible."*
Unpleasant/active emotions	"There was a lot of anger and hostility when things shut down."*
Demise	"I don't know [the new management team] and I don't know the company they work for."**
Disbanding activities	Remaining equipment sold off at an auction in a local community center near AgroCo's headquarters.**
Recovery activities	"We got a copy of a list of former employees, and we each knew a lot of people. So we got in touch with them and told them that we'd like to start a retirees club."*
Bracketing of valued elements	"The family of the founder was greatly concerned about fate of the company records . . . They wanted to find a home for [the collection] so that it would not be lost."*
Gestation	Discussions held among family members with area universities about their interest in AgroCo's company records.***
Reorganizing activities	"We had amassed this collection of company manuals and we were getting more and more calls from people looking for them. So we ended up starting this business and selling copies of them."*
Identity labeling	Founders of collectors' club state they want to "promote AgroCo collecting, restoration and show displays through communication among members; help preserve, research and complete the history of the AgroCo company."**
Pleasant/active emotions	"[We have] created some happiness for people at a time when many didn't have much to be happy about."*
Rebirth	"We put out an announcement to tell people about our collectors' club."*
Sustenance activities	<i>Insufficient evidence coded for this case.</i>
Sensegiving about legacy	"Our goal is . . . to honor and protect the company's history and legacy."* "[We] are making sure [AgroCo]'s legacy outlives us."* "The collectors' group 'provides a worldwide network for the preservation of [AgroCo's] history, products, literature and memorabilia.'***"
Pleasant/inactive emotions	"Things are pretty calm here. We are fortunate to be well funded and people continue to show interest in the AgroCo archives."*

^a A single asterisk denotes evidence from interview data; a double asterisk denotes evidence from archival data.

sensemaking. This sense of disbelief interfered with members' ability to interpret the certainty of the situation they faced. Members' disbelief was manifested in two common ways. First, members frequently experienced a state of shock upon hearing about the intended organizational changes. An employee at EquipCo recalled, "Some of the guys just sat silent at their benches when they heard the news [about EquipCo's closing]." Second, members clung to hopes that a last-minute solution would surface and salvage their organizations. A SysTech member recalled, "We had so many 'near death experiences' in the past that we always figured we would find a way to survive." An EquipCo member said, "There were all kinds of ideas flying around—a competitor would buy them, the government wouldn't let them close."

Demise

As closing activities were completed, both leaders and members came to understand that their organizations no longer existed. In all cases except TextCo and AgroCo, leaders organized parting cer-

emonies (Harris & Sutton, 1986), or social gatherings for departing members, to signal an end to organizational life. Faculty and graduates participated in a final commencement ceremony for the last class of Small College graduates. At EquipCo, remaining employees autographed the final product as it rolled off the factory line.

The failure of members' rescue activities and the completion of the closing efforts initiated by organizational leaders brought about substantive change in organizational life. A shared sense of *demise* was recognized as leaders made formal statements confirming that their organizations were now defunct. The leaders of EquipCo communicated that "we are no longer a [product line] company." The acquirers of PCTech encouraged its employees to "move onward . . . [as] PCTech's history closes." In this period of demise, both leaders and members come to understand that their organizational structures no longer exist. Following AgroCo's acquisition, one member said, "I don't know [the new management team] and I don't know the company they work for." These conclusions were reinforced by symbolic cues, such as locked factory doors, final pay-

TABLE 7
Illustrative Evidence: PCTech^a

Dimension	Illustrative Quotations
Disintegration	"Things changed quickly, and in a bad way . . . when [new CEO] took over . . . he killed some sacred cows."*
Rescue activities	A. PC Tech member wrote to company leaders at the time, "How can we just give up on PCTech after so many decades?"*
Disbelief	"I didn't know life without PCTech. It was older than me . . . I was dumbfounded."
Unpleasant/active emotions	"The PCTech story is . . . extremely painful to the participants who go through it."**
Demise	"PCTech bit the dust when the merger happened. Killed by one man and one bullet."*
Recovery activities	"I sent an e-mail to my friends from PCTech and said, 'let's put together a mailing list so we know how to keep in touch with each other.'"
Bracketing of valued elements	"I had too many friends here. I wasn't ready to give that up."* "I was sitting with a roomful of PCTech people at the unemployment office and realized that the people were the most important thing about the company."*
Gestation	Discussions among former employees at unemployment office about how to maintain their relationships.*
Reorganizing activities	Agreement reached to send PCTech archives to a museum facility.* Alumni group incorporated as a small business. Board of directors appointed and newsletter launched.*** "I raised funding and we bought our product from [acquirer]. We hired 22 of our ex-PCTech colleagues."*
Identity labeling	"I didn't really figure out what PCTech meant to me until it was gone . . . it was all about the relationships."* "Many people we have talked to feel that PCTech was a company ahead of its time in how it organized."** "It was important . . . to reflect and dialogue about what PCTech was all about, what made it special."*
Pleasant/active emotions	"We are excited about the great response we've received from alumni far and near . . . the PCTech Alumni list is GROWING RAPIDLY!"**
Rebirth	"Although the final chapter of PCTech appears to be in writing . . . other new books are being written by PCTech employees around the world."**
Sustenance activities	Alumni association sold by founder to a new owner.*** Museum seeks grant funding to catalog archival records.*
Sensegiving about legacy	"PCTech outgrew being an enterprise. It emerged to the next level to become an influence in the world business ecology. The legal entity of PCTech had to give up being an enterprise to become an important part of business culture."**
Pleasant/inactive emotions	"A lot of people write in [to alumni newsletter] . . . they are very appreciative for our efforts and seem satisfied with what the group is doing."

^a A single asterisk denotes evidence from interview data; a double asterisk denotes evidence from archival data.

checks, and new corporate names, all signaling an end of organizational life.

Members recognized that their assumptions about their organizations, and their roles in them, were now invalid, but they lacked a coherent set of beliefs to replace those assumptions. A former member of EquipCo asked, "What is Townville without Equipco?" and warned the closing was a "death knell for the city." A PCTech member recalled that "a lot of us, when we went home, didn't know what to do with ourselves . . . We couldn't go to work [at PCTech] anymore, what were we supposed to do?" In all of our cases, individuals started to raise questions about futures without their organizations that were both anxiety-provoking and unanswerable.

During the period of demise, organizational death was realized as leaders liquidated the remaining vestiges of organizational life. EquipCo

sought buyers for assets related to its equipment business, including real estate, machinery, and parts inventories. Large University initiated plans to sell the Small College campus, operating charter, and rights to the Small name. At TextCo, leaders of the parent firm removed all physical representations of TextCo, including a painting of the founder, from its building and replaced them with newly branded materials. As disbanding activities concluded, leaders stopped playing an active role in organizing. The intended changes that they had pursued were now largely complete, and in those cases in which they remained employed by a parent firm, their attention turned toward issues associated with it. Continued attention toward the defunct organization was generally seen as "career suicide," as one SysTech member stated.

Affective experience. In the wake of a perceived organizational death, leaders' disbanding efforts

TABLE 8
Illustrative Evidence: SysTech^a

Dimension	Illustrative Quotations
Disintegration	"It started to fall apart. SysTech was just disappearing right in front of us."*
Rescue activities	"I begged [CEO] not to go through with his plan."*
Disbelief	"We had gone through so many near death experiences in the past . . . none of us thought that it would really happen."*
Unpleasant/active emotions	"Oh, how evil was this bureaucracy. SysTech brought in "ex-IBMers," who changed the rules in a place where "nobody played any games."***
Demise	"[The acquisition] was the final nail in the coffin."* "For a while, it was practically career suicide to identify yourself as a SysTech employee at the new place."*
Recovery activities	I approached [the acquirer] several times with a request for rights to the software code . . . they had gotten rid of all those products, so I hoped they would let me take it over."*
Bracketing of valued elements	"We were packing up our marketing offices, and I thought about what would happen to all the historical materials we had, including the first product SysTech sold."* "We . . . kept the good from SysTech and got rid of the bad"***
Unpleasant/active emotions	"Oh, how evil was this bureaucracy. SysTech brought in "ex-IBMers," who changed the rules in a place where "nobody played any games."***
Gestation	"We wanted to [find a way to] keep that rapport and synergy."**
Reorganizing activities	Former employees attended an inaugural meeting of an independent alumni group, at which its bylaws were approved and officers were elected.*
Identity labeling	"[We] talked about what was going on when we were away from the office . . . it started to become clearer what we wanted to do and why we wanted to do it."*
Pleasant/active emotions	"We had a wild time when we got together that first time . . . it was just like the old days. There were food fights, practical jokes, a whole lot of fun."*
Rebirth	[The alumni group] was . . . started as a way of sort of keeping that spirit of SysTech alive."**
Sustenance activities	Alumni group contracts with third-party provider to host website and directory.*
Sensegiving about legacy	"You can see SysTech's legacy at the alumni group meetings [and] in all of the business ventures that former employees have started using the SysTech mold."** "[We are] presenting the SysTech legacy to the largest audience possible"***
Pleasant/inactive emotions	"We are really enjoying this renaissance of the SysTech culture and it's nice to see new people joining us all the time."*

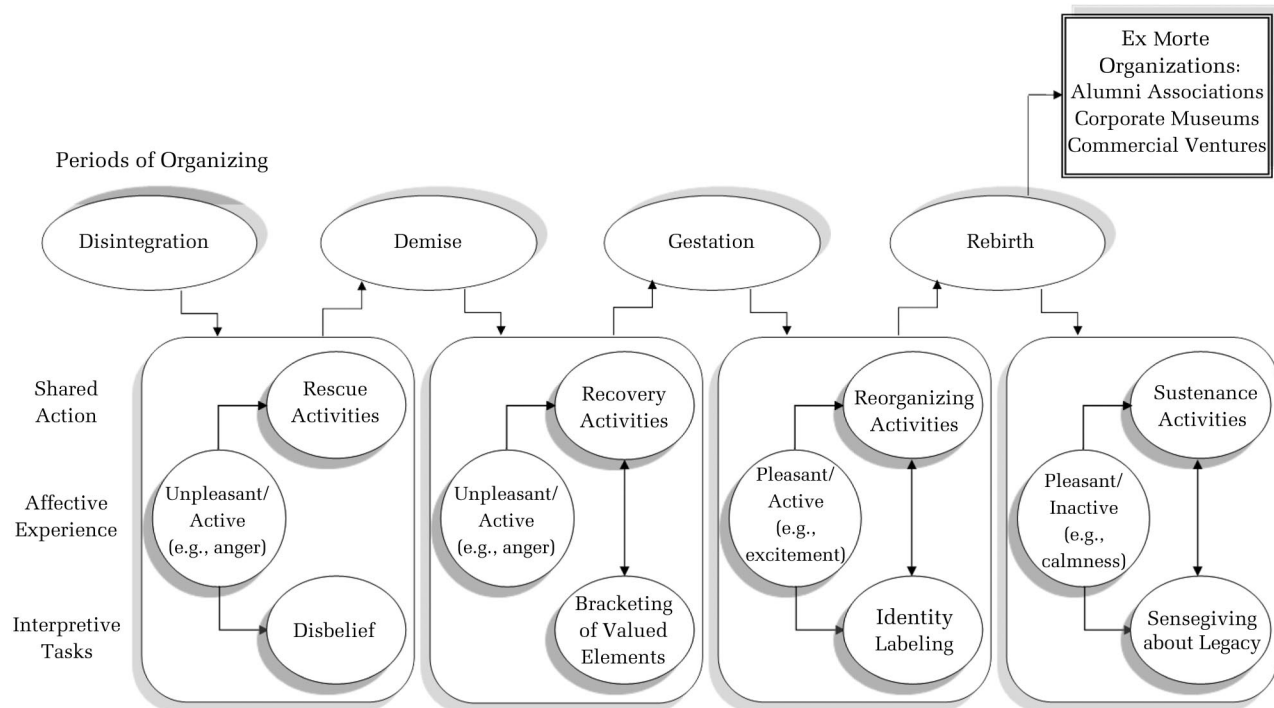
^a A single asterisk denotes evidence from interview data; a double asterisk denotes evidence from archival data.

further inflamed members' *unpleasant and active emotions*. Members' anger was generally targeted at specific individuals or groups, especially those leaders whose actions were seen to have caused their organizations to die. An EquipCo worker recalled the tension among his coworkers as the factory closed: "We were irate with . . . the guys at the top." A member of Small College recalled, "We were angry with the previous president and the earlier turnaround effort." Informants from PCTech and SysTech offered harsh criticism of the CEOs who oversaw their organizations' acquisitions. The anger also reflected members' deep dissatisfaction with the personal tolls brought about by their organizations' demises. For instance, several EquipCo workers reported being outraged about EquipCo underfunding its pension, leaving them with drastically reduced retirement benefits.

Shared actions. Their strong feelings of anger prompted continued defensive behaviors by some organization members who, after failing in their attempts to rescue their organizations, now shifted their focus to saving specific organizational ele-

ments that they particularly valued. The initiators of postdeath organizing began to engage in *recovery activities*, which may be best understood as joint campaigns to salvage valued elements of organizational life. In the case of EquipCo, two former managers became "convinced that something had to be done to save" a recently released product, which they "refused to admit . . . had to die." These would-be preservers engaged individuals or groups who might be capable of enabling the preservation of this product. They knew they required the support and expertise of a former EquipCo engineer, who initially told them, "Get the hell out of here! You're crazy and you're wasting my time!" Their unrelenting and persuasive recruiting efforts finally succeeded, as the engineer joined their effort. AgroCo members secured a copy of the company's roster of retirees from departing executives so that they could contact former employees and gauge their interest in maintaining relationships with other members. A SysTech employee expressed great concern about a collection of the company's early products as its offices were being shut down.

FIGURE 1
A Process Model of Postdeath Organizing



He approached the acquiring firm's leaders with a request to take possession of the collection to ensure it was not damaged or discarded.

Interpretive tasks. As these examples demonstrate, recovery activities generally focused on specific organizational elements that were particularly important to former members. Members of all six organizations engaged in the interpretive task of *bracketing*, focusing their attention on particular organizational attributes or characteristics that were important to them. Through bracketing, members concentrate their attention on specific elements that are "carved out of the undifferentiated flux of raw experience . . . so that they can become the common currency for communicational exchanges" (Chia, 2000: 517; Weick, 1995; Weick, Sutcliffe, & Obstfeld, 2005). In the case of EquipCo, the two sales managers bracketed the recently launched product, while devaluing others that they deemed "horrible" and "big mistakes." A former editor at TextCo recalled reading an industry publication that mentioned TextCo and becoming immediately attuned to the importance of his relationships with his former coworkers. He stated, "It's not that we didn't care about the magazines, because we did. But what made them, and TextCo, great were the relationships. That's what mattered."

Gestation

As some members achieved success in their efforts to recover the organizational elements that they had bracketed, they brought about a period of *gestation*, during which a larger number of members formulated plans of action that came to involve the formation of a new organizational structure. This period was characterized by highly uncertain organizational structures and a lack of clarity about next steps. At this point in time, members still had no specific interest in or plans to create new organizations. After securing the valued collection of company products from EquipCo, former members "put them in a warehouse, because we didn't know what to do with them." Our editor informant commented that, before the TextCo alumni association was formed, "It was clear to me that others were interested [in preserving their relationships], but I didn't really know how to make that happen." A PCTech informant likened this period of time to "a big question mark."

Such uncertainty triggers initial thoughts about how to resolve problems stemming from organizational death. During this stage, some individuals started to create "first ideas" (Bartunek & Betters-Reed, 1987) about solving their problems by creating a new organization. The two EquipCo managers

grappled with the risk that the product line would be permanently discontinued. They initially sought to convince another firm to take it over. Following numerous rejections and a particularly insulting refusal by a low-end competitor, one of the managers was reported to exclaim, "By God, then we'll do it ourselves!"

In other cases, the founding decision was reached more slowly. Through some initial conversations with a couple of other members, the TextCo editor conceived the idea of creating a formal means by which members could maintain their relationships with one another. He started off by periodically sharing updates other members sent him; he eventually branded these as an "online newsletter," which quickly attracted the interest of hundreds of former members. The success of the newsletter prompted further conversations that led to the launch of a formal alumni association. As these examples illustrate, the earliest plans for forming these ex morte organizations were not developed in advance, but were an outcome of an ongoing effort by former members to figure out how to save valued elements of their defunct organizations. The gestation period brought about affective, behavioral, and interpretive responses by members that ultimately led to the founding of ex morte organizations.

Affective experience. First, the success of recovery activities prompted a shift in members' affective experience toward *pleasant and active emotions*. In archival records and interviews, members reported feelings of excitement that starkly contrasted with their anger amidst the episode of organizational death. For instance, one former employee had expressed her anger at the time of TextCo's death by writing, "Our company was destroyed by morally degenerate outsiders who viciously abused and abandoned us." Following the introduction of the newsletter, she demonstrated a more pleasant affective state by remarking, "This is the kind of life we ex-TextCo people knew existed somewhere over the rainbow!" The editor of TextCo's newsletter indicated a change in his own emotions, saying "After all the doom and gloom, I sensed some light at the end of the tunnel."

Shared actions. Without further effort, recovery activities would not amount to much more than an extended parting ceremony. However, in each of our cases, the reemergence of pleasant, activated affect rejuvenated and motivated members to pursue *reorganizing activities* that enabled the formal launching of ex morte organizations. Although some of these cases, such as the previous example of the two EquipCo managers, involved almost instantaneous decisions to form a new organization, most of these decisions grew out of extended de-

bates among former members about how to enable ongoing preservation of valued organizational elements. A pair of SysTech employees recounted conversations with one another about what to do with the rights to a software product that they had purchased from the organization's acquirer. The TextCo editor recalled numerous conversations with colleagues over several months that preceded their decision to form an alumni group as an "experiment."

Through these interactions, participating members eventually reached decisions to create ex morte organizations. Their efforts to reorganize entailed the clarification of rules and roles that would govern how the new organizations would operate and the goals toward which they would strive. At SysTech and PCTech, members created basic structures for the alumni associations, identifying who would be responsible for specific tasks and rudimentary policies or standards that would guide their behavior. The leaders of the Small College Foundation outlined a charter in which they delineated the responsibilities of the board of directors and other members. As these plans became clear, creators of ex morte organizations made public announcements about their plans. The leaders of the two new ventures associated with EquipCo issued press releases and advertisements to publicize their decisions and garnered attention through articles in the local media. The founders of the SysTech association held an inaugural meeting, at which they told gathered former employees that "the relationships of the people in this room will create new successes like we had at SysTech if we can just keep them going."

Interpretive tasks. As members reached decisions to launch ex morte organizations, they also developed explanations about why they were engaging in these efforts. In particular, they engaged in the interpretive task of *labeling* "to stabilize the streaming of experience" (Weick et al., 2005: 411). More specifically, they socially constructed *identity labels* (Ashforth & Mael, 1989; Corley & Gioia, 2004; Gioia, Schultz, & Corley, 2000) that expressed their thoughts about what their emerging organizations were and what they would do. By developing identity labels and conveying them to other members of their former organizations, they were able to categorize their new experiences in ways that made it clear why they were pursuing opportunities to preserve the organizational elements that they had recovered. These efforts frequently yielded formal mission statements for the new organizations. A group of longtime AgroCo customers banded together to create what became known as a "collectors' association," and its organizers came to see it

as “a worldwide network for the preservation of [AgroCo] history, products, literature and memorabilia.”

The rationales generated through labeling typically centered on the perceived quality of the specific organizational elements that former members were preserving. In the case of the TextCo alumni group, archival records show that some discussions among former members evoked consideration of the significance of relationships with fellow TextCo employees and their value in the present day. One member saw his involvement as an opportunity to “reflect back on those times and those people who made me what I am today.” Another individual recalled “a spirit of camaraderie, passion and focus that was just a bit short of awe-inspiring.” A faculty member at Small College noted that its envisioned foundation would carry forward “the distinctive educational philosophy . . . that set us apart from other schools.”

Further, members begin to frame the recovered organizational elements as the basis for their organizations’ past successes. Former members of TextCo discussed the significance of their organizational relationships in personal and online interactions. For instance, a former member of TextCo offered a common opinion that “good people were the only thing that made [TextCo’s] magazines successful.”

Rebirth

The execution of reorganizing activities inaugurates a new period, *rebirth*, during which ex morte organizations are formally introduced as new entities in their environments. More than simply the birth of a new organization, a rebirth reflects the reestablishment of valued social patterns of organizational life among former colleagues, albeit in a novel context. For instance, several informants from PCTech characterized their ex morte organizations as “PCTech 2.0” or “descendants” of the original firm.

Participating members do not construe ex morte organizations as legal or structural replicas of their defunct organizations, yet they understand their efforts as producing a “new chapter” or “renaissance” of organization life. A SysTech employee involved in its alumni group said, “I guess we cheated the Fates.” These ex morte organizations are firmly defined by members in terms of their connections to their defunct firms. As a TextCo member said, “There would never have been a [TextCo alumni group] without TextCo. It’s who we are.” How they act in such environments and their expectations of other participants are firmly guided

by the valued elements that gave shape to their prior experiences of organizational life and the identity labels that they developed for their ex morte organizations. A leader of a commercial venture associated with PCTech said, “We see ourselves as survivors. We have been working hard at integrating the values and principles of PCTech into our new company’s work environment . . . Our commitments to each other and our customers are all a product of the evolution from PCTech.”

In this rebirth period, members of the newly forming organizations confronted questions about the ongoing commitments required to manage their ventures in terms of both financial capital and personal effort. The founders of the EquipCo museum recognized the need to quickly line up financial support to pay for its exhibition space and staff members. The leaders of a SysTech-related commercial venture reached out to its existing users of its product to assess their interest in software upgrades and service contracts to gauge the financial outlook for their venture. Some ex morte organizations were more capital-intensive than others and thus involved more risk and more pressing concerns about solvency. For instance, the alumni organizations generally had much lower fixed costs, such as insurance, payroll, and rent payments, than the museums and commercial ventures that we studied.

Affective experience. The launching of ex morte organizations instigated several changes among participating members. Members’ affective experience following the founding of ex morte organizations was generally characterized by *pleasant and inactive emotions*. Members continue to feel quite positive about their situations, though the intense expressions of excitement that emerged during the gestation stage gave way to an overarching sense of happiness and contentment with organizational life. For instance, a former Small College faculty member characterized the Small Foundation as “a peaceful environment.” Another informant stated, “The board generally gets along quite well . . . there’s not much conflict.” Their emotions at this time were less activated than during the earlier period and thus less likely to generate new initiatives (e.g., Seitz et al., 2007).

Shared actions. This sense of satisfaction with the initiation of their ex morte organizations leads participants to further advance their founding efforts. Behaving consistently with the creation model of entrepreneurship, members of ex morte organizations concerned themselves with “testing the veracity of their perceptions” (Alvarez & Barney, 2007: 15) about the viability of founding opportunities only after creating them through reor-

ganizing activities. Following announcements of their ex morte organizations, members carried out *sustenance activities* to secure the long-term viability of their new organizations. Sustenance activities generally involved the solicitation of financial support and direct involvement of more former members and interested outsiders. A longtime PCTech member, for example, involved dozens of former employees in a writing project that produced a published account of the organization's history. Leaders of EquipCo's collectors' association worked with members to organize networks of regional chapters around the world as well as annual gatherings at which members shared their expertise and showcased their collections of company products. In the case of Small College, the targets of sustenance activities included college alumni and faculty as well as members of the local community. Leaders of the Small Foundation secured financial support from members and outsiders, which enabled them to expand its focus with several initiatives.

The three types of ex morte organizations in our study all had requirements for building revenue and involvement to ensure their survival. However, their different goals led to sustenance activities that took on a different character in each type. Leaders of alumni associations were concerned with generating interest and financial support from as many former employees of their defunct organizations as possible. Corporate museums welcomed the involvement of former employees, but they were most directly focused on building up material and financial donations from a broad base of patrons. Lastly, founders of new commercial ventures sought income from sales of products and services or outside investment while building their customer bases, and former member involvement was more selective than in the other forms.

We did not find strong evidence of sustenance activities at AgroCo. Among the organizations in our sample, only AgroCo had sponsored a "retiree club" when it was an intact entity. Although the alumni group was independently developed after AgroCo closed, the availability of the earlier group's membership roster likely made the effort to recruit new members less taxing. Its museum was funded through a substantial financial bequest from the family of the company founder that has so far allowed the organization to operate without active fundraising efforts. The long-term success of the new commercial venture and collectors' group we studied suggest that sustenance activities did take place in these instances, but we did not find definitive evidence of such efforts because of the

deaths of the ex morte organizations' founders and a lack of explicit support from archival records.

Interpretive tasks. As creators of ex morte organizations pursue efforts to sustain their organizations, they engage in the interpretive task of *sensegiving* (Gioia & Chittipeddi, 1991) about their organization's identity, value, and importance to circulate their understandings of what they are doing to broader audiences. Members' sensegiving amplifies and projects identity labels developed during the gestation period to promote interest and support for their efforts. The accounts that they produce often focus on the legacies of their defunct organizations and their ex morte organizations' roles as stewards. A leader of the AgroCo archives center said that the organization seeks "to honor and protect the company's history and legacy."

These sensegiving accounts typically underscore the importance of preserving their dead organizations' legacies by engaging a wider public in them. Through its newsletter, Small College Foundation leaders collaborated with alumni "to promote the legacy of Small College." A recent Foundation report stated, "The legacy of our college must not die . . . It must live on in the alumni who every day actualize the core values which embody the Small experience. It will live on because of your support, interest and commitment to the Small Education Foundation." As this statement suggests, many of the organizations created through postdeath organizing serve not only former organization members, but also outsiders, and thus share the original organizations' legacies with a broader audience. The ongoing operation of these ex morte organizations continually shapes and sustains these legacies through their preservation of the organizational elements in which they are grounded.

DISCUSSION

In this article, we have examined how organization members initiate and steer shared efforts to found ex morte organizations in response to organizational demise. As members become aware of leaders' plans to close their organizations, they begin to anticipate their organizations' deaths. Some members' anger about impending organizational death fuels efforts to rescue their organizations through collective campaigns to reverse leaders' decisions. These efforts prove fruitless as leaders finalize plans that make death certain. Members' continued ire prompts them to jointly consider what they most valued about their organizations and to pursue actions to recover those elements. When these efforts succeed, members are then confronted with questions about how to proceed, ques-

tions for which they generally have no ready answers. The excitement brought about by successful recovery efforts leads members to consider the possibility of creating new organizations. It also triggers labeling efforts through which members develop shared understandings about the identities of these new entities and explanations about their important role in sustaining valued elements of their defunct predecessors. As new organizations are formed and introduced, members' affect becomes calmer, drawing their attention toward ongoing stewardship of their new ventures. In particular, they target former members and outsiders with sensegiving about the importance of their work in preserving the defunct organizations' legacies and initiate campaigns to garner these others' participation and financial support.

Theoretical Implications

Theories of organizational change (Van de Ven & Poole, 1995) and the organizational life cycle (Whetten, 1987) have generally positioned death as a final stage of organizing. However, in our model, death represents a constructive trigger that may inaugurate unexpected affect, actions, and sense-making among former organization members. Our study made it evident that in some cases organizational death can be better viewed as an inflection point, following which new cycles of organizing emerge to recoup losses brought about by the experience of demise (cf. Marris, 1986; Shepherd, 2003).

Although earlier research on organizational death has recognized the painful and raw emotions triggered by such experiences (Cameron, Whetten, & Kim, 1986; Sutton, 1987), it has not examined their potential behavioral consequences. However, the specter of organizational death has been shown to instigate "bottom-up" organizing by organization members (Meyer & Zucker, 1989; Plowman, Baker, Beck, Kulkarni, Solansky, & Travis, 2007). Such efforts may persist in the aftermath of an organization's demise. For instance, Hoetker and Agarwal (2007) followed the experiences of former employees of defunct technology firms who searched for opportunities to transfer knowledge into new work environments. Our research extends these findings by demonstrating how members of defunct organizations reformulate organizational life by founding new organizations. The process of postdeath organizing theoretically bridges experiences of organizational death and birth through imbuing an organization's posthumous progeny with its most celebrated characteristics and contributions. As a former SysTech employee said, "You can see SysTech's legacy at the alumni group meetings [and] in

all of the business ventures that former employees have started using the SysTech mold."

Many entrepreneurship studies have emphasized a planned approach to organizational founding based on rational assessment of the economic environment and implementation of a well-developed business plan. For example, they discuss how initial expectations about profitability play an important role in whether individuals initiate plans to found a new organization (Klepper & Sleeper, 2005). They have generally suggested that new organizations can be seen to exist when they exhibit intention (Campbell, 2010; Katz & Gartner, 1988; Ruef, 2005). Katz and Gartner characterized "intentionality" as a search "for information that can be used towards achieving the goal of creating a new organization" (1988: 431). In such research, organizational foundings represent the fulfillment of a preordained strategic goal characteristic of a "discovery approach" to entrepreneurship (Alvarez & Barney, 2007).

However in the case of postdeath organizing, decisions to found a new organization are more consistent with a creation model of entrepreneurial action (Alvarez & Barney, 2007). They are not planned in advance but are emergent over time (cf. Campbell, 2010; Plowman et al., 2007). As we showed, in this type of case, ex morte organizations eventually become formalized, but their roots are emergent groups that begin to form during the rocky period preceding an organizational demise. For participants in postdeath organizing, founding goals are not set in advance but develop through the highly uncertain period of gestation. Further, intentions may change because of responses to initial actions. In our cases, members' earliest goals involved saving their dying organizations, quests that did not succeed (cf. Walsh & Bartunek, 2009). They only later became oriented toward creating ex morte organizations.

The intention to form a new organization becomes clarified through ongoing social interactions among departing organization members, whose reactions to their changing circumstances inspire and produce efforts that eventually launch ex morte organizations. Prior research on organizational founding has emphasized the importance of certain characteristics of founding members or the environmental context in which founding takes place; instead, this study brings to light the primary role of shared social processes that unfold during and after organizational death. We now explain how shared actions, affect, and cognition contribute in crucial ways to this creation-oriented approach to organizational founding. Although our focus here is on generating new process theory, we suggest

several propositions that could be tested through variance-oriented empirical research.

The Role of Shared Action

The model we have developed here suggests that, despite their immediate failure, rescue activities provided an important basis for subsequent shared action that led to the formation of ex morte organizations. At the outset of this process, members banded together to rescue their organizations from impending demise. Although such efforts were uniformly unsuccessful, they served an important purpose in the longer term by establishing a sense of group cohesion that would facilitate organization members' regrouping to pursue recovery activities. These initial, ineffective courses of action fostered entrapment processes by which participants intensified their commitment to taking action about their organizations' deaths (Brockner et al., 1986; Staw, 1976). The failure of rescue activities kept members engaged with one another at a time when they might otherwise have been expected to disconnect and move on with their lives (cf. Sutton, 1987).

Proposition 1. When an organization dies, former members are more inclined to pursue opportunities to create ex morte organizations when they have previously engaged in shared efforts to avoid demise than they are in situations in which rescue activities are not evident.

When their organizations were dismantled as entities, members turned attention to what remained of them, figuratively "sifting through the ashes." In our cases, members engaged one another in conversations about organizational death and their experiences at the defunct organizations. These discussions ultimately led them to recognize the specific elements of organizational life that were most important to them. The ensuing efforts at recovery activities produced two important outcomes. First, members gained access to the organizational elements they would need to create ex morte organizations, even if they were not yet aware they would do so. For instance, the EquipCo museum could not have been initiated if its parent firm had not turned over the company products and archives that would become the museum's core collection. Second, successful recovery activities represented a "small win" (Weick, 1984) that bolstered members' confidence in their ability to take further action.

Proposition 2. When members are successful at recovering valued elements of their defunct organizations, they are more inclined to pursue

creating ex morte organizations than they are if such efforts are unsuccessful or absent.

Such further action would be required for these preservation efforts to become something more substantive and longer lasting than a parting ceremony (Harris & Sutton, 1986). Prior research has not sufficiently examined how emergent groups, such as those bands of former members who pursue recovery activities, evolve into formally structured organizations (Campbell, 2010). Founders of ex morte organizations brought their new organizations to life through reorganizing and sustenance activities. Through reorganizing activities, members transformed their emergent groups into nascent organizations. They derived simple organizational structures, finding ways to accomplish their work with organic configurations characterized by minimal hierarchy (Mintzberg, 1983; Weick, 1993). They established the rules and roles that would guide how their work was accomplished. As these new organizations became operating entities, ongoing effort was required to manage them and to maintain their viability. Through sustenance activities, members ensured sufficient resources and participation for ex morte organizations to no longer be dependent on the involvement of their founders. Much like other types of new organizations, ex morte organizations became independent entities that could "outlive" the involvement of particular individuals. The ex morte organizations that were created in the cases that we studied were sufficiently sound that they were sustained for years after their creation.

Proposition 3. The lifespan of ex morte organizations is positively related to the extent to which members participate in reorganizing and sustenance activities.

The Role of Affective Experience

There has been some attention to the role of emotion in organizational foundings. For example, Wood and McKinley (2010) discussed the positive emotional energy associated with successful organizational foundings and how a lack of such energy during unsuccessful times may decrease attention to environmental cues. However, prior research in entrepreneurship has not explored in-depth how affect is interwoven with the behaviors and actions that entrepreneurship researchers study more frequently. Even research on organizational death has deemphasized discussion of emotion. Sutton (1987), for example, focused exclusively on the role of sensemaking in the death process, even though the quotations included in his work made it evi-

dent that members had strong emotional reactions to their circumstances.

A considerable literature suggests how affect and sensemaking are integrally bound up with action (Ashforth, 2001). Thorough cognitive processing tends to be "hot," or influenced by emotion (Abelson, 1963; Isabella, 1990). Affect also leads to action tendencies in both individuals (Seo et al., 2004) and groups (Bartunek, Huang, & Walsh, 2008; Mackie, Silver, & Smith, 2004).

Our model illuminates the close relationship of affect with sensemaking and actions in the post-death organizing process. In particular, members' affective experience fueled both their sensemaking efforts and their behavioral reactions to what they were experiencing. As members experienced changes in their environment, they had immediate emotional reactions that varied in terms of their pleasantness and activation (Barrett & Russell, 1998). Members' emotions were unpleasant and active as death was unfolding, and there continued to be anxiety associated with lack of clarity until recovery activities were completed. The success of these recovery activities instigated the beginnings of pleasant affective experience, which remained activated during the gestation stage. After the re-birth stage, as the newly formed organizations settled into more predictable routines, feelings remained pleasant though became less activated.

We have alluded above to two central components of affect: its valence and its activation. Many scholars of emotion (summarized in Elfenbein, 2007) have argued that these two dimensions of affect play a crucial role in the motivation to carry out work tasks. Positive affect expands action repertoires and encourages creativity (e.g., Fredrickson, 2001). By contrast, negatively valenced emotions lead to more vigilant attention and a concern for changing the present situation (Carver & Harmon-Jones, 2009; Elfenbein, 2007). Highly activated and unpleasant feelings, such as anger, are necessary to spark the postdeath organizing process, but more pleasant and activated feelings, such as excitement, are more likely to generate the creativity that engages others in the process. The creation of one or more ex morte organizations requires considerable energy, and people are more likely to be motivated to join in such an effort if they feel a sense of positive excitement about it. And indeed, the feelings expressed during the gestation stage tended to be more positive, while still remaining active. As Tables 3–8 show, former EquipCo members expressed considerable pride at this stage, and former employees at SysTech "had a wild time when we got together that first time." Former employees at PCTech were excited, and the

early renewing efforts at AgroCo "created some happiness for former employees."

Proposition 4. Former members are more likely to seek to recover valued elements of their defunct organizations if their affective states remain highly activated and negatively valenced than if their affect becomes more neutral or pleasant.

Proposition 5. Former members are more likely to launch ex morte organizations when they develop pleasant, active emotions, such as excitement, than if their affective state remains negatively valenced.

It is not unusual after efforts to start a new organization (cf. Quinn & Cameron, 1983) for participants to experience some emotional fatigue. However, participants in postdeath organizing efforts are likely to desire to maintain their positive affective states rather than actively change them (cf. Isen, 2000). Thus, the affective experience of those associated with maintaining a new organization, while still likely to be very positive, is also likely to become less activated. This pattern was consistent with the affective experience of members involved in the performance stage of postdeath organizing. As Tables 3–8 indicate, primary feelings at this point included appreciation and satisfaction (PCTech, TextCo), calmness (AgroCo), and contentment (Small College).

Proposition 6. The degree to which the affect of members becomes less activated and stays pleasant influences the extent to which they participate in sustenance activities to maintain their ex morte organizations.

Weick and colleagues (2005: 409) suggested that sensemaking processes are "infused with emotion," and others (e.g., Elfenbein, 2007) have elaborated this argument. Our research shows how affect leads to sensemaking processes and behavioral patterns that ultimately give rise to new organizations. This effect may not be entirely constructive. Our study indicates that when there is strong shock or confusion stemming from strongly and negatively activated emotional experiences, it may not be possible for organization members to make sense of a situation at all. Their primary "sensemaking" may be a very primal disbelief.

The Role of Interpretive Tasks

Noting the important interconnections of sensemaking and action, Maitlis wrote that "an important effect of the production of accounts in sense-

making processes is that they facilitate action on the part of those involved” (2005: 36). In the process we studied, members performed interpretive tasks that influenced how they made sense of their evolving circumstances (cf. Isabella, 1990). These interpretive tasks served important roles in the creation of accounts about what was happening in members’ organizational environments and why they were responding in particular ways. Further, the interpretive tasks of bracketing, labeling, and sensegiving produced shared understandings that became central to the founding of ex morte organizations. The members who are capable of taking the steps that lead to the founding of an ex morte organization are the ones who are able to bracket their experiences in the midst of strong emotion. They are also able to articulate the identity of their organization, label it for others, and then give sense to them about why it is important. The interpretive tasks that members performed served central roles in the construction of organizational identities for the ex morte organizations that they were forming.

Scholars have invested considerable attention in examining the question of whether organizational identities evolve over time (e.g., Albert & Whetten, 1985; Gioia et al., 2000; Whetten & Mackey, 2002). But a more pressing question may be, Where do organizational identities come from in the first place? Albert and Whetten (1985) noted that questions about organizational identity are particularly salient during the founding process. However, with its emphasis on the economic and strategic issues associated with creating new ventures, the entrepreneurship literature has not attended to the social processes by which organizational identities for new entities are introduced.

Although identity research has examined questions about the means by which existing organizational identities may evolve (Corley & Gioia, 2004; Fiol, 2002), our research illuminates the ways in which organization members co-construct new identities for the organizations they are creating. Through their bracketing efforts, members evaluate and prioritize those characteristics that embodied their defunct organizations’ identities. In their interactions with one another, they hone in on those elements that were most central or valued. Through their simultaneous efforts to recover representations of those elements, members assume stewardship of these identity elements and confront the question about why they are pursuing such preservation efforts. They answer this question by creating labels they can use to talk about the new organizations that they are envisioning and the legacy of their predecessor. Through their subsequent sensegiving efforts, founding members circulate ex morte

organizations’ identities among a broader audience, building credibility for their efforts and interest among potential participants.

Proposition 7. Members’ ability to label organizational identities for their ex morte organizations is greater when they have bracketed the central and distinctive elements of their defunct organizations than when they have not done so.

Proposition 8. Sensegiving about an organization’s legacy is more successful at gaining support from outsiders when participating members have engaged in identity labeling than when they have not done so.

Much like the identities of de alio organizations (cf. Corley & Gioia, 2004), the identities of ex morte organizations are not created “from scratch,” but are grounded in historical traditions drawn from defunct organizations and reinterpreted in a contemporary context. Ex morte organizations’ identities are integrally bound up in the identities of the defunct organizations in which they are rooted, and members draw explicit connections between the identities of these organizations. Although the ex morte organizations are firmly defined in their own rights, members’ answers to the question, Who are we as an organization? (Albert & Whetten, 1985), would be incomplete without a distinct acknowledgment of their genealogical heritage.

Generalizability of Findings

The model developed in this study was derived from data about six cases of organizational demise that fostered and shaped processes of organizational founding, and this model specifically attends to the affective, behavioral, and cognitive dynamics that gave rise to the formation of new organizations. The extent to which the processes described in this research apply to other founding contexts can only be ascertained through testing hypotheses in a deduction-driven study, yet this model sheds considerable light on several processes of organizing that are consistent with Alvarez and Barney’s (2007) creation model of entrepreneurship. In particular, it draws attention to affective, behavioral, and interpretive processes by which inadvertent entrepreneurs socially construct and enact opportunities for new ventures.

First, our model provides evidence of a crucial role of emotions that, with few exceptions (e.g., Downing, 2005), has not been directly addressed in research on entrepreneurship. Our model focuses on foundings in the wake of organizational death,

yet the affective experiences of founders in other contexts likely shape how they create new organizations. Prior studies of entrepreneurship have alluded to the role of affect. For example, the formation of unsanctioned *de alio* organizations has been shown to be grounded in a shared sense of frustration with conditions in an existing organization (Agarwal et al., 2004; Dyck & Starke, 1999; Klepper, 2007; Klepper & Sleeper, 2005). Shepherd (2003) suggested that the nature of founders' grief about the failure of an earlier entrepreneurial venture plays a role in their decisions to found new organizations. So although affect has not been discussed much in a direct way in the entrepreneurship literature, it is clear that founders have distinctive emotional responses that instigate subsequent behaviors. We have shown that the nature of founders' affect shapes the sensemaking efforts and actions taken in creating new ventures. Activated affect (such as anger or excitement) may be particularly important to create the energy needed to engage in risky and extended efforts to create a new organization.

Second, our work suggests that some of the strategy and actions that eventually produce *ex morte* organizations are not initially successful and need to be revised. As Alvarez and Barney (2007, 2010) made evident, iterative learning is involved in the founding of new organizations, and the creation process is emergent (cf. Campbell, 2010; Plowman et al., 2007). But discovery-oriented studies of entrepreneurial ventures (cf. Alvarez & Barney, 2007: 17) have often suggested that their initial strategies are relatively complete and unchanging. Our work suggests the value of questioning how often that is the case. It seems likely to us that some type of trial-and-error learning is involved in many developing organizations.

Finally, our work indicates the types of interpretive tasks that go into creating new organizations and suggests that members often perform these in the service of discerning an identity, finding ways of labeling it for other members, and then giving sense about it to attract sufficient interest from outsiders to make it sustainable. Our work was conducted in the context of organizational death, but research on imprinting (Delacroix & Carroll, 1983; Johnson, 2007; Stinchcombe, 1965) has suggested that the prefounder experience is often a primary base of resources on which founders draw to create new entities. In particular, the identities of *de alio* spin-offs are shaped by the identities of their parent firms (Corley & Gioia, 2004). Our research has suggested the processual means by which such identities are constructed. In these cases, as they draw resources from their prefounder experiences,

members bracket those elements that become central and distinctive to their understanding of what their new organizations represent. These shared understandings take root through members' efforts to develop identity labels that become legitimized through their sensegiving efforts. Preserving the legacies of founders' prior organizations is less likely to be an important part of the identities of *de novo* and *de alio* organizations than it is in the case of *ex morte* organizations, yet these new identities remain likely to be shaped by the resources that entrepreneurs have carried forward from these earlier experiences.

Practical Implications

This research has implications for organization members facing an experience of organizational death. As we are writing this article, a large number of organizational deaths are unfolding. For example, American automakers have been closing scores of dealerships and several plants, and they are threatening the viability of other organizations that do work for them. Undoubtedly many people are experiencing the sadness and anger that frequently accompany organizational closure (cf. Sutton, 1987). Our study suggests that these emotions may be constructive. Through their involvement in postdeath organizing, former members of defunct organizations may uncover, harvest, and sustain the characteristics of their organizations' lives that they most valued. In other words, our study shows how anger may be a very functional response to organizational death; it provides the energy to take steps that enable organizational life to continue, albeit in a revamped context. Further, involvement in postdeath organizing provides a means to restore more positive emotions.

This research also has implications for organizational leaders who are preparing for organizational death. Leaders who attune themselves to what members most value about an organization are in a position to recognize and resolve members' anger by encouraging and perhaps even sponsoring recovery activities as part of their closing plans. For instance, leaders might provide members with the resources to plan alumni associations or permanent museum exhibits in conjunction with plans to close an organization. By facilitating postdeath organizing, leaders of dying organizations can enable the intentional construction of organizational legacies that restore some sense of pleasant affect and employee morale.

Legacies represent more than symbolic trophies of a glorious past. As the cases in our study demonstrate, they may serve as a guiding force for fu-

ture organizing that produces functional outcomes, including “social, economic, cultural, educational, and reputational benefits to the community, such as sustainability, economic development, urban revitalization, tourism, residential quality of life, and urban image” (Glynn, 2008: 1123). The founders of the EquipCo spin-off realized substantial financial gain over many years of production before a lucrative sale of the business occurred. Through their alumni association, former TextCo employees maintain “access to the best network of contacts in the publishing industry.” As one member said, “I could find a job or fill an open one instantly.” Through their efforts, participants in postdeath organizing carry forward organizational elements from which they continue to derive benefits for themselves and others.

Limitations

In this study, we have examined affective experiences, actions, and interpretive patterns that occurred at earlier times. Reliance on individuals’ memories and possible retrospective sensemaking may revise or filter out details that are important to researchers (Loftus & Hoffman, 1989), and it is possible that some of our interviewees, for instance, overstated their participation in postdeath organizing or omitted relevant information. We triangulated archival records and interview data to reduce these risks. In addition, we confirmed any factual statements and resolved any inconsistencies among interviews through examination of archival records. Nevertheless, it is possible that we have not fully captured the experience, and it would be valuable to pursue a longitudinal study of experiences of organizational death to study postdeath organizing as it unfolds.

In addition, all the organizations in our sample were closed by a larger parent firm and/or in the aftermath of acquisition. It may be that the members of organizations that die for other reasons, such as a founder’s decision to liquidate a family business or a Chapter 7 bankruptcy filing, may have different postdeath organizing experiences, if they have them at all. The presence of a parent or acquiring organization thus represents an important boundary condition in our model. However, it may be instructive to note that postdeath organizing occurs not through parent organizations, but rather in spite of them. In each of our cases, the parent organization was primarily concerned with terminating organizational life and contested members’ rescue efforts to extend it. Yet the parents’ continued presence in the environment perhaps simplified members’ recovery activities by providing a ready

channel for salvaging valued elements. For instance, the AgroCo members who founded its alumni organization did not have to create a potential list of members from scratch since they were able to acquire a roster of former employees from the parent organization.

Areas for Future Research

The strength of induction-driven process studies lies in their ability to generate new ideas that may be further refined and tested through variance-oriented research (Elsbach & Sutton, 1992; Van de Ven, 2007). The process theory we have developed raises two important questions about the antecedents of postdeath organizing. First, some instances of organizational death foster postdeath organizing, but others lead to complete and permanent closings such as those Sutton (1987) identified. Further research on postdeath organizing should examine the organizational characteristics or contextual factors that explain the propensity to found *ex morte* organizations. It would also be valuable to gain a clearer understanding of how frequently organizational death prompts postdeath organizing and how the type of death affects whether it proceeds.

Second, not all former members become actively involved in postdeath organizing; for instance, a SysTech employee said, “There are some people who just don’t want to come to our meetings.” Some individuals demonstrate little interest in preserving a dying organization, while others even actively contest efforts to commemorate an organization that they deem contemptible. Future studies should explore factors that influence whether or not individuals become involved in creating and perpetuating these organizations. Taken together, these two issues point to the importance of a multilevel model of postdeath organizing that identifies its individual- and organization-level antecedents.

Finally, our study has explored successful postdeath organizing. It may be, however, that some recovery efforts begin but are not successfully concluded; many entrepreneurial ventures are not completely successful (Wood & McKinley, 2010). It would be valuable to determine factors that may facilitate and/or interfere with the success of these efforts. Such research would provide more clarity about what elements of this model may be sufficient for the creation of *ex morte* organizations.

Conclusion

In conclusion, an organization’s death does not always mean that it disappears into a void. Through

postdeath organizing, organization members found ex morte organizations through which they sustain valued organizational elements that would otherwise fade away. More than just a way of storing dusty mementos, postdeath organizing has an ongoing, vibrant life of its own. In recent years, little research has focused on organizational death and its outcomes. We hope this study revives a largely dormant conversation about a topic has around which many important ideas may be discovered and discussed.

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APPENDIX A

Initiating Interview Questions

- Could you briefly tell me about the history of the organization?
- Can you tell me about your career or affiliation with the organization?
- What was the organization like before any of its members thought it would close? How would you describe the organization to someone who never worked there?
- What was the earliest indication that the organization was likely to close?
- Can you describe the closing process? How did it unfold? Did individuals try to stop the closing, and if so, what did they do?
- At what point did ideas form related to preservation of the organization? Who participated in this process? How did this thinking relate temporally to issues related to the closing of the organization?
- What was preserved? Why were those elements selected?
- What plans were made to preserve the organization? Tell me about how this occurred.
- What members were involved in these plans? Were any members opposed to these efforts, and why?
- Why did this preservation happen? How did you feel about it?
- What was your understanding of these preservation efforts? What did you feel you (or others) were doing? What benefits were perceived, and who were the expected beneficiaries?
- How did this preservation continue beyond the organization's death? What efforts continue today, and why?
- At what point did the organization seek involvement from external parties to participate in the preservation process?
- What work did you handle? Has this changed over time?
- Why did you choose to get involved in the preservation of this organization?
- How long will this preservation continue, and are any requirements placed upon you to fulfill this expectation?

APPENDIX B

Case Summaries

EquipCo

EquipCo was a manufacturer that decided to exit the equipment business and close its operations in Townville, where it had operated for over a century. After the Townville operations closed, individuals created a museum and archives center to preserve a collection of company products and records. Two EquipCo sales managers also created two new organizations that manufactured and sold EquipCo-related products. In addition, a group of EquipCo customers worked together to create a group that would become a worldwide collectors' association

TextCo

TextCo was a family-operated publisher of trade magazines that was acquired by a larger firm. The parent firm initiated a restructuring that dissolved TextCo into other operating units while laying off many longtime employees and eliminating the TextCo name and many of its publications. After leaving TextCo, a former employee informally created an e-mail distribution list for former TextCo employees that grew to include hundreds of people. This effort led to the creation of an alumni group that produced a regular newsletter, a former employee directory, and a "messageboard" on which former employees could reconnect and communicate with one another.

Small College

Small College was a church-based liberal arts college that formed an educational alliance with nearby Large University, whose size and church affiliation made it an attractive partner. Within a few years, the leaders of Large University voted to close Small College. Members of the Small College community created the Small Foundation, a nonprofit spin-off that acquired rights to the college's campus and name and launched several educational and philanthropic programs.

AgroCo

AgroCo was a firm that manufactured products for the agriculture industry. When the company announced that it would exit the agriculture market by shuttering its remaining factories and selling its assets to a former

competitor, members of its founding family created an archives center to house a vast collection of company records. A group of AgroCo employees founded an alumni association, and several customers banded together to create a collectors' association. A commercial venture was created to sell reprints of AgroCo product manuals and documentation.

PCTech

PCTech was an electronics equipment manufacturer that was one of the largest organizations in its industry. Following its acquisition by a competitor, it was dissolved as a distinct entity. This death experience led to the creation of 26 alumni organizations around the world. Former members of PCTech also created three PCTech museum exhibits and several commercial ventures.

SysTech

SysTech was a mid-sized technology company. Following two decades of relatively positive performance, SysTech agreed to be acquired by a larger competitor, which ultimately eliminated all but one of its product lines. Former members of SysTech collaborated to develop an alumni association and a permanent museum exhibit. In addition, a longtime vendor started a commercial venture to sell and restore SysTech hardware and new software applications.



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