

## Chapter 72

# Embracing Organizational Trauma: Positive Effects of Death Experiences on Organizational Culture – Three Short Case Studies

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### ABSTRACT

*Organizational trauma is traditionally associated with negative effects on organizational behavior and performance. In this chapter the authors seek to answer the question how organizational trauma, and in particular near-death experiences, can positively influence organizational culture in the long term. In doing so, the authors briefly review the recent literature on organizational trauma and near death experiences, and discuss how these negative traumatic experiences can turn into prosocial organizational behaviour. The authors then present three case studies to illustrate how an organization can manage to incorporate near death experiences into its organizational culture in a positive way.*

### INTRODUCTION

Organizational trauma is an important, yet understudied phenomenon in management research. Recent streams of research in psychology and organizational studies focus on the negative consequences of trauma for organizations and individuals (e.g. Stuart, 1996; Driver, 2007), processes by which organizations may experience trauma (Kahn, 2003), and ways how organizations can help their employees overcome emotional trauma (e.g. deKlerk, 2007; Fischer, 2012). The prevalent assumptions are that organizational

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trauma negatively affects organizational behaviour, culture, and performance. In this chapter the authors seek to answer the question how organizational trauma can *positively* influence organizational culture in the long term.

In order to do so, the chapter develops as follows: first the authors briefly review the recent literature on organizational trauma in general, and near death experiences in particular. The literature is used to develop a simplified matrix of individual/organizational traumatic experiences. Second, the authors present three case studies to illustrate each cell of the matrix. Each case study focuses on a major organization that at one moment of its existence went through a near death experience and managed to incorporate the event into its organizational culture in a positive way. Next, the authors theorize about potential links between organizational trauma and positive effects on organizational cultures, using the Schein (1996) model of culture. The chapter ends with a concise description of avenues for future research and managerial implications.

## **BACKGROUND**

In the organizational literature, trauma is traditionally associated with significant change in the organization, which bears negative consequences for an employee (Weick, 1988; D'Aveni & MacMillan, 1990). Stein (1991) found that members of an organization perceive sudden unpleasant changes to organizations, such as layoffs, as an equivalent negative emotional load as physical injuries and suggested that in crisis situations the role of a manager is to facilitate the grieving process. Hilton Brown (1997) researched measures organizations might take to deal with challenges to organizational health stemming from organizational trauma. Stuart (1996) elaborated on different types of trauma-causing events in organizations, pointing to organizational change as a significant source of trauma. Amabile and Conti (1999) also suggested that organizations undergoing severe change caused by an unexpected crisis might suffer from trauma. Kahn (2003) compared organizational trauma to individual trauma, suggesting that both constitute a serious threat to the life and integrity of the individual and/or the organization. DeKlerk (2007) proposed that since unresolved emotional trauma might interfere with members' ability to perform, organizational development programs might be instrumental in the healing process within the organization. Driver (2007) suggested that while suffering in organizations has been explored in the literature, its link to existential meaning making is unclear, and proposed that organizational suffering could be a pathway to finding new meaning and fostering positive change. Valikangas, Hoegl, and Gibbert (2009) found that organizations might suffer trauma not only from sudden, unexpected changes, but also from negative results of their intended changes, such as innovation projects. Driver (2009) examined cases of unsuccessful organizational change, suggesting that failed projects lead to negative consequences. Fischer (2012) argued that while turbulence in an organization's environment and its internal dynamics might cause dysfunction and crisis, skilful management of trouble might mobilize resources and lead to productive action. In conclusion, organizational trauma research is gaining significant traction in the organizational behaviour and management literatures. While most scholars focus on negative consequences of unexpected changes in the internal and external environments of organizations, potential positive effects for organizations have also been recognized (e.g. Driver, 2007; Fischer, 2012). In this chapter the authors build on the potential for positive change to organizational culture stemming from near death experiences within the organization.

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