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# Legitimizing Organizational Secrecy

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Received: 26 July 2023 / Accepted: 5 July 2024 / Published online: 13 July 2024  
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## Abstract

This paper brings into focus the concept of organizational secrecy by senior managers in the context of a major strategic change program. Underpinned by legitimation theory and utilizing a narrative methodology and a longitudinal investigation, we draw upon data from 52 interviews with 13 senior managers conducted at 3 months intervals over the course of 12 months. Our findings reveal that senior managers utilized seven discursive legitimation strategies to justify keeping secret that the organization intended to downsize, and they used a different mix of legitimation strategies as the change process evolved. We labeled these discursive legitimation strategies as (1) Naturalization, (2) Rationalization, (3) Moralization, (4) Authorization, (5) Proceduralization, (6) Valorization, and (7) Demonization. Theoretically we bring a temporal perspective to understanding organizational secrecy and the central role that discursive legitimation plays. We show that the use of these discursive legitimation strategies are anchored to meta-narratives describing work practices and values associated with the organization's culture. And that managers use discursive legitimation to manage the ethical implications of secrecy.

**Keywords** Organizational secrecy · Discursive legitimation · Downsizing · Narrative methodology

## Introduction

Scholars acknowledge that secrecy is an important dimension of organizational life and central to a multiplicity of social processes including strategic initiatives (Kreutzer et al., 2015; Toegel et al., 2022). Conceptually, secrecy refers to the “intentional concealment of information or knowledge from someone or parties and therefore involves the methods used to conceal and the practices of concealment” (Bok, 1982, p. 6). Although sharing some similarity with related concepts such as knowledge hiding (Anand et al., 2022) there is a distinct difference. Knowledge hiding

refers to withholding or concealing knowledge requested by another person and focuses on their behaviors to do so, such as through playing dumb or being evasive (Connelly et al., 2012). Organizational secrecy is different in that individuals within an organization are unaware that the information exists, it has not been requested and involves collusion between more than one party. Although research on aspects of secrecy in organizations particularly in the area of pay (Alterman et al., 2021; Caufield & M, 2021; Holtzen, 2022) and intellectual property (Hannah et al., 2019) is well established, a more recent stream of research has emerged examining the broader social and dynamic processes in organizations associated with the systematic withholding of information (Courpasson et al., 2018; Fan et al., 2023; Fan et al., 2022).

Theoretically, our paper offers new insights into this latter stream of research by surfacing the central role of the use of discursive legitimation by managers to conceal information in the context of downsizing within an insurance company based in the UK. Due to financial and competitive pressures, the company embarked on a major business transformation program involving the introduction of new technologies. The associated restructuring resulted in the loss of approximately 55 front-line customer service and actuarial roles. Secrecy around downsizing is interesting in that the content of the

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secret (intention to downsize) as well as the secrecy itself are both widely perceived as having ethical implications (Bok, 1982; Pompa, 1992). Despite calls for greater transparency by business in communicating restructuring decisions (European Commission, 2018), there are instances where secrecy is chosen instead. In a German study of the closure of underperforming shops, the authors stated that the list of the shops selected for closure was kept secret, to prevent an anticipated negative reaction by employees (Friebel, Heinz, & Zubanov, 2016). In a recent study of downsizing in a Swedish pharmaceutical company, it was noted that trade union representatives were involved in discussions about how downsizing was to be implemented, on the condition that they did not inform employees that redundancies were being planned (Bergstrom & Arman, 2017). Other writers also suggest it is appropriate to withhold information and limit communication about the intention to downsize (Kettley, 1995) and even that planning downsizing should be in secret to avoid any negative effects (Applebaum et al., 1987). Yet research also suggests that secrecy in the context of implementing strategic change results in higher levels of employee distrust, broader resistance to change and impedes collaboration (Pearce & Klein, 2017; Schildt et al., 2023; Toegel et al., 2022). Given the negative consequences that can arise from secrecy, it is important to enhance our understanding of how managers construct the circumstances through which organizational secrecy is brought into being within the context of strategic change.

This study offers a number of unique contributions to the literature on organization secrecy by managers in the context of major strategic change. First, we show how secrecy occurs and the central role that acts of discursive legitimation play. Legitimacy is a critical construct in business ethics and social responsibility literatures (Palazzo & Scherer, 2006) and we reveal how legitimacy emerges through managers' informal meaning-making processes and discourse. Previous research has highlighted the importance of legitimacy during organizational change and restructuring (Vaara et al., 2006). Discourses when employed in acts of legitimation, represent resources that managers draw upon to serve organizational interests (Joutsenvirta, 2011) and in the context of this study, persuade others to participate in secrecy. We show how changes in the discursive strategies employed by senior managers to legitimate secrecy illustrate shifts in these managers moral reasoning as the strategic change program unfolded. We therefore extend knowledge of organizational secrecy in the context of strategic change by showing that legitimation strategies are key processes enabling managers to engage in secrecy, and that the nature of these legitimation strategies change as the timing of disclosure approaches. We therefore bring a temporal perspective to understanding how discursive legitimation plays out during a strategic change process.

Second, while much of the previous research on secrecy has tended to adopt an agency-based perspective, our study aims to strengthen a complementary approach which places greater emphasis on the distinctive socio-cultural context in which managers involved in secrecy are situated. In so doing we respond to calls for an enhanced focus on the role context plays in understanding behavior in organizations (Johns, 2006; Osborn et al., 2002). Similarly, previous studies of legitimacy in organizations have generally focused on the institutional rather than organizational context in which discursive strategies emerge (Joutsenvirta, 2011; Meyer & Vaara, 2020). We specifically reveal how discursive acts of legitimation draw upon locally situated, collective meaning structures (meta-narratives) that are used to describe the organization's culture. When connected to these context-specific anchors, particular discourses are likely to be more persuasive than others and shape collective acceptance of organizational secrecy. As such, this socio-cultural context plays a significant role in shaping how managers normalize secrecy through moral and rational justifications. Third, our study reveals that participating in organizational secrecy can present as an ethical dilemma for managers, and that discursive legitimation strategies are a means through which they are able to manage the tension caused by the dilemma. Discursive legitimation strategies are therefore key psychosocial mechanisms by which managers collectively attempt to mitigate the moral consequences arising from engaging in secrecy. We therefore offer an explanation as to how managers can engage in organizational secrecy without any apparent self-censure, and that managers employ discursive legitimation strategies to manage the tensions that arise in ethical dilemmas associated with organizational secrecy.

Overall, our study is organized around three distinct yet interrelated questions. These research questions are: (1) What are the discursive strategies used to legitimate organizational secrecy by senior managers? (2) How do these discursive strategies shift over the course of a strategic change program and (3) what are the micro-foundations or anchors of these legitimation strategies in this organizational context?

## Theoretical Background

### Organizational Secrecy

Secrecy involves an in-group, i.e., those which are privileged to the secret, and an out-group comprising those individuals from which knowledge or information is concealed. Processes underpinning secrecy are associated with creating boundaries, with the impacts of secrecy among the in-group often traced to the formation of strong interpersonal ties and collective identities (Simmel, 1906). Courpasson et al.

(2018) for example, showed how secrecy among scientists on a Pharma R&D project separated them from the usual working practices within the organization. This separation gave rise to a shared sense of ‘exceptionality,’ which accounted for higher levels of social interaction and social trust that directly impacted the group’s creativity. Other studies have found the strong interpersonal ties and collective identities associated with secrecy can facilitate its role as a social mechanism for gaining power and influence. Younes et al., (2020) showed how secrecy intensified social interactions and engendered a greater sense of autonomy among a group of journalists, and this strengthened the group’s capacity for political influence with management. More recently, Toegel et al., (2022) discussed how executives had reported using secrecy to promote strategic initiatives they favored during their careers. Research has also begun to examine the role that confidential gossip as a particular form of organizational secrecy plays in organizational life and how it effects the constitution and dynamics of groups (Fan & Grey, 2021) and can act as a means of resistance to authority (Fan & Dawson, 2022).

While these studies suggest that secrecy in organizations can result in positive effects for those in the in-group, it is also the case that secrecy can impose burdens on those involved in concealing the information from others. In this respect a number of authors have suggested that maintaining secrecy up to the point of disclosure and determining when and how to disclose information gives rise to a state of tension that requires active management by those involved. Nelson (2016) found that researchers engaged in 4 tactics in actively managing the decision between secrecy and disclosure in relation to scientific discovery. These tactics were (1) leveraging trust (i.e., using the level of trust in the recipient as one of the key criteria for determining disclosure), (2) strategic withholding, (i.e., sharing some but not all of the content of the secret), (3) delaying (determining when is the best time to share the secret), and (4) patenting (ensuring the commercial aspects of their scientific discovery or secret are protected). Nelson suggested individuals use these tactics to address differing aspects of the sharing/secrecy dilemma for those involved, concerning questions of what is shared, when it is shared and with whom. Toegel et al., (2022) similarly identified distinctive practices associated with selecting who was to be involved in sharing the secret and the appropriate timing to do so. They described this as a dynamic process of controlling information.

This role of control within organizational secrecy has also figured in perspectives on the ethicality of organizational secrecy. As Luhrmann (1989) states... “to hold a secret is to assert ...control” (p. 191). While some types of secrecy in organizations such as protecting knowledge from competitors is perceived as advantageous and with limited ethical concerns, this is not always the case (Bos et al., 2015).

Secrecy in many people’s minds is often associated with deviancy, deception, and falsification, suggesting an absence of morality or at the very least questionable ethicality (Birchall, 2011; Hoerl et al., 2015). Employees can perceive it negatively, as a means by which the organization (or its senior managers) can undermine their interests. Further, that secrecy enables managers to control employee beliefs and behaviors. Since by concealing information, managers can shape how employees construct and perceive organizational reality (Anand et al., 2008; Costas et al., 2014). In organizations, activities that are purposefully hidden are considered to belong to a moral gray zone (Anteby, 2008), where managers are likely to put organizational or self-interests over those of employees (Grey & Costas, 2016; Younes et al., 2020). Wexler (1987) argued that secrecy was janus-like in that while as individuals we are drawn to secrecy through wanting to know, there is also a general revulsion felt about secrecy. The latter arising through the capacity of secrecy for exclusion and betrayal, such that it is often judged as having an amoral or unethical character. This recognizes that secrecy can have a negative effect on those excluded from knowing (Bouilloud et al., 2017). Given that transparency is now widely seen as the preferred operating principle upon which organizations should be held to account (Alby et al., 2016; Birchall, 2011), examining the context and dynamics by which secrecy rather than transparency is justified or legitimated by senior managers, offers a novel perspective from which to understand this organizational phenomenon.

## Downsizing

Downsizing has been described as a “planned set of organizational policies and practices aimed at workforce reduction with the goal of improving performance” (Datta et al., 2010, p. 282). It is a controversial business strategy, which has significant implications for the ethical practice of people management (Greenwood, 2013; Harney et al., 2018). Not least since downsizing and how it is undertaken, speaks directly to debates as to an organization’s responsibility to behave in ways beyond simply legal compliance, to actually furthering the social good (McWilliams & Siegel, 2001). Considerable research has accumulated demonstrating the impact of downsizing on those affected, as well as those who remain in the organizations afterward. This includes reduced loyalty and commitment to the organization, a loss of trust, decreased motivation and citizenship behavior, absenteeism, and insecurity (Iverson & Zatzick, 2011; van Dierendock & Jacobs, 2012). Although there has been much written about downsizing and its effects on survivors and victims (McLachlan et al., 2020), the role of senior managers as those responsible for organizing, implementing, and communicating about downsizing has received far less attention. It has been suggested that informing employees that

the organization intends to downsize can pose a dilemma for the executives involved (Bates, 2018; Green, 2020) but there has been limited insights into the ways in which this dilemma is managed.

### A Discursive Process of Legitimation

Green (2004) suggested that managers made use of specific discursive strategies as a means of argumentation to justify, persuade, and coordinate social action. This work suggested that managerial practices become accepted to the extent to which they become embedded or “taken for granted,” and that this is related to the persuasiveness of the argumentation or rhetoric deployed. Green suggested that there were 3 overarching rhetorical strategies, pathos, logos, and ethos that were used as justifications for managerial practices. Pathos justifications draw upon emotion as the underpinning argumentation such as eliciting anger or sympathy. Logos justifications are characterized by rationality and emphasize efficiency or effectiveness, while ethos justifications are characterized by the moral substance of their argumentation.

Subsequent empirical studies have increased our understanding of the use of discourse as a chief meaning-making process associated with legitimating a range of organizational forms, practices, and decision-making (Erkama et al., 2010; Harmon et al., 2015; Suddaby & Greenwood, 2005; Vaara et al., 2006, 2008). This has included studies that focused on rhetorical accounts legitimating downsizing. In one of the first studies in this area, Lamertz and Baum (1998) examined the explanatory accounts (discursive legitimation strategies) found in the media of downsizing in Canadian companies over a 6-years period. They showed that the form and content of these accounts changed over time as the practice of downsizing became more institutionalized or accepted. Vaara and Tienari (2008) also examined media texts associated with the closing down of a Finnish marine engine factory and the consequent layoffs it involved. The authors showed the significance of several legitimation strategies including authorization, a variety of rationalization strategies, moralization as well as mythopoetical elements (legitimation by reference to stories related to either the past or future) as how legitimation was sought for shutting down a factory. More latterly, Hobfeld (2013) analyzed the mass communication media (press statements, business reports, investor news) and identified the use of three meta-metaphoric concepts (concealing metaphor, euphemistic metaphor, and urgency & control metaphor) each serving differing persuasive functions to legitimate downsizing by two German banks. These three meta-metaphors function by intensifying perceptions while hiding or downplaying others, thereby enhancing the plausibility associated with a managerial practice. Together these studies show that discursive legitimation is employed by managers as interest-laden

argumentation to justify controversial decisions. We draw upon this previous literature on legitimation as a rhetorical device or discursive process to offer new insights on how executives manage the tension between secrecy and disclosure in relation to its decision to downsize.

### The Case Study Organization

The research setting was a major insurance company in the United Kingdom. The company is a mutual and owned by its members (customers). This means there are no shareholders taking profits. It offers a wide range of products, including general insurance, life insurance, pension investments, and risk management services particularly targeting the agricultural community. Farming accounts for 50% of the customer base. The organization places considerable emphasis on being socially responsible. Its’ mission includes “championing rural communities and offering the best care possible to members” and “acting responsibly and making a positive difference for members, neighbours and communities.” This includes activities such as educating young drivers and users of agricultural machinery, making farming safer, tackling rural poverty, and enabling sustainable living. Increasing competition within the insurance industry over recent years has brought major financial pressures to bear such that the organization had initiated a major business transformational program driven by 4 change projects. We labeled these projects alpha, beta, gamma, and delta. This was not the first time that the organization had attempted to turn the failing part of the business around and the history of previous failed projects played a large part in the decision to involve external consultants this time to help lead the business transformation and the way in which decision-making occurred as the strategic change program was delivered. These aspects surfaced in the organizational narratives we discuss later in the study and which provided anchors for the discursive legitimation strategies we identified.

### The Projects

**Alpha Project:** A key business objective was to bring the life insurance business back into profitability through the introduction of new technology platforms. This would involve a £30 million investment by the company and transform the key business proposition.

**Beta Project:** The profitability of the property and casualty business was not sustainable. The company’s ability to rate risk was below the standards of the competition. The aim of the project was to dramatically improve the company’s ability to price risks through the acquisition and installation of a rating engine involving an additional £30 million investment.



**Gamma Project:** Aimed to modernize the company's counter fraud intelligent system by outsourcing some aspects of this side of the insurance business.

**Delta Project:** The project aimed to find a partner to provide new telephony technology to assist the network of UK agents with call recording and compliance (e.g., when taking credit cards over the phone, ability to perform in a compliant manner).

These four projects all involved introducing new technologies to increase the organization's competitiveness and refining its business proposition. However, it was alpha and beta projects that had the most significant implications for staffing, where customer services and risk analysis staff were most vulnerable to redundancy.

## Methodology

Our theoretical perspective mirrors that of Golant and Sillince (2007), who argued that although "relatively little is known about the processes by which legitimacy is acquired, maintained, or forfeited the use of narrative is crucial to its acquisition and maintenance at both organizational and individual level" (p. 21). Consequently, we employed narrative analysis (Perelman, 1982) to identify the discursive legitimization strategies used by senior managers as part of a dynamic process of managing organizational secrecy. Integral to our approach is the idea that legitimacy or legitimating occurs in the context of social-interaction, and through discourses or rhetoric (Erkama et al., 2010; Joutsenvirta, 2011; Sant et al., 2019; Vaara et al., 2008).

## Data Collection

The source of our data were 52 interviews with 13 key individuals involved in these four business transformational projects contained within an overall large scale change program (see Table 1). We approached the organization explaining that we were interested in exploring value dilemmas that senior managers experience when implementing large-scale change. The organization agreed on the basis that it would select which senior managers we would be able to speak to. Our focus shifted more specifically on the decision to keep secret the organization's intention to downsize once we started collecting data and realized this was an opportunity to learn more about this controversial organizational phenomenon. We conducted in-depth, semi-structured interviews at 3 months intervals to try to capture the interactions between events, narratives and the meanings generated by project managers, project sponsors (senior managers in the organization), and technical experts or managers involved in these projects and the legitimization strategies that emerged. These were guided by a very loose interview schedule

**Table 1** Interviewee details

Project	Role on project	Job title
Alpha	Subject matter specialist	Head of customer services life division
	Project manager	External consultant
	Project sponsor	Director of strategy and marketing
Beta	Project sponsor	Director of sales
	Subject matter specialist	Senior risk analyst
	Project manager	External consultant
Gamma	Project sponsor	Director of property
	Project manager	Project manager
	Project sponsor	Chair of project board
Delta	Subject matter specialist	Business lead
	Project sponsor	Chief information officer
	Project manager	Project manager
	Subject matter expert	Operations manager

comprising only five high-level questions relating to key aspects of the strategic project we were interested in. These were (1) Can you tell us how the business transformation project is currently going? (2) What have been some of the major challenges you are having to address recently? (3) Have you had to address any issues or situations as part of the project which you would describe as value dilemmas? (4) How are you managing the change process right now and keeping staff informed of the project's progress? It was at this point that we probed further specifically in relation to when staff might expect to be informed of the organization's intention to downsize, and reasons (legitimation accounts of secrecy) as to why this was not the right time, and (5) Can you tell us how you expect the project to progress over the next few months?

Regardless of the type, size, or complexity, we can perceive projects as having a life cycle consisting of various stages each associated with a specific set of activities that need to be completed (Cleland, 1994). We therefore refer to the stage of the project after each of the 3 months intervals when we collected data. We started our data collection when the strategic change project had just started, referred to as the (1) initiation stage in the project management literature. We labeled the subsequent stages as (2) Developing Options, (3) Consolidating Options, and (4) Strategy Execution based on the activities reported at these times by our interviewees. We were able to conduct an interview with our 13 managers at each of the four time points (project stages) and approximately 48 h of recorded data. We adopted an iterative-inductive approach to our data analysis. Mirroring the constant comparative method (Glaser & Strauss, 1967), we moved between four repeat phases. Each phase consisted of data collection followed by research team meetings, where we

cross-referenced our emerging insights across each of the four projects and relevant theory.

## Data Analysis

The textual analysis was based on reading and rereading of the transcripts. We first searched for key discursive themes that appeared across the interviewees' transcripts to convey legitimacy for keeping knowledge of downsizing secret from employees. To provide a framework for coding these linguistic strategies we drew upon earlier studies on discursive legitimation. Following the methodological approach used by Joutsenvirta (2011), we similarly began with the seminal work of van Leeuwen (1995) on discursive legitimation that distinguished between rationalization and moralization. Rationalization is based on legitimating behavior drawing upon logos-based justifications. It rationalizes utility, efficiency, and instrumentality. Moralization is different since it is based on legitimating behavior drawing upon norms and values that provide a moral basis for action. A number of subsequent studies have since recognized distinctions between authorization, moralization, rationalization, and naturalization that make each worthy of being categorized independently (Joutsenvirta, 2013; Oruh et al., 2020; Siltaoja, 2009; Vaara et al., 2006). Authorization is based on legitimating behavior drawing upon the authority of tradition, law, custom, or person with status (authority). Naturalization is legitimation because decisions or actions are considered part of the normal way things are done. We therefore continued by further differentiating linguistic textual fragments into these four distinguishable sub-categories.

We then returned to our data and through additional analysis identified a further three sub-categories. Proceduralization was where legitimation was sought through appealing to the fairness of the processes followed such as the need for consensus in decision making, that decisions are based on facts and data, and that employees are treated with respect. Valorization was where managers said they were justified since they were acting in the best interests of employees and was based upon paternalistic argumentation. The final legitimation strategy we identified was demonization. This was where managers negatively labeled employees for believing they had job security to begin with or that they should have appreciated that job losses were likely. Although we acknowledge some of these latter legitimation strategies share some conceptual overlap due to their relation to one of the two overarching semantic-functional categories (rationalization and moralization), we felt their separate classification was important here since they were anchored to the differing meta-narratives describing the organization's culture.

Studies investigating legitimating discourses agree that for rhetoric to be effective it requires an "anchor" (Jowett & O'Donnell, 1986). These anchors reveal how differing

forms of legitimation have meaning within the socio-historical context in which a particular managerial practice or organizational issue is situated. Emphasizing how the context frames what is said, may be said, and how it is perceived as legitimate (Joutsensirta, 2011). Meta-narratives representing aspects of an organization's culture can provide anchor functions. So we next returned to our transcripts and analyzed the data to identify the socio-historical context in which these legitimation strategies occurred, focusing particularly on organizational processes and the narratives used to describe them.

Initial coding of key themes contained in interview transcripts was undertaken prior to each research team meeting by two of the authors. We generated specific codes pertaining to each project and identified codes shared across all cases. Overall, we identified 132 specific codes in our data from which we were able to classify higher order categories associated with the legitimating strategies used and the organizational context in which they took place. Overall, we obtained an interrater reliability of 0.85 on our coding. Where there was difference of opinion we met as a research team to agree the assigned code to the data fragment. Examples of our coding categories alongside proof quotes are shown in Table 2. We maximized the trustworthiness of our data through writing notes and then using these to check out our understanding of what had been said with research participants at the end of interviews. We also sought consistency and agreement between the research team on the inferences being drawn at each of the four stages of data collection. Finally, we held a feedback session with senior members of the organization's HR team to check whether our findings aligned with their perceptions and experiences of how this aspect of the change process had been managed. There were no significant issues raised in relation to our interpretations and findings.

## Study Findings

Below we now report the discursive legitimation strategies used by senior managers to justify secrecy and how these occurred temporally at four stages of the change program we labeled as (1) Stage 1: Program initiation when the secrecy process began and it was agreed to conceal the decision to downsize from staff (2) Stage 2: Developing Options, where analysis of the risks, costs, organizational resources, and functionality of alternative technological solutions to fit the business need are worked up and secrecy around the decision to downsize maintained, (3) Stage 3: Consolidating Options when the specific goals, tasks, activities, and necessary resources are determined to implement the business transformation project and where secrecy continued and (4) Stage 4: Strategy Execution where activity commenced

**Table 2** Illustrative initial codes and higher thematic categories

Code	Higher thematic category	Proof quote
Change outcomes	Intention to downsize	What we were talking about it's not just a technical change here there's a massive cultural change to the way we do things so actually being able to change in the business successfully it's going to mean some quite difficult choices we are going to need to make about current teams I suspect when we get to that point. (Director of Property, Beta)
Business case	Intention to downsize	when the business case was put together and I guess where you number crunch and you do all that stuff it was quite evident that life services had too many people to sustain it (Chair of Project Board, Gamma)
Staff informed of downsizing	Intention to downsize	Our team leader population have got very edgy over well what does that mean to me so they can kind of see numbers dropping from below, numbers dropping from above and they are sat in the middle and without lying to them that yes cost is still, we haven't stopped yet so if we feel we have to do anything more then we will do it (Director of Strategy & Marketing, Alpha)
Project activity	Strategic change process	We did a stakeholder map of all the people that we thought would be important and why, where we thought their positivity or their expertise were in terms of their influence on achieving what we need (Operations Manager, Delta)
Project members	Project exceptionality	We're going to help others achieve something great... But since we've done this we've had two people that aren't still on the team because they weren't good enough" (Project Manager, Alpha)
Project team selection	Project exceptionality	[The project manager's] stance was I don't want anybody from programme management, I don't want any business analysts all I want is subject matter experts hence the make-up of the core design team (Head of Customer Services, Alpha)
Physical location	Secrecy	We are actually off site... a few miles out and we are there as a collective group so things are up on the walls, things are, you know you can say something and it's not oh I wonder who has heard this because there are quite sensitive things. (Business Lead, Gamma)
Information control	Secrecy	I guess we've tried to go out with as much as we can, we're not telling any lies to anybody, however, I guess at this point in time we haven't done that (Project Manager, Beta)
Project outcomes	Secrecy	I guess the business aren't aware of what the deliverables are yet so we've just teamed it under this efficiency banner and said actually it's just good housekeeping (Director of Sales, Alpha)
Restructure	Secrecy	We've left it at that at the moment because what we haven't completely disclosed yet is that actually the business, probably 50% of it will never come via us going forward because it would just go directly on to the wrap platform" (Director of Strategy & Marketing, Alpha)
Rationalization	Legitimation	whereas it's very much about efficiency, driving change, but it's also about bringing new, just bringing the life business into the twenty-first century...that's what we are focused on right now (Business Lead, Gamma)
Rationalization	Legitimation	if you look at where we currently were and indeed if we don't execute the business case the current position deteriorates quite rapidly and you end up with a burning platform so we must get this right and we'll tell staff more once we sorted more of the detail (Director of Sales, Alpha)
Naturalization	Legitimation	I get appraised, I know what's going on, but that's not shared more widely. Nor should it be, it is a balancing act (Director of Property, Beta Project)
Moralization	Legitimation	So fair and accurate prices is a lovely thing to work with. So PIP is here to deliver fair and accurate prices for our members and potential members and the routes of what we are doing with price go to the very heart of who we are as a mutual and we need to put customers first (Senior Risk Analyst, Beta Project)
Authorization	Legitimation	I think one of the foundational points was we brought in experience, people who had done this before who know this stuff and had depth of experience that's very comforting and we are guided in this (Director of Sales, Alpha Project)
Proceduralization	Legitimation	What we've tried to do is involve everybody (executive group) in the decision making process and then usually bring people together around the table to discuss pros and cons of what we are going to do and then get a consensus decision, and get that minuted and agreed moving forward so that's first (Gamma Project Manager)



**Table 2** (continued)

Code	Higher thematic category	Proof quote
Valorization	Legitimation	When the alpha business case was put together and I guess when you number crunch and you do all that stuff, it was quite evident that the life business had too many people to sustain it but we will handle this so we do our best for the staff involved once that is communicated (Director of Strategy & Marketing, Alpha Project)
Valorization	Legitimation	Actually I'd like to think that I got quite a lot of credibility to be on the programme so people will look at it and go actually there's no selfishness, there's no self-gain, there's no power on this this is purely factual information based on what we know (Project Manager, Alpha)
Demonization	Legitimation	[staff here think] so we'll all be looked after, we'll all be found homes and this new thing it will just be a new structure that if we need to get some retraining and whatever it will happen but that that's not the case (Alpha Project Manager)
Personal/individual meetings	Stakeholder management	we would have got round and seen every individual member of those groups to talk them through what we are doing, where we are at, why we are doing it, all the background stuff to the numbers in the business case and to what makes up the programme definition and all that stuff and the plan so that people are really clear (Project Manager, Beta)
Shared goals	Stakeholder management	we've all got that agreement to that common goal with an overarching view of what that's going to look like (Director of Strategy and Marketing, Alpha)
Politicking	Stakeholder management	– it's taken a bit of time to adapt that round and we're going the right way on that. ... that little bit of tension has taken quite a lot of political manoeuvring and management to get everybody on board and agree with where we are and in the normal way we wouldn't have got to this point we'd have made that decision a lot earlier (Operations Manager, Delta)
Project processes	History	“there is a delta between the way that the consultants that we've brought in run their projects and our standard project framework and that has been an interesting dilemma for our project and auditing team (Director of Sales, Alpha)
Accountability	Decision making	All of the steering group, it's quite small and we've added in one other director just recently on the HR front but so far all of that has meant that we've got real momentum and people have taken accountability actually which is good (Director of Strategy & Marketing, Alpha)
Governance structures	Decision making	... So I would have been prepared to make a casting vote decision as sponsor if we hadn't reached consensus, but my preference is to hold a pro's and con's and keep all the arguments up in the air discussion to move logically to a conclusion. But if that hadn't been possible, I would have used a casting vote to decide, or said well I don't feel comfortable doing that, it goes beyond my authority as sponsor, to I want to escalate it to one of the other governance structures within the group, but that hasn't been necessary.” (Chair of Project Board, Gamma)
Consensus seeking	Decision making	and then usually bring people together around the table to discuss pros and cons of what we are going to do and then get a consensus decision, usually a consensus decision and get that minuted and agreed and moving forward (Chief Information Officer, Delta)
Consultative approach	Decision making	I'm always keen that everybody has a chance to air their views, that we go through a consultative process, that everybody feels that at least they've had a chance to listen to what's trying to be achieved and have a chance to provide some input and challenge into that but that ultimately we agree on a set of decisions and a set of principles across the team and that's the approach that I'd always take so just to make sure that we have that open consultative discussion (Project Manager, Deltaa)
Restructuring	Staff impact	Obviously as a result of some of those process improvements which we've had done under the Alpha programme we've put in place a load of efficiencies into the life service thing and as a result of that some of those people lost their jobs (Director of Sales & Marketing, Alpha)
Emotional Response	Staff impact	So unfortunately they've seen things evolve in front of their eyes and they haven't actually been a part of it which is kind of difficult emotionally (Head of Customer Services, Alpha)
Restructuring	Staff impact	Life Services over the last few years have experienced quite a high volume of that natural attrition and we've played on it in that we haven't recruited to replace it because I guess we could foresee what was coming (Director of Strategy & Marketing, Alpha)

**Table 2** (continued)

Code	Higher thematic category	Proof quote
Values	Customer caring culture	“We are also known as a very customer orientated company to do business with.. I guess it hasn’t quite worked like that in reality on things so I guess that’s the bit that we’re trying to change now but with our values forefront” (Project Manager, Delta Project)
Project structure	Project governance	I think the lesson that we’ve learned is create a smaller team of people who know exactly what they are doing and hold them to account for it and get out of their way (Director of Sales, Alpha)
Poor business focus	Lacks competitive drive	Think that the organization is “too nice”... it needs to wake up and sharpen up. If it does that it has a lot of potential (Project Manager, Beta)
Siloed	Lacks competitive drive	People here don’t see the bigger picture. They look after their own areas and don’t really know what’s happening elsewhere in the place (Business Lead, Gamma)
Past failure of projects	History	So [The organisation] invested an awful lot of millions into the first programme of work and it didn’t really deliver what it was intended to do and they’ve gone and invested a whole lot more millions into this one (Director of Strategy & Marketing, Alpha)
Slow to change	Risk adverse culture	Everything gets scrutinised. So there’s quite a lot of that little bit of inertia (Beta Project Manager)
Slow decision making	Risk adverse culture	We also do a hell of a lot of stakeholder engagement...we pat ourselves on the back for being quite good at looking at the membership of those groups, and so ahead of us going...we would have got round and seen every individual member of those groups to talk them through what we are doing, where we are at, why we are doing it, all the background stuff to the numbers in the business case (Project Manager, Beta)
Avoid making decisions	Risk adverse culture	It’s interesting having been here 13 years decision making in the organization has changed over that time...people quite often don’t like to make a decision if they can avoid it because they can be held accountable to it so if you don’t make a decision you can’t be wrong is the view that a lot of people take. So sometimes we do have to almost back them into a corner to get them to make a decision (Project Manager, Delta)
Data driven	Risk adverse culture	A large emphasis is on that informed view. So it’s a lot of data work and analysis to show how things are working throughout the company...so we can be comfortable going forward (Senior Risk Analyst, Beta)
Lack of accountability	Risk adverse culture	When in fact what are you worried about, are you worried about making a choice well if you are then unfortunately you shouldn’t be working here because you are going to have to make a choice and you are going to have to say I make that choice... Sometimes people in this place are scared of that inspection, scared of being asked to account for their choice so when you feel like that the easiest thing to do is don’t make a choice but it’s the worst thing you can do for business (Business Lead, Delta)
Data driven	Risk adverse culture	You spend a period of time formulating requirements, you then bring those back to the steering group regularly for agreement so every member of the steering group has been individually taken through vast stages of the requirements gathering process to make sure that proposition is fulfilled by the requirements (Director of Sales, Alpha)
Values	Customer Focused	It’s taken years and years to develop and that is the differentiator so when our customers deal with us as an organization they speak to people who are incredibly skilled and caring about their situations and they deal with it in without doubt the best way in the insurance industry that I’ve ever seen (Director of Sales, Alpha)
Avoid bad news	Paternalistic culture	This organization isn’t somewhere that says you’ve got it wrong you are sacked, it’s not that sort of organization. I honestly have no idea and why they’ve got that view but it is prevalent throughout. Well it’s too widespread to be personal but I’ve never been able to pin down why people have that view (Project Manager, Delta)
Downsizing	Paternalistic culture	I think some of the projects that we’ve had to do in the past which have introduced new technology or would have potentially restructured the way we do business around the country, so in some cases we’ve had to get rid of teams out of certain regions or centralise processing into other regions. Now you could argue that some of that doesn’t tie in with our great place to work philosophy because for some individuals we are saying the job no longer exists... (Chief Information Officer, Delta)

**Table 2** (continued)

Code	Higher thematic category	Proof quote
Poor resource utilisation	Paternalistic culture	As an organization we're not good at that [changing people's roles if it did not work] so we tend to use the wrong people in the roles for too long and then wonder why we haven't succeeded (Chair of Project Board, Gamma)

toward the fulfillment of the pre-designed plan and at which point staff were informed of the organization's intention to downsize and the disclosure of the secret occurred. Figure 1 shows the changing nature of discursive legitimization over the duration of the business transformation project and the organizational meta-narratives in which these legitimization accounts were anchored.

### Stage 1: Program Initiation: Decision to Conceal the Intention to Downsize from Staff

When we started to collect data the business transformation program was documenting in fine detail how the life insurance side of the business currently operated or what was referred to as the "as is." This included a complete audit of all work processes as well as staffing ratios. It also involved working up a range of differing scenarios for how the new business might look. However, it was already recognized by senior management and those leading the change that the introduction of innovative technology in the life division would generate cost efficiencies and require downsizing particularly among actuarial and customer services staff.

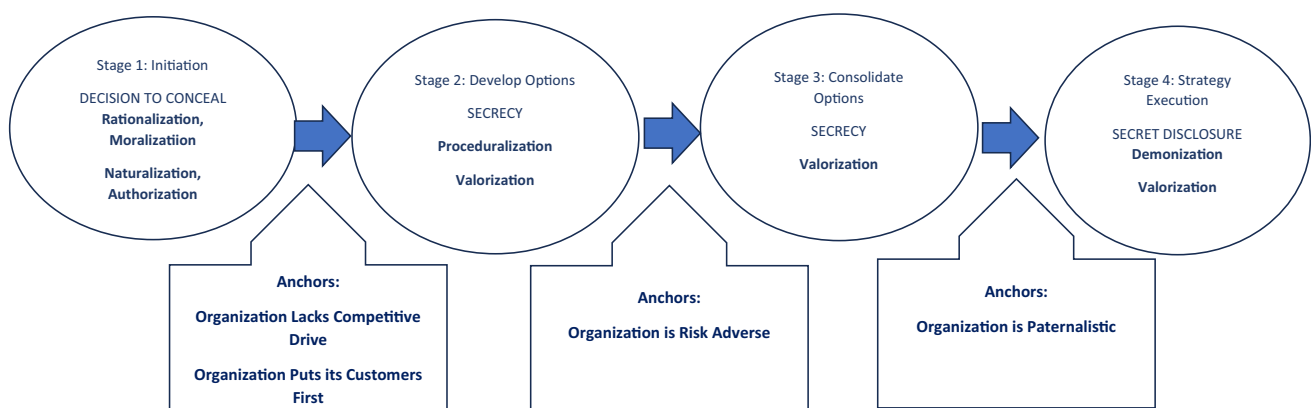
*"Well, there's a very big implication on the life business and people working in it because one of the things that we are doing is we're going to be outsourcing a very large part of our manufacture and that will impact on people's roles and almost certainly will*

*mean a reduction and it will be significant"* (Director of Strategy and Marketing, Alpha Project).

The senior managers leading the strategic change program indicated that they decided not to disclose the organization's intention to downsize at this time. However, this decision was not one that everyone leading the program thought was the right thing to do. Two senior managers voiced their concerns. Beta project manager indicated this was not her preferred option, and that other organizations she had worked with had done things differently.

*but there is a new paradigm that is being worked up that will mean structural change and because of that structural change and the people that will impact, it has to be handled in a very sensitive way and so that target operated work is operating model where it's been handled outside the main program but having been involved in considerably bigger restructuring pieces, [Company A] and [Company B], where we dealt really directly with the individuals involved and warned them ahead of them being formally at risk that that's where it was headed. That's the way to go for me. But that's not the way that they've chosen to do it here* (Beta Project Manager).

The senior manager that was head of one of the departments where restructuring and staff losses were expected to be greatest, also highlighted that withholding information on the intention to downsize represented far more of a dilemma.



**Fig. 1** Secrecy discursive legitimization strategies at different stages during strategic change project with their organizational meta-narrative anchors

*“Probably the one that’s coming to light at the minute is...it’s quite evident of the roles that won’t be there and...it’s one of those dilemmas do you start telling them know about things that are going to happen, or actually do you wait and it gets announced in one go. It’s one of those, do you start drip feeding some information through or not, so I’d say that’s probably my dilemma at the minute around things, is that I know things are coming, do I let people know about that or not” (Head of Customer Services, Alpha Project).*

Nevertheless, the collective decision at this initiation stage of the change program was to maintain secrecy and we identified four legitimization discourses used by those leading the change to justify concealing this information from the staff involved. The first was *naturalization*. The Director of Strategy and Marketing indicated that although the values of the organization espoused transparency in decision making, where this involved potential downsizing then this naturally fell into the category of information that should not be disclosed to employees at this stage:

*“So that was very important, so we get alignment, agreement, and joint accountability...so I’ve made it very clear to the team we want to be open with people, show them everything you are doing. There are some things that we are going to get on to which is around cost cutting that we can’t be open with everybody but with some key people we can do” (Director of Strategy and Marketing, Alpha Project).*

The discourse in this instance was framed in terms of senior managers having the authority to withhold information they deemed confidential, and access to “sensitive” information was dependent upon one’s role or position in the company. This was discussed in terms of it being a natural state of affairs in business organizations and therefore to be expected. A further legitimization strategy of *rationalization* was also apparent. This was discussed in terms of the need to maintain “business as usual.” The idea that communicating the intention to downsize would have a negative impact on productivity. There was a further legitimization discourse of *moralization*. This referred to the recognition of the business as a mutual guided by key values that placed the interests of the customer as the overarching principle shaping business decision making and which secrecy was preferred, when weighing the interests of the customer against those of its employees. While the strategy of rationalization referred to the needs of the business in general terms, moralization by contrast drew upon emotionally laden messages regarding responsibility to act in the best interests of the customer more than anything else. The fourth legitimization strategy we identified was *authorization*. This drew attention to the expertise of

two external consultants assisting those leading the business transformation. The argument here was that senior managers were being advised by outside experts to conceal the information about downsizing from staff as being in the best interests of the organization.

There were several factors associated with the strategic change program that provided cues to the managers involved as to its exceptionality. This exceptionality provided an initial context for those involved in leading the program that secrecy around the decision to downsize was acceptable in this instance. The competitive selection of staff to lead the change program was an example. In addition to expertise in a functional area, the people selected were deemed to have similar mind-sets in terms of how they might approach working together as well as a commitment to the need for business transformation. The decision-making process on the change program was also changed with a view to increasing accountability and the speed with which decisions were made. Again, this served to emphasize the “imperative” nature of the outcomes of the project to the survival of the life insurance side of the business.

*“[We need to] make these decisions and make them now and in particular the ones on cost and we’re putting forward some very, very serious things that need to be decided but if you want your objective, if you want it then you are going to have to decide that and now otherwise there’s going to be a problem.” (Alpha Project Manager)*

These managers leading the change program were also co-located and sequestered in a separate building from where most of the organization’s business was undertaken and away from the company’s main site.

*“So even going over and sitting at [off-site location] away from all the offices there’s nothing secretive about it, there’s nothing; it’s more just you can put things on the walls, you don’t have to worry about people walking in and seeing things that they shouldn’t. Everyone just thinks that’s a conspiracy.” (Head of Customer Services, Alpha Project)*  
*As a person, I probably spend more time at [the off-site project team location] now and I guess that you’d probably say that’s for a reason of actually I don’t have to associate back with people who I’ve worked with in the past.” (Gamma Project Business Lead)*

## Legitimation Anchor Narratives

In seeking to explain why these legitimation strategies were powerful in this organizational context at this stage of the change program we identified two broad meta-narratives (or anchors) through which these legitimation accounts were afforded plausibility. These were (1) The organization lacked a competitive drive including the past failures or history of implementing major change and (2) The organization puts its customers first. A common narrative involved managers recounting previous failed attempts to implement major business transformation and the widespread perception that in-house project management skills and expertise was not up to the job. Senior managers highlighted that previous attempt to turn the life division around had met with failure. Indeed, the outcomes of previous projects were criticized for failing to achieve the efficiencies (or reductions in staff overhead) that were thought necessary by senior management. The previous attempt required a 20 million investment, but the life division continued to suffer major financial losses. These failure narrativizations gave credence to senior managers hiring two external consultants to act as project managers on the current business transformation program.

*"We took a slightly different approach with this one partly because we failed a couple of times before to get this right, we have a really good clear strategy now and plan of attack. But one of the things that we haven't done well enough in the past is that initiation period. It is really important being absolutely clear on your requirements for the future, what your future to be, future proposition and target operating model is really going to look like and absolutely in depth what you have now so you can really, really understand the capabilities and things you need to put in place. That piece of initiation is something that typically historically we haven't done that well"* (Director of Strategy and Marketing, Alpha Project).

This was justified not only because of these external consultants' technical expertise, but also because they were said to be unencumbered by the organizational culture and more likely to make the hard-headed business decisions that senior management believed were now needed.

*"So, when somebody says we need to make a profit I can't even describe how seriously I take that. I mean like totally and utterly, if that's what you want that's what you will have, and I will leave no stone unturned..."* (Alpha Project Manager).

This failure narrative also explained the highly competitive process that was employed by senior managers in

selecting in-house technical expertise to be involved in the business transformation program:

*But getting the right people was really important and the right people weren't necessarily the people that were offered up, and I think that was a key piece. So we wanted people who had the right sort of expertise but also the right sense of motivation, I don't want to say value set because that's wrong but behaviors would be a good way of describing it... so when I think about behaviors we need people who are focused on doing the right thing for the organization over the long term who are willing to take the lead, be proactive, self-motivated, hopefully positive, willing to just do what needs to get done whatever that is going to take, and who are able to collaborate effectively."* (Director of Sales, Alpha Project).

These past history failure narratives enabled these legitimation strategies to justify keeping staff in the dark about the organization's intention to downsize attain plausibility.

## Stage 2: Developing Options and Maintaining Secrecy

Three months later the business transformation program was now developing what the operating model would look like in the life insurance division including costings and revenue numbers:

*OK so we've done a lot of work around what does the business really look like right now in detail and I think we've closed all of that off and we're very comfortable and confident we've captured everything at a very detailed level which is fantastic. We've established what we want the business to look like in the future markets, products etc. and we're clearer about what that operating model will need to look like, and we've started costing that and putting revenue numbers against it so we're in the middle of developing the business case and we're going to be going to board in July* (Director of Strategy and Marketing, Alpha Project).

At this stage, an outline staffing structure was developed based upon the number of insurance cases expected each year, the number of sales and partial surrenders. This was then overlaid with the number of staff needed and the roles required. However, there was still no decision at this stage to disclose to staff that downsizing was planned. We identified a further distinctive legitimation strategy employed at this time which we labeled as *proceduralization*. This was where senior managers justified maintaining secrecy by referring to the organization's duty to ensure it acted with due diligence in its decision-making. There were two aspects to this. The first was the need to consult with the organization's



executive group on its restructuring plans as well as obtain approval by the board before disclosing any information.

*That process needs to be gone through first, with all the proper signatories and signoff from the board before we can make information public (Gamma Project Manager)*

The second emphasized the importance of decisions being data driven. This argumentation drew upon the notion that decisions made based upon the “best” data justified maintaining secrecy. Senior managers indicated that there was still insufficient detail in the staffing requirements for the new service model and more precise information was needed as to the numbers and roles that would be affected by the restructuring.

*actually, we don't know what the “to be” looks like at the minute, we haven't done that piece of work, that piece of work won't be finished probably until about June/July of this year and after that, and we said it at the kick-off event we will then do the communications to people so you won't be in the dark about it (Senior risk analyst, Beta Project)*

*In my head it's because it hasn't been signed off yet, so it hasn't been approved, we haven't got all of the facts yet, but we know the direction of travel that we are going to go into it. As a person I probably spend more time at [the off-site project team location] now and I guess that you'd probably say that's for a reason. Actually, that I don't have to associate back with people who I've worked with in the past (Chief Information Officer, Delta Project).*

## Risk of Disclosure

Senior managers delivered staff briefings (presentations) as a typical part of the change management process, informing employees with generalized updates on the change program. However, at a recent briefing event during this stage, the information contained on one of the presentation slides suggested the organization was planning to outsource part of the business.

*“So, we did our own core brief in which [we] said there is nothing to say [about the project] yet... it's not going to have seal of approval until July's board. And they're not just going to sit round for two hours and go yes tick the box... it's going to take a few reiterations so probably don't expect anything probably until about September or October time...It landed very well, there was no come back or anything but unfortunately we had corporate comms then issue the corporate core brief slides and they had put something in the speaker notes at the bottom which contradicted what*

*we'd said.. a user sat in services would have looked at it and gone ah, so you are outsourcing protection now and actually you are in the procurement stage because that's how it read” (Head of Customer Services, Alpha Project).*

As a result, senior managers indicated they were now very guarded of what they said in front of staff and were cautious in how they responded to any inquiries concerning the change program. This threat of secrecy disclosure precipitated a further legitimization strategy. Senior managers indicated their personal involvement meant any proposed restructuring was likely to be fairer as they were far more likely to be concerned with the welfare of employees than had the process been driven solely by the external consultants involved:

*However, I guess I do look forward and think actually how will this land when people do find out but then still in my head was actually someone has to do this so I think if I looked at it on the opposite side and say I was one of the people back at the [main site] and there was another person on the project I'd probably look at it and go well I'm glad actually they did have somebody, this wasn't just driven by external consultants just clicking their fingers and going yes we'll just go with that (Senior Risk Analyst, Beta Project).*

We characterized this legitimization strategy as one of *valorization*. The discourse emphasized the role of these senior managers as best placed to represent the interests of staff and thus continued secrecy could be justified at this time.

A further dominant meta-narrative we captured was that the organization possessed a risk adverse culture as demonstrated by its slow decision-making processes hampered the organization, characterized by its consensual approach and the need for every major decision to be scrutinized and signed off by the board:

*“We like to do things by committee. Now that has a lot of benefits in that everybody is on board supposedly and all the rest of it, the difficulty with that is you've got possibly 20 people in the room supposedly making a decision, probably not going to happen. So, things can take a long time. Accountability can be quite unclear. Who actually is accountable for that decision?” (Director of Strategy and Marketing, Alpha Project)*

There was a shared perception among those participating in the study that senior managers required an elevated level of detail before decisions were eventually made:

*We try and get much information as possible before we make a decision as we can, we try and have to have every stone has to be looked under for that little bit*

*of gold before we think that we can make a long-term decision” (Senior Risk Analyst, Beta Project)*  
*So, I think there is a reticence in the organization to hear bad news alongside a willingness to go looking for it. I can’t explain it any better than that it’s very strange. I think that the organization is “too nice” ... it needs to wake up and sharpen up. If it does that it has a lot of potential (Beta Project Manager)*

These organizational narratives relating to slow decision making, a strong detail orientation and a risk adverse culture similarly conferred plausibility on the legitimating strategy of proceduralization. Justifying secrecy of the intention to downsize due to the need to gather more information about precise numbers affected and until detailed plans were signed off by the board, are discursive legitimization strategies that align well with the cues this meta-narrative provides to managers in how they make decisions.

Interviewees described the organizational culture as paternalistic, emphasizing care and concern for employees. Discursive legitimization strategies that communicated not wishing to unnecessarily cause staff anxiety, also fit well with the notion that the organization is caring and acts responsibly toward its employees. Similarly, the narrative that senior managers would not act in a way that damaged staff interests or their well-being and possessed a paternalistic management style anchored the valorization legitimization strategy. However, this strong paternalistic management style also meant senior managers avoided as far as they could having to confront the personal consequences of their secrecy. Typically, this meant delaying or postponing having to make decisions which arguably is inconsistent with their notion of caring for employees:

Now you could argue that some of that doesn’t tie in with our great place to work philosophy because for some individuals we are saying the job no longer exists or you are going to have to move or we’re going to do something different but for the greater good of the organization that’s been the right decision because we’ve overall improved our efficiency, improved the service we deliver to our customers and ultimately improve the working environment for our staff (Business Lead, Gamma Project)

### **Stage 3: Consolidating Options and Maintaining Secrecy**

Three months later there was still no disclosure to staff regarding the planned downsizing and the decision to outsource much of the life insurance side of the business. This was the case even though restructuring plans were now approved by the board. A senior manager explained that more work was still needed to explore ways of gaining

efficiencies through staff reductions and was reluctant to inform employees due to concerns this might cause staff unnecessary anxiety. Here the legitimization discourse could again be described as one of valorization.

*“We are still examining if more roles need to go...Once we are clear about that then we can start thinking about informing our staff. There’s no point in causing upset in the meantime” (Director of Property, Beta Project).*

### **Stage 4: Strategy Execution and Secret Disclosure**

During the concluding three-month period, the transformation program had progressed to selecting a RAP (remote access portal) provider and introducing a new customer relationship management tool in the life services division. It was only at this point in the change process that disclosure of the intention to downsize was made public to the wider organization and those employees affected by the restructuring informed. At this stage senior managers legitimated maintaining secrecy up to now through a discourse of staff *demonization*. Senior managers involved in the secrecy talked about how the organization’s paternalistic culture had promoted a belief among staff that they had a “job for life” guaranteeing long-term security of employment. Employees were described as naïve to think there would not be potential redundancies as a result of the business transformation program.

*“No it was very shocking for the teams involved and to me as an outsider who has been through a lot of this stuff and I’m not being cynical, not really, but there was a bit of being a bit astounded that people just didn’t see this coming. you wouldn’t have to put many two and twos together to work out that well something has got to change here and there’s probably going to be an impact on the teams” (Beta Project Manager)*

It was of interest to observe that these senior managers also emphasized that the organization’s caring culture was apparent in the way in which it had attempted to mitigate the impact of restructuring through redeploying some staff, while implementing support strategies to assist those made redundant.

*“also treat our people as sensitively as we can and find as many opportunities for them to stay on mission if you like, finding different ways for them to help clients that is still commercially viable but re-use people where we can as much as possible and those unfortunately that we may not be able to, we treat them with dignity and respect and say thank you enormously for their work” (Director of Sales, Alpha Project).*

The narratives regarding the organization's paternalistic style and lack of competitive focus can also help explain why the legitimization strategy of demonization gained traction once the secret about downsizing was eventually disclosed. Senior managers justified not informing staff earlier of their intention to downsize on the basis that staff should have expected major restructuring and job losses. The organization's lack of competitiveness being attributable to its workforce, and the notion that senior managers had tried to "protect" employees from hard business realities for as long as they could.

## Discussion

Prior research on organizational secrecy has highlighted how individuals draw upon a range of social processes to actively manage concealing information (Toegel et al., 2022) and that maintaining secrecy and determining when to disclose information poses a dilemma for those involved (Nelson, 2016). In this study, we reveal the discursive legitimization strategies used by senior managers to justify secrecy in the context of downsizing as a result of strategic change and how these legitimization strategies evolve over the duration of the strategic change program. We now discuss the theoretical contributions of this study.

## Theoretical Implications

First, we advance the organizational secrecy literature by showing that senior managers engage in a dynamic process of legitimization to manage the tension associated with organizational secrecy in situations where this secrecy has ethical dimensions. Aggerholm and Asmub (2016) suggested that the cognitive mechanism underpinning the deployment of legitimating strategies is primarily one of distancing. The purpose of which is to enable those involved to create psychological "space" between their self-concept and personal accountability for decision-making. In this respect, these rhetorical acts of legitimization share some conceptual overlap with the psychosocial processes used by individuals and organizations in the pursuit of moral disengagement (Detert et al., 2008; Ogunfowora et al., 2022; White et al., 2009; Zhao et al., 2022). The theory of moral disengagement (Bandura, 2016) explains how individuals can engage in unethical behavior without feeling distress. Bandura posited that self-sanction evaluations regulate moral conduct, but the process can be disengaged through people cognitively restructuring a problematic action or behavior through eight chief psychosocial mechanisms. (1) Moral justification, (2) Euphemistic labeling (sanitizing negative impacts), (3) Advantageous comparison, (4) Displacement

of responsibility (5) Diffusion of responsibility (6) Distortion of consequences (7) Dehumanization (8) Attribution of blame. The seven legitimization strategies we found here can be mapped to a number of these moral disengagement categories.

Naturalization, rationalization, moralization, and authorization are similar to Bandura's category of moral, social, and economic justifications. Proceduralization can be seen as a form of Bandura's notion of displacing responsibility. The discursive legitimization strategy of valorization (suggesting that senior managers were acting in the best interests of the employees involved) is also a form of Bandura's category of euphemistic labeling. This is described as when individuals attempt to sanitize the action or portray it as more innocuous than it actually is. Finally, the legitimization discourse of demonization corresponds with the process Bandura referred to as attribution of blame, where those from whom the secret was concealed are blamed for bringing the impact upon themselves due to either behavioral or psychosocial deficiencies.

Senior managers adopt standards of what is right or wrong or morally questionable because of socialization and will regulate their actions in response. We never asked participants in the study whether their keeping secret the organization's intention to downsize was ethically suspect and as far as we could tell, there were no external cues beyond those provided by the organizational meta-narratives that might have activated the use of these legitimization strategies. Yet, we might reasonably assume that these senior managers are just as likely to have been exposed to arguments regarding the morality of downsizing or of its secrecy (Pompa, 1992). References to "executioners" and "smiling assassins" captures the negative connotations associated with those responsible for implementing the downsizing decision, suggested as performing "dirty work" (Stevens & Hannibal, 2021). Studies have also captured how those responsible for the decision to downsize or its communication experience significant feelings of guilt, shame, and fear of disapproval for their role in the process (Gandolfi, 2008). To the extent that psychological mechanisms such as cognitive dissonance and defense mechanisms are employed to manage the trauma (de Vries & Balazs, 1997; Stevens & Hannibal, 2021; Torres, 2011).

Bok (1982) described how decisions relating to secrecy and disclosure inherently result in a significant tension for those involved. Organizational actors actively respond to tensions through discourse (Child, 2020). In this sense the legitimization strategies we identified here reflect how competing moral obligations, between acting in the interests of the company and treating employees fairly, were negotiated by senior managers to justify secrecy. Our findings thus provide an alternative explanation to the process of moral disengagement as to how ethical dilemmas are managed. How

individuals frame information relevant to ethically meaningful decisions play a significant role in their choices (Kern & Chugh, 2009). Due to bounded cognitive reasoning (Ocasio, 2010), they provide short cut mechanisms for appraising the appropriateness of this decision through framing secrecy as a preferred behavioral choice (Kuhberger, 1998). Actors then used these narrative accounts to legitimate their decisions to others as well as to themselves (Molecke et al., 2023). Legitimation strategies provide the frames that facilitate the choices we wish to make and are evaluative sensemaking devices that provide the justification for organizational secrecy. They are tactics employed by senior managers at both intra- and inter-personal levels to negotiate the ethicality of concealing information from employees. Their significance however arguably extends far beyond this. These legitimation strategies are the means through which senior managers involved other employees in a conspiracy of silence that facilitates the normalization of concealing information and are insights into how workplace climates may evolve to normalize wrongdoing and undermine organizational integrity (De Maria, 2006; Olesen, 2024).

Third, we bring a temporal perspective to understanding secrecy and the use of legitimation strategies. We found there was greater differentiation and number in the rhetorical accounts deployed when senior managers had entered the strategic planning phase than toward the end of it as it proceeded to implementation. We found most (the first four) of these legitimation strategies being deployed at the initiation stage of the change project, when the decision to keep secret the organization's intention to downsize was first made. The more differentiated the argumentation we found at the initial decision to conceal, suggests that these senior managers are having to link their legitimation strategies to multiple sets of competing norms to facilitate social contagion. Previous research has taken a static view of organizational secrecy. We draw attention to the importance of temporality affecting the social dynamics of secrecy (Fan et al., 2022). The senior managers involved in concealing the organization's intention to downsize knew that disclosure was necessary at some point in the future, and the discursive legitimation strategies were employed in the knowledge of expected disclosure. There was variation in that these managers reported differing forms of legitimation as the project commenced, showing some heterogeneity in the legitimation discourses being employed. However, we found more of our interviewees sharing similar legitimation discourse (i.e., valorization and demonization) later in the project. This is consistent with the notion that these legitimation accounts are involved in collective sensemaking (Thurlow & Helms Mills, 2015) in resolving the uncertainty and anxiety surrounding secrecy. Ethical dilemmas such as organizational secrecy produce a rupture in an individual's sense of how things should be, and legitimation accounts help to repair this rupture through

reducing uncertainty around engaging in the secrecy. This uncertainty diminishes as the time for disclosure gets nearer resulting in less heterogeneity in the forms of legitimation.

We identified four meta-narratives in this study which provided plausibility to these legitimation strategies. These were (1) The organization lacked a competitive drive including the past failures or history of implementing major change (2) Slow decision-making processes as indicative of a risk adverse culture (3) Its' primary focus on customers and (4) A paternalistic management style and culture. These meta-narratives are consistent with what we might find in this particular type of organization. Mutuals are hybrid organizations that generate commercial revenues to pursue a social mission (Battilana et al., 2012). Such organizations place service to its members ahead of profit and its governance arrangements are characterized by a considerable emphasis on democratic decision-making and a solidarity ethos (Lallemant-Stempak, 2017). However, the pursuit of profit while at the same time creating social value can result in considerable tensions (Pache & Santos, 2010). Our meta-narratives relating to a paternalistic management style, its customer centric focus, and its risk adverse culture associated with slow and cumbersome decision-making reflect the organization's emphasis on social mission and democratic accountability. While the meta-narrative of lacking competitive drive suggests the challenges it faces in attempting to reconcile this social mission with its commercial goals. The need to connect legitimation strategies to these differing and competing organizational meta-narratives helps to explain some of the contradictions in the legitimation accounts we found. The most significant being the use of a valorization legitimation rhetoric, suggesting senior managers were acting in the best interest of employees in keeping secret the intention to downsize, and then later demonization where employees were said to be naïve in not thinking that the restructuring would result in redundancies. Similarly, while proceduralization suggested a primary concern for employees in making decisions, moralization and rationalization subjugated the interests of employees to the needs of the customer or broader business interests.

Senses of legitimacy are produced in relation to specific discourses such as these meta-narratives and provide the means by which individuals then make sense of them (Vaara & Tienari, 2008) or "frame" them (Fairclough, 2003). Meta-narratives as representations of the socio-cultural context help us to understand why these particular legitimation strategies and not others were used by those involved. They constitute an organization-specific set of mental schemas influencing individuals' sensemaking (Harris, 1994). These collective schemas are derived from individual experiences of how "things work here." They guide both the search for information, the processing of information, problem-solving, and subsequent judgments as to how one should act (Markus

& Zajonc, 1985; Taylor & Crocker, 1981). It is these schemas that through social information processing, provide “a direct construction of meaning through guides to socially acceptable beliefs, attitudes and needs, and acceptable reasons for action” (Salancik & Pfeffer, 1978). Subgroups within the organization that shares similar experiences and shared exposure to similar cues such as senior executives are also likely to share more specific and clearly defined mental schemas (Harris, 1994) that over time are stored in the collective memory of the organization.

## Managerial Implications

We found legitimization strategies play a role in directing managers’ participation in organizational secrecy. Putting a spotlight on these can encourage managers to reflect on situations where they have sought to legitimate secrecy in their own organizational contexts and whether in so doing this corresponds to the standards of personal integrity they wish to uphold. A greater awareness of the use of legitimization strategies by managers as a process by which ethical dilemmas around secrecy are managed can serve as a useful sense-checking device when individuals find themselves faced with decisions as to the necessity of withholding information from employees in the organization. Our findings also draw attention to how senior executives might influence other non-managerial employees to participate in secrecy through the use of these legitimization discourses. They are therefore helpful as a basis more broadly for discussion in organizations as to the appropriateness of the use of secrecy particularly during organizational change.

Our findings also have implications for considering the ethicality of people management decision making specifically in relation to downsizing. Many countries have employment protection legislation that requires minimum notice is given to employees at risk of redundancy. However, this does not deal with the ethicality of when staff have a right to know about an organization’s intention to downsize. Campion et al. (2011) argued that good HR practice in downsizing should include informing staff about the intent to downsize as well as the period. However, there is limited discussion of the principle of providing employees with as much notice as possible once the organization knows it intends to downsize. Our study suggests that managers should consider when to communicate decisions regarding the intention to downsize.

## Limitations and Future Research

Our study has several limitations that provide the foundation for future research. First, our study relies on the self-reports of senior managers who discussed their justifications for

secrecy around the organization’s intention to downsize as the strategic change project evolved. These accounts potentially understate the complexity and multiplicity of discursive legitimization strategies used between these senior managers as we were not present during interactions between them when they discussed the need for secrecy. Although interviews enabled us to collect the data we needed, the use of alternative ethnographic methods that permit observation of discussions at meetings would strengthen the methodological approach to study the use of discursive legitimization in secrecy. An important methodological characteristic of our study is that it we conducted it in real time rather than retrospectively, thus allowing us to better capture the salience of legitimization strategies as they unfolded in connection with events in a dynamic and recursive fashion. This obviated any problems that could arise due to memory recall. However, it may have meant that managers were guarded about how much detail they were prepared to disclose given their fears about disclosure until they were ready. As we reported in the study, one of the managers indicated they were deliberate about what they said in front of staff following a project update. Theirs and others response to this event may have similarly affected what they were prepared to share with the research team.

We drew upon previous research in discursive legitimization to identify the discursive legitimization strategies used to justify organizational secrecy. These have their basis in established ethical philosophy. We noted similarities between the nature of these and Bandura’s moral disengagement processes. Gaining a deeper understanding of how legitimization and moral disengagement interact would be an interesting area for future research. We found here that the exceptionality surrounding the change project influenced the acceptance of secrecy by those involved in addition to discursive legitimization. Future studies should establish how secrecy is justified in relation to other forms of argumentation. Our case study was also based on organizational secrecy in a particular type of organization characterized as a mutual. The organizational narratives that provided anchors for the legitimization accounts are typically found in such organizations. Future research should focus on organizational secrecy in other types of organization where differing organizational narratives associated with organizational cultures may favor forms of discursive legitimization over others. Finally, acceptability of secrecy within a particular country is affected by national forms of organizational governance as well as by cultural differences such as power distance. Our study focused on organizational secrecy in the UK where there is a relatively low power distance, and where expectations to share information may be higher than in high power distance countries. This may well affect the extent to which managers feel the need to legitimate secrecy. We were unable in the study to determine how organizational secrecy in



downsizing may affect employee judgements of fairness in how the downsizing was managed. This would be a useful avenue of research to improve on our current study.

## Conclusion

This study investigates the use of discursive legitimation by senior managers and reveals that it is a dynamic process connected to organizational secrecy during the implementation of major strategic change. We show that senior managers engage in organizational secrecy without any apparent self-censure and that rhetorical legitimation strategies comprise the discursive tactics that are employed as means to manage the tension inherent in maintaining secrecy until eventual disclosure. Legitimation accounts act as a boundary function, framing how senior managers perceived the morality of secrecy and the assumptions that affect managers decisions when secrecy is acceptable. We found these legitimation strategies emerged in response to events in the organization and were given salience by their alignment with broader meta-narratives about organizational processes, historical accounts, and its values. Rather than being fixed at any one point in time, these legitimation strategies emerged dynamically. Our analysis of these legitimation accounts helps us to better understand the processes by which the acceptability or ethicality of concealing information from employees is judged by those participating in the secrecy. They also provide an explanation in how the ethical tension associated with organizational secrecy in the context of downsizing was managed by those involved.

**Acknowledgements** The authors are grateful to the Project Management Institute for funding this research

**Data availability** Qualitative data from interview transcripts is available from the first author.

## Declarations

**Conflict of interest** There are no conflicts of interest.

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