

Chapter 9

Followership: An Important Social Resource for Organizational Resilience

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Abstract This chapter concerns the importance of social resources in general and constructive followership in particular as prerequisites for organizational resilience. Based on a longitudinal case study of a subcontractor in the automotive industry, the chapter describes how organizational resilience can be created based on the engagement by workers resulting from distributed leadership and the development of followership. The spirit of the company supported community and constructive relationships within the organizations and toward other actors. The key contribution is that social resources are important for creating organizational resilience, which is of particular importance in industries with an emphasis on “hard” competitive advantages as products and technology.

Keywords Organizational resilience · Followership · Medarbetarskap · Distributed leadership · Community · Spirit · Automotive industry · Subcontractor

How much influence do social resources have on a factory in the creation of efficient production processes that result in an organizationally resilient and profitable business? This chapter explains how a relatively ordinary subcontractor successfully survived in difficult economic times. The chapter emphasizes the value of engagement by workers resulting from distributed leadership and the development of followership where a strong company and community spirit existed that created organizational resilience.

9.1 Hard and Soft in Manufacturing

We have seen much drama recently at companies and other workplaces in the Western world as the result of steadily increasing competition from low-cost countries and the development of highly innovative business technologies (Rees

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and Smith 2014). The recent financial crisis, which hit the automotive industry particularly hard, revealed the exposed positions of the automotive subcontractors and factories.

Independent subcontractors are under great pressure from the “outside” (i.e. the market). Moreover, a customer-owned subcontractor is also under pressure from the group management. As in the case described in this chapter, the subcontractor experienced a great deal of pressure for profitability. Adding to this pressure was the subcontractor’s grave concern that its activities could be outsourced, or even that the factory itself might be closed or sold.

In the manufacturing industry, the focus is on achieving “hard” competitive advantages in products, production, and technology. “Soft” competitive advantages, such as committed and responsible managers and workers, however, can be just as important and can even lead to “hard” competitive advantages. The hope is that this chapter can inspire other suppliers and subcontractors by its illustration of how, even in the very difficult competitive environment of the automotive industry, it is possible to build up resources that can make a company viable and robust—what is referred to in this book as “organizational resilience”.

9.2 Workers’ Commitment to Results—Followership and Culture

Chapter 3 describes the three-part model of resources used to achieve organizational resilience: financial, technical, and social. In this chapter, I use this structure to describe how organizational resilience was created and recreated in a wholly owned subcontractor in the automotive industry. The Factory,¹ located in a rural Swedish town of about 1500 inhabitants, is the town’s main employer. The chapter illustrates that the resources in the resilience model are not static—something an organization has or does not have. Rather, these resources are best understood as on-going, dynamic, and interrelated processes. Thus, they influence and interact with each other. They must also be maintained and adapted to achieve robustness. To illustrate this, I will not rely on snapshots of the Factory at points in time; rather, I describe its development over time.

In this chapter I emphasize the “soft” issues of competitive advantage that involve worker commitment and responsibility—issues that are often neglected in technically oriented organizations. These social resources can create organizational resilience and can also support the development of technical and financial resources such that organizational resilience is further strengthened. Social resources can, in many ways, be more durable than technical resources (e.g. superior production technology) and financial resources (e.g. good earnings capacity), both of which

¹The name of the subcontractor is not used in the chapter. I refer to the subcontractor as the Factory.

may depend on favourable economic conditions or temporary competitive advantages.

I do not use motivation theories to explain the engagement of individual workers because of their strong psychological connotation. Instead, I describe motivation at the group and organizational levels. Managers' actions and approaches affect work motivation; so do workplace relationships and organizational cultures. In this chapter, I describe leader–follower organizational relationships as well as companies' organizational relationships with external parties, such as the community, the unions, the customers, and the owners.

Swedish work life is characterized by a high degree of decentralization and informality (Tengblad and Andersson 2014). This makes the development of organizational relationships much more important than in a centralized and formal labour market. In Sweden, *medarbetarskap* is a commonly used word to describe this decentralized, informal relationship between leaders and followers. The term is used both in Swedish work life and in research. At work, the word is used to describe both a policy and a basis for development (Kilhammar 2011).

Although no exact equivalent word in English exists for *medarbetarskap* (Tengblad and Andersson 2014), in this chapter I use “followership” because recent development and use of the term (e.g. Uhl-Bien et al. 2014) bring it closer to the meaning of *medarbetarskap*.² For followership to develop, with the realization of worker potential, it must be matched with a highly decentralized management structure and distributed leadership. If leadership and followership are grounded in a commonality of values and approaches they become essential elements in the organization's culture. Both management structure and organizational culture influence how the workers approach and conduct their everyday work (Andersson et al. 2013).

In the best-selling management book, *Good to Great*, Jim Collins (2001) claims we tend to focus too much on companies' unique business ideas or their unique products/services (see Chap. 4, which is a critique of the book's success stories). Instead, Collins believes it is crucial to employ the right people: people who are committed, competent, and loyal. One of the book's messages is that with such people, a company can succeed. Yet the book is somewhat vague on just how companies create this attitude among their employees. When and how does developing followership become a strategy for organizational development? What are the effects on its financial and technical resources? These are relevant questions we need to address in order to understand how followership as a social resource creates organizational resilience.

²The nearest English translation of *medarbetarskap* is followership or empowerment although the translation lacks a certain nuance with reference to the cooperative relationships between managers and workers.

9.3 Conditions for the Development of Medarbetarskap/Followership

The concepts of medarbetarskap and followership were created in reaction to the excessive, leader-centred perspective that is so prominent in leadership/management research. Moreover, medarbetarskap is a concept that describes the phenomenon in Scandinavian workers life where medarbetare in many organizations take responsibility and initiative almost as if they were managers. This is a development not contemplated in traditional leadership research.

While I use the word followership as an analytical tool, I use it in the context of Swedish research on followership (i.e. medarbetarskap). It seems meaningless to discuss leadership without also discussing followership. Leadership cannot exist without followership because they are interdependent. Nevertheless, as a concept, it has been difficult for followership to gain attention. The reason is mainly because the word may suggest passive and weak victims who must follow their leaders' whims and obey their demands (Kelley 2008). This negative connotation is, however, linked to the dominant, leader-centred approach of leadership (Hopton et al. 2012) that elevates leaders and subordinates followers (Uhl-Bien and Pillai 2007).

However, if we remove followership from the leadership equation because we reject its negative connotations, then we are no longer studying leadership but rather some other social phenomenon (Shamir 2012). In order to avoid the passivity associated with followership that highlights the active–passive view of the leader–follower relationship rather than the active–active relationship, which is the ambition of the concept, it is important not to reduce the concept to the follower as an individual or a role. Rather, it is important to deal with followership as a decisive process in the construction of leadership (Uhl-Bien et al. 2014). The act of following deals with recognizing and granting legitimacy to someone's influence or status (DeRue and Ashford 2010).

Leadership and followership are created in a mutual claiming and granting process. For followership to develop, it must be paired with leadership that is highly distributed. Research on followership emphasizes primarily the competencies required to develop followership (e.g. Kelley 2008), but less so if other conditions exist. Therefore, in this chapter, I complement the followership research with the normative description of the conditions necessary for the development of followership. I use a developed model of the followership (medarbetarskap) wheel depicted by Hällsten and Tengblad (2006) and Andersson and Tengblad (2015) for this purpose. The model describes four pairs of concepts that are important preconditions for constructive followership: trust and transparency; community spirit and cooperation; commitment and purpose; and responsibility and initiative (see Fig. 9.1).

Trust and openness—Trust is the key to all well-functioning relationships. Work relationships are no exception. Openness is manifested primarily by open dialogue between all parties, whether managers and workers, workers and workers, or workers and employers in general.

Fig. 9.1 Followership (co-workership) wheel. Development of figure used in Hällstén and Tengblad 2006, p. 15



Community spirit and cooperation—It is important to have positive community spirit and cooperation at work. Such behaviour patterns take time to develop; these patterns may even be development issues for an organization. A particular challenge is to achieve effective cooperation across internal borders, regardless of whether the borders are created by organizational structures (e.g. departments, groups, etc.), professional roles, functions, or other barriers.

Engagement and meaningfulness—Professionals in skilled occupations that require advanced education and experience are typically very engaged in their work because their work tasks are often very interesting and challenging. However, in many organizations, for example, in the manufacturing sector where there is a mix of challenging and monotonous jobs—some workers may not be engaged in or committed to their jobs. Beyond the engagement in and commitment to the work, constructive followership also requires commitment to the organization itself. With such commitment, work becomes much more meaningful. This may be the result regardless of the nature of the job (Andersson et al. 2011).

Responsibility and initiative—Responsibility and action are closely linked, since those who feel responsible in a situation tend to be active and take initiatives. Workers who aspire to responsibility should be encouraged to take responsibility. The responsible individual also needs to have some measure of authority. Empowered individuals are more likely to take initiatives.

The followership wheel describes the conditions necessary for constructive followership. When these conditions exist, they can support a self-reinforcing development process in which followership becomes a philosophy for organizational development. Increased openness and open dialogue strengthen the sense of community, promote cooperation, create greater engagement in work, and make work more meaningful—all of which, in turn, strengthen followers’ sense of responsibility and willingness to take initiatives. However, the wheel is not self-propelling; for the wheel to turn, the majority of the followers in an organization must get behind the wheel and make it spin.

If such approaches are shared in an organization, followership inevitably will have a central position in its culture. Thereby, followership becomes an important part of the “invisible” organizational governance (Andersson 2013). The culture constitutes an interpretation pattern that helps workers understand situations in similar ways, prioritize situations in a similar fashion, and ultimately handle like situations in like manner.

9.4 Organizational Resilience at a Factory in the Automotive Industry

Volvo Car Corporation (Volvo) has had a components factory (the Factory) in the small, rural community of Floby in western Sweden for decades. The Factory employs about 500 people in a community with only 1500 inhabitants. It mainly manufactures connecting rods and brake discs for passenger cars, and nav modules and disc brakes for trucks. The Factory has no unique technology and no separate marketing department. Despite various downturns in the industry and a number of different owners (the Volvo Group, Ford Motor Company, and the Chinese car manufacturer, Geely), the Factory has continued to grow and remain profitable. People speak of the “Floby Spirit” that is evident in the Factory’s well-developed teamwork and proud initiative that contribute to its efficient production. Moreover, most employees are proud of their factory and what they have accomplished together.

The empirical data for this chapter come from interviews and various documents. This research was conducted in 2007–2008 (see Andersson and Jönsson 2011). The researchers interviewed 16 people: 7 managers (production managers to first line managers) and 9 workers working in various capacities. It is of particular interest that the Factory was the focus of a research project on how decentralized/local control could be used in improvement work and as a basis for targeted work groups (see Jönsson 1996). Therefore, conditions at the Factory have been well documented over time.

Next I use the various resources for organizational resilience (financial, technical, and social) as the structure for the description and analysis of the empirical material derived from these interviews and document analysis.

9.4.1 The Brand as a Threatened Financial Resource

A strong brand is an important resource for a subcontractor or supplier because it creates credibility as far as solvency and creditworthiness. As a wholly owned Volvo subcontractor, the Factory benefited from the Volvo name and brand, which was a financial resource. Therefore, in the late 1990s when Volvo announced the Factory was “for sale” there was considerable worry. Most of the Factory’s workers opposed the sale, primarily because they feared they would no longer be part of the

“Volvo family” with its globally recognized brand and its strong ownership structure. At the time, they described this period as “an acid test”.

However, a resilient organization (here, a resilient factory) can turn a crisis into a competitive strength. In this case, the Factory prepared to become an independent actor. The realization was that the Factory had to take responsibility for its entire business, not just its production capacity. The Factory saw it had to become a complete functional entity with a full range of business areas and business competencies.

Ultimately, Volvo did not sell the Factory. However, as the result of this period of uncertainty and worry, there was a change in approach and attitude at the Factory that remains to this day. The threat of losing a financial resource—the Volvo brand—created a social resource that laid the groundwork for a new financial resource that was unusual for a production unit: the ability to do business. This ability produced good results because Volvo, as the owner, also allowed the former production unit to take customer orders from outside the corporate structure. Although the “for sale” period was a painful time, the Factory learned—the hard way—how to transition from a production unit to a business unit. This change proved invaluable under the new conditions after Ford Motor Co. Ford acquired Volvo Cars because the new corporate structure included several possible new customers. However, this transition was also important in relation to existing customers because it made the Factory view internal customers as “real” customers who had the right to make claims and demands. It is a well-known problem in corporate structures that production units tend to see internal customers merely as receivers of their products who are in no position to make claims and demands.

The threat of being sold also meant a more long-term perspective was taken at the Factory as far as its development activities. Previously there were no discussions about the future at the components level—“someone else” could handle that. Now, however, the Factory took the initiative in the development of the components, and not just in response to customers’ claims.

One could list all the new activities the Factory engaged in and the new competencies it developed, but that detail is probably not the most important lesson we can draw from this story. What seems more important is the Factory’s new approach to work. Instead of just producing something to order, the Factory began making its own decisions, developing its own activities, and conducting its own business affairs. The threat against the financial resource (the risk of losing the Volvo brand) resulted in the development of a social resource (a new approach to work and business).

The threat of being sold prepared the Factory to act as an independent actor. It demonstrated an impressive ability to take advantage of opportunities with the new ownership without abandoning its relationships with its former owners/customers. Relationships with customers that were previously a financial resource (through the Volvo Group affiliation) successively developed as a social resource as these relationships now were based on trust instead of ownership.

9.4.2 The Risk with Technical Resources at an Engineering Company

Many production and/or technologically intensive organizations think of their technical resources as identical to competitive advantages and survival strategies. However, the risk with this thinking is that organizations may fall into the trap of over-valuing the benefit of their technical resources and of under-valuing the benefit of their social resources.

At first glance, the Factory's organizational resilience seems mainly explained by its technical resources. The Factory produces quality products using modern and highly innovative production processes that have allowed it to compete against low-cost countries. Because of its success in testing new production technologies, several articles in Swedish newspapers in the 1990s referred to the Factory as "Sweden's Japanese factory" (Andersson and Jönsson 2011).

Of course, technical excellence was not established overnight at the Factory. This has been a gradual process that took place in the 1970s, 1980s, and 1990s (see, e.g. Andersson and Jönsson 2011; Jönsson 1996; Tengblad 2003, 2011). The most interesting point in this evolution is that the Factory's social resources were a major contributor to the emergence of its technical resources. From a theoretical perspective, this development is significant because it illustrates the importance of the interconnection of the various resources as far as creating organizational resilience. The Floby Spirit was reflected in a work culture that empowered work groups to take responsibility. The result was a factory that is today a world-class player in its manufacturing sector.

9.4.3 The Floby Spirit: Culture as a Social Resource

Organizational resilience at the Factory has mainly been built by the use of its exceptional social resources. A culture of cooperative and trusting relationships exists, whether the relationships are between managers–workers, company–unions, company–community, company–customers, or company–suppliers. The core of the Floby Spirit is the well-developed followership that is the most obvious evidence of cooperative and trusting relationships. This spirit promotes a problem-solving attitude and a developmental approach to work.

The Factory has also exhibited a strong will to survive. The community has a symbiotic relationship with the Factory that has been especially evident in their joint fight to save jobs. This culture and these relationships (i.e. the social resources) are well summarized as the Floby Spirit. Many interviewees at the Factory repeatedly referred to the Floby Spirit despite some variations in what the term actually means. Some interviewees talk about survival, development, adaptation, growth, or, most often, shared responsibility. Other interviewees claimed the Floby spirit was dead. However, I interpreted their observations as "things are not as they

were”. I actually observed a special way of approaching and solving problems at the Factory that indicates the Floby Spirit is alive and well.

What is the origin of and basis for the Floby Spirit? Is it the result of the worrisome “for sale” period that the Factory successfully survived? Yet, even before this period, there was a Floby Spirit (e.g. Jönsson 1996), although it may have modified somewhat as the result of the threat of the sale. Such a powerful culture as reflected in the Floby Spirit is an evolutionary phenomenon, which means it grows, develops, and adapts as its various internal and external influences change.

From its founding, the Factory was a member of the Volvo Group. Of course, this means the Volvo Group culture, with its focus on safety, quality, and training, influences the Factory’s culture. Being a part of the Volvo Group has influenced the Floby Spirit.

Yet the Factory has also developed its own culture. The interviewees talk about “our factory” rather than “Volvo’s factory”. Because of its rural, somewhat isolated agricultural location, many managers and workers at the Factory are involved in, or have been involved in, farming, either directly or through friends and relatives. Farmers, of necessity, are hardworking, independent problem-solvers. This agricultural spirit is reflected in the work ethic at the Factory. One interviewee commented:

Previously I worked with cows. Cows must always be fed and milked, regardless of how I feel. If something does not work, I have to fix it myself—who else would do it? I see the same thing here with most jobs. You just solve the problem. Working here is better than farming because I work with others. On the farm, I always worked alone. It is a huge difference. My colleagues are the best part of my job. (Worker in operations support)

The connection to agriculture, with the agricultural way of solving problems and taking responsibility, seems to have influenced the Factory in a way that is somewhat at variance with Volvo’s ways of working.

These agricultural-inspired work values are similar to the new work attitudes among managers that various researchers have studied. Vielba (1995), for example, describes the change in managers’ descriptions of their work—from “I work XX hours a week” to “I work as much as is needed”. The implication is that managers look at work as tasks and results rather than as the daily grind. At the Factory, this is true not only for managers but also for workers.

9.4.4 Followership at the Core of Social Resources at the Factory

A spirit or culture is primarily about values and attitudes that are shared by a group of people. Nothing, however, guarantees that a shared spirit or culture is positive for the organization. The shared culture or spirit may drive the organization in the “wrong” direction by supporting values and attitudes that do not contribute to the

organization's survival. However, the well-developed followership at the Factory may have ensured that the organizational culture supported the Factory's survival. Followership is mainly about individual or relational values; when these values are shared, as at the Factory, followership is a central feature of the culture.

The Volvo Group is known for its socio-technical, work life experiments conducted in the 1970s and 1980s in which group organization and participation were key elements. After the Swedish factories in Kalmar and Uddevalla (where the experiments were tested) closed in the early 1990s, the spirit behind these experiments still survived, although on a smaller scale in the concept of *medarbetarskap* (Tengblad and Andersson 2014). When Volvo was part of the Ford Group, the American employees spoke of "the M word" because they had no English word equivalent for *medarbetarskap* and also because they had difficulty pronouncing and understanding the Swedish word.

As noted above, in this chapter I mainly use "followership" because the concept has developed considerably in recent years in research in a way that reflects the teamwork idea in *medarbetarskap*.

There is a framed *medarbetarskap* policy posted in the Factory's conference room where the interviews for this research were conducted. Although the interviewees did not use the word "*medarbetarskap*", this does not mean the policy is just for show, as is often the case at some companies where policy seems more a statement for public consumption than a description of work reality. At the Factory, there is a clear sense of constructive followership. The workers and managers may not refer to *medarbetarskap* *per se*, but they live the experience.

To understand why followership is so developed at the Factory, I refer to the concept pairs in the followership (*medarbetarskap*) wheel presented in Fig. 9.1 (Hällsten and Tengblad 2006). Here I develop those concepts in the context of the Factory.

Responsibility and initiative: Responsibility relates to actions and initiatives, not just to the requirements of the "law". It is a social construct. When someone takes responsibility, that means the individual has constructed his or her interpretation of responsibility and what it means in regard to relationships, actions, and initiatives.

The machine operators at the Factory take "broad" responsibility for their machines and their work. This means a future-oriented, long-term responsibility that is intended to support development and ensure the survival of the Factory. Even the trade unions support this attitude among the Factory's workers; this is not the norm in the manufacturing industry where typically the trade unions focus on labour rights and worker protection.

Preparing to take responsibility may require "training". At the Factory, management takes a supportive role in empowering and teaching workers to take responsibility. This becomes training in taking responsibility and making workers familiar with new requirements. Distributed leadership creates the conditions as well as the expectations for the assumption of responsibility among followers. At the Factory, managers follow the principle of never punishing initiative because they value a "take-charge", problem-solving attitude in the workers. Even when

initiatives are unsuccessful, the managers accept such failure as the acceptable price of a problem-solving culture.

Leadership in an organization often has more a symbolic character than a purely rational character. The symbolic aspect of leadership may be revealed more in leaders' demonstration of their values and their expectations of followers than in their specific actions. Distributed leadership is a kind of indirect leadership in which leaders try to influence followers' values and work attitudes while, in reality, the followers control the actual work (cf. Watson 2006). At the Factory, management demonstrated its confidence in the workers by giving them responsibility and encouraging their initiative. This is an attitude that prioritizes initiative (and thereby the risk of failure) over self-protective risk-avoidance.

Trust and openness: As this discussion shows, responsibility and trust are closely integrated. Assigning responsibility and encouraging initiative are symbolic ways of showing confidence in people. Trustful relationships are built when managers manifest their trust in workers in such actions, so long as this trust is not abused.

Open and regular dialogue is needed if trust is to be created and supported, especially between managers and workers. At the Factory, managers make daily tours of the factory floor where they talk to the workers in open and friendly communication. This regularity in communication builds the manager-worker relationship and strengthens mutual trust.

Community spirit and cooperation: Several workers compared the Factory to other places where they had worked. Many of them emphasized the democratic equality of managers and workers at the Factory:

There are no people here who think they are exceptionally important. Everyone wear the same-style blue Volvo jacket-machine operators as well as managers. (Machine operator)

The blue jacket at the Factory has become a symbol of the "we" that crosses the manager-worker border and reduces the power distance between them. At work, there is always a risk of the "we" versus "them" mentality, that is, the workers versus the managers. This mentality distances managers from workers, and makes it more difficult for them to influence organizational activities. This mentality can also lead to the creation of the active-passive relationships in which workers expect their managers to solve all problems. By contrast, a spirit of cooperation can create an active-active relationship in which both sides work together to solve problems.

Engagement and meaningfulness: Worker engagement is very apparent at the Factory. As mentioned above, the workers refer to "our factory". They also recognize and approve the symbiotic relationship between the Factory and the community. Thus, their work engagement and commitment are not simply to individual tasks but rather to the Factory itself. Many manufacturers experience difficulties in trying to instill such commitment in their workers, especially if work tasks are repetitive and boring. To some extent, a strong sense of community can give work greater meaningfulness, even when the tasks are routine and dull. At the Factory, the community spirit, which is very strong, helps support worker engagement,

responsibility, and initiative. These are values that are rather independent of the performance of daily work tasks.

The people in Human Resources (HR) at the Factory also encourage worker engagement by their active support of new learning and training. The Factory's HR people, who are thus closely integrated with operations, act almost as internal headhunters who recruit workers for training who want to develop their competences. At many manufacturing companies, HR people maintain considerable distance from daily operations on the factory floor. The HR people at the Factory, by contrast, view their role as one of cooperation. Thus, the HR function at the Factory has acquired credibility by its understanding of operations rather than by its claim to a special expertise in personnel issues.

9.5 Can Organizational Resilience Be Sustained?

An important point related to organizational resilience is that, although this book's model describes the different resources essential for creating resilience, there is no guarantee that these resources, in their original form, will maintain their resilience. It is therefore necessary to ensure that an organization's resources can adapt as conditions change. Although the Factory was highly resilient in the period when this research was conducted, its future organizational resilience is not a given.

Several threats to organizational resilience exist at the Factory, in particular threats from within. One example is the introduction (at the time of this study) of a more centralized management style. An important aspect of the Factory's organizational resilience was always the sense of its wholeness created by decentralization, distributed leadership, and developed followership. Thus, the Factory was not just a production unit; rather, it was a business unit supported by functions closely integrated with operations.

Another threat to organizational resilience at the Factory comes from the outside: the constant risk of being shut down or sold. Because the Factory has always maintained it can operate regardless of who owns it, it has not paid a great deal of attention to ownership change. The workers at the Factory claim that their profitability, which ensures their independence, allows them to influence their operations and shape their future. In this way, the Factory has created a financial resource within Volvo that gives it a relatively independent status.

Ford's acquisition of Volvo Cars in 1999, however, had a powerful effect on the Factory. It is commonly agreed that the subsequent increase in managerial centralization and formalization was an effect of Ford's management. This increased formalization, along with repeated cost cuts, reduced the scope for the Floby Spirit that was characterized by greater informality. In the new Ford culture, there was less room for independence and initiative. At the Factory, the Floby Spirit had always implied the "we" attitude in the sense that "together we can solve problems."

A more streamlined, formal organization limits people's ability to take the initiative that falls "outside" their normal range. Consequently, workers have fewer opportunities to take responsibility and initiative—the very essence of the Floby Spirit. Furthermore, worker confidence is undermined when highly formalized work procedures suggest management mistrusts people's ability to do their work well. Followership between managers and workers is at serious risk of damage.

In the Ford Era of Volvo ownership, the management philosophy was that problems could be solved with more regulations, more responsibility structures, and more formalization of roles. Formalization became the way to "capture" those who lacked the "right" cultural values. Thus, the power distance between managers and the workers increased. Followership became much more passive, as one Factory worker explained:

It was different when I began work here 20 years ago. If you did not do your job then, some old geezer yelled at you. That would happen only once because after that you did the job right. The managers never needed to say anything. Now people do not control each other in that way. Instead, they expect that supervisory managers and team leaders should handle such problems. (Worker in operations support)

This statement points to the fact that responsibility levels decreased among workers at the Factory. Another way to say this is that social control decreased as managers were expected to take more responsibility. To a certain extent, even the Factory's success and rapid growth created a problem as far as the Floby Spirit. When a company grows rapidly and new workers are employed, it is necessary to inculcate these workers with the company's organizational culture. At the Factory, this socialization process with workers may not be as strong as it was previously because of the Factory's rapid growth and the decline in the agricultural spirit. Fewer employees had worked as farmers or had been associated with the agricultural sector.

Because this increase in standardization has reduced the space for worker initiative, there is a risk that the core values of the Floby Spirit may weaken. However, a better understanding of the social resources that support the Factory's organizational resilience could lead to a reduction in the pressure for standardization. Outsiders do not know if Geely and Volvo Cars reached an understanding about the Factory's organizational resilience. However, it is apparent that Geely is less interested in action control of the car manufacturing activities than Ford was when it owned Volvo Cars.

A general conclusion, which certainly applies to the Factory, is that inadequate awareness of the basis of one's own organizational resilience is a very serious matter. Without such awareness, there is a risk that the organization will fail to protect the resources that best prepare it to meet future problems.

9.6 Concluding Reflections

Organizational resilience deals with the various resources that can sustain an organization's viability and support its survival. A resilient organization evolves gradually over a long time as it acquires and maintains its resources even as conditions change. This is the procedural, evolutionary characteristic of resilience that all organizations need to understand.

The chapter argues that even in the manufacturing industry, social resources, such as the commitment and responsibility of workers, are essential for organizational resilience. Distributed leadership promotes such commitment and responsibility, and, above all, the development of followership. Developed followership that is based on shared values is especially strong because it is the cornerstone of the organizational culture. Cooperative relationships between managers–workers, company–unions, company–community, company–customers, and company–suppliers facilitate the mobilization of resources, especially in times of crisis. These social relationships are crucial for organizational resilience.

This chapter also shows that companies in small towns that lack access to a large pool of workers with varied skills and different educational backgrounds (such as are found in larger cities) may still have a competitive advantage because of the commitment and loyalty (e.g. the Floby Spirit) of their workers that is reflected in the followership at companies. Followership is potentially an important social resource that generates organizational resilience. Therefore, any organization involved in innovation, risk management, and complex knowledge systems are well advised to develop the spirit of strong followership (see Vogus and Welbourne 2003). It is necessary, however, to recognize, at the same time, that developed followership is based in distributed leadership, which more traditionally managed companies may find challenging, even threatening.

In many ways, the Factory case describes the constructive and well-developed followership benefits that can be achieved through distributed leadership. This managerial system delegates responsibility to the workers to the extent that they attempt to think as managers (see Jönsson 1995). Decentralized organizations and distributed leadership are prerequisites for the development of followership; nevertheless, decentralization also depends on the realization of such followership. The Factory case illustrates that the road to organizational resilience via decentralized management and distributed leadership is not through autonomous groups but rather through the cooperation of groups. Without cooperative relationships between managers and workers, such as in developed followership, there is a risk that the decentralized organization will simply become a group of autonomous entities pulling separately in every possible direction.

The chapter also illustrates the ETTO principle (Hollnagel 2009) that concludes it is impossible to maximize both efficiency and thoroughness simultaneously (see also Chap. 2 on the need to balance efficiency, reliability, and renewal capacity). A production unit, like the Factory, must compete against low-cost manufacturers, which means its activities are under constant pressure. Among the technical

resources at the Factory, probably its ability to manufacture large volumes of products at low cost and of high quality is its most important ability. This requires both extensive technical know-how and worker commitment that, among other things, allow them to exercise their initiative and solve problems that risk disturbing established production plans.

Despite the importance of cost efficiency, management cannot focus exclusively on cost reductions. Cost efficiency, reliability, and renewal capacity must be balanced over time. The ability to produce and deliver competitively priced products of high quality contributes to the creation of customer loyalty. In this way, a technical resource becomes a social resource (i.e. cooperative and trusting relationships) and ultimately a financial resource.

The Factory of this chapter, with its Floby Spirit, shows how an organization, using its worker commitment and responsibility, can create a brand from the inside. A brand is not mainly the marketing department's special creation; a brand is also the organizational image created by the workers whose products reflect their values.

Worker commitment to their companies, which manifests itself in well-developed followership, is a special phenomenon worthy of reflection in today's globalized business environment. Production is always local in some sense, and the stability of production depends on the ability to maintain it on a continual basis. These are the characteristics of the Factory that dares to introduce new technology and that strives for high quality and more efficient production—the very foundations of small-scale manufacturing. Stability results from continuous improvement! At its core, developed followership is essential in any organizational culture that focuses on survival. These social resources produce technical resources that lead to financial resources.

An update: The Factory was sold to a global subcontractor in the automotive industry in the summer of 2015. This subcontractor took over the Factory at year-end 2015/2016. The Factory's managers were satisfied with the new owner that they thought has the capability of strengthening the Factory's place in its very competitive market. The employees, however, had mixed emotions about the new ownership. On the one hand they regret the end of a 60-year history. On the other hand, they are confident that the Factory can operate successfully regardless of the ownership arrangements. However, due to the new owner's financial problems during 2017, the Factory was returned to its previous owners, but it is still for sale.

9.7 Discussion Questions

- (1) Discuss why social resources are sometimes neglected in a technologically oriented company.
- (2) From your own experience, describe and discuss how the four concept pairs from the followership wheel have contributed to the development of

followership in your organization. Discuss whether the absence of any of these pairs has influenced the development of followership.

- (3) Based on the followership wheel described in this chapter, discuss the roles of managers, on the one hand, and workers, on the other hand, in creating the conditions needed for effective followership.
- (4) Describe and discuss the possible problems involved with strengthening organizational resilience at a factory/entity that is only one part of a company.

Author Biography

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