# The Role of The Leadership Team in A Corporate Turnaround from Financial Distress

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## Abstract

Questions about the main forces behind company turnarounds have attracted growing research interest in the last decades, as insolvency rates are continuously high and turnaround rates are not satisfactory. Performance declines and company failures are therefore a prevalent issue for practitioners and researchers. The leadership team is the key driver in a successful corporate turnaround as they manage the processes and content but executives are depending on certain context elements. The management can influence the restructuring content by implementing short-term oriented retrenchment actions as well as long-term oriented recovery strategies. They can manage the turnaround process by the speed and the timing of change, and the prioritization of important stakeholders. However, they are limited by certain context factors like the reason and severity of the crisis, slack of resources, industry and economic specific factors amongst others. This research uses a systematic literature review to understand the academic debate as of 2010. Keyword search on Scopus is used in the subject areas business, finance, and strategic management. 45 articles on leadership topics in the field of corporate turnaround from distress were selected and clustered according a conceptual framework that is based on four important turnaround elements: leadership team, content, context and processes. The proposed holistic model highlights important elements that need to be considered for a successful corporate turnaround. This paper contributes to stakeholder theory in turnaround research and provides a model as guide for the management as the main stakeholder in a financial crisis situation.

**Keywords:** financial distress, corporate turnaround, stakeholder management, leadership team

## 1. Introduction

In nowadays fast changing global environments most companies are at least once in their corporate life cycle affected by organizational decline or financial distress (Trahms et al., 2013). Recovery from turnaround and the role of the leadership team in a turnaround situation are therefore important research topics. The early studies in corporate turnaround research were already conducted in the 1970s and 1980s and started with bankruptcy prediction models (Altman, 1968; Ohlson, 1980) and first conceptual studies (Gordon, 1971; Hofer, 1980; Pettigrew, 1987; Schendel et al., 1976). The first empirical studies (D'Aveni, 1989; Gilson & Vetsuypens, 1993; Pant, 1991; Robbins & Pearce, 1992) analysed turnarounds in the 1980s in the U.S. and Europe. An increasing number of companies faced performance declines due to recessions, deregulations, industrial crisis or bad management (Hoffman, 1989). However, despite over four decades of intensified research on corporate distress and financial turnaround the results up until today have not been satisfying and the topic of organizational decline and turnaround is not sufficiently researched (Gotteiner et al., 2019a; Schweizer & Nienhaus, 2017; Serra et al., 2017). Turnaround research has evolved over the last decades but there remain much to learn on organizational decline and turnaround. The role of CEOs and its top management team can be strengthened by employing strategic leadership, resource orchestration and stakeholder theory (Trahms et al., 2013). Schweizer & Nienhaus (2017) reviewed 262 corporate turnaround studies and showed that corporate turnaround research is largely subject to various sample biases (region, industry & size). In a nutshell, most research is based on large US or UK manufacturing companies. Therefore, a transfer of the results to a different environment is difficult e.g. a transfer of the findings to other regions (Bruton et al., 2003). A further weakness in current research is the poor integration of multiple elements of a crisis situation. Crisis and turnaround research lack a jointly accepted concept for the crisis and turnaround situation (Gotteiner et al., 2019b; Pandit, 2000; Robbins & Pearce, 1992; Smith & Liou, 2007). This paper takes the poor integration into consideration and proposes a model that integrates key elements that need to be considered during a turnaround.

In the following section, the most important terms of this study will be briefly described. It will be explored what is financial distress, corporate turnaround and what are relevant stakeholder groups in a turnaround management.

## 1.1 Distressed companies

Financial distress is the trigger for applying restructuring initiatives in order to ensure corporate turnaround. There are different distress indicators that develop over four different crisis stages (Gless, 1996). In the first phase, sales are going down and market shares are lost to competition. Secondly, profitability goes down or even turns negatively and a corporation gets economically distressed. In the third phase, the organization gets financially distressed, phases a liquidity problem, and does not generate enough cash to cover its payment obligations. The final phase of a corporate crisis would be bankruptcy if no turnaround is managed. Sudarsanam & Lai (2001) are defining distress as a potential bankruptcy risk or Iqbal & French (2005) evaluate a distress situation when a company faces financial difficulties.

### 1.2 Corporate turnaround

Corporate turnaround is defined as a performance recovery after decline (Schendel et al., 1976) or even the recovery from an existence-threatening decline (Heine & Rindfleisch, 2013; Pandit, 2000). Arogyaswamy et al. (1995) define turnaround as a situation where companies manage to recover from organizational decline by utilizing a combination of decline stemming actions and start a strategic reorientation. In turnaround research, there are different definitions used to describe a successful corporate turnaround and a definition for a successful turnaround among scholars and practitioners is not straightforward (Trahms et al., 2013). There are different proposed turnaround results applied in turnaround research: Performance improvement, continuous decline, exit or failure (Lohrke et al., 2004). According to Pandit (2000) a turnaround should define two items: how to measure the performance of a corporation and the turnaround cycle, which is a period of decline that follows a recovery phase. Measurement of turnaround performance improvement can be based on accounting ratios, marked-based indicators or cash flow-based ratios. The main corporate business goal is to achieve profits therefore many turnaround studies measure as well turnaround performance using earned net income (Schendel et al., 1976). Other researchers use accounting ratios such as ROA (return on total assets) or ROI (return on investment) as the performance criterion. Ndofor et al. (2013) apply ROA as a financial merit in their study on turnaround of software companies. A company needs at least two years of growing ROA after two years of declining ROA and at least a positive ROA in the sixth year after the base year (year before decline started). Ndofor et al. (2013) categorize non-turnaround firms as either not achieving the above criteria or they stopped reporting financial results during their research period because the companies went bankrupt or got liquidated, delisted from the stock exchange or were sold while they still reported losses. A few researchers also use market based indicators such as stock returns in the bottom 20% of the market (Lai & Sudarsanam, 1997). The disadvantage of market-based indicators is that they are forward looking and already contain expectations. Accounting based indicators have the risk of market manipulations and window dressing. Therefore, the use of indicators based on cash-flows figures seems appropriate, as they are more robust towards such earnings management (Armenakis & Fredenberger, 1995). In summary, an overarching problem is that there are no agreed terms in organizational decline and corporate turnaround research.

### 1.3 Stakeholders

Stakeholders can be classified into primary and secondary and into internal or external stakeholder groups. Primary stakeholders are important for the creation of firm wealth and include employees, customers, suppliers (creditors of finance and goods and services), communities, and shareholders (Clarkson, 1995). Governing stakeholders are crucial for the continuity and survival of companies (Boaventura et al., 2020). Internal stakeholders are part of the company and include owners, managers, employees or the workers council. External stakeholders are outside and include amongst others: creditors, vendors, trade unions, public authorities, communities etc. Stakeholder relationship management and especially the management of creditors is an important element for the recovery from a distress situation. Creditors are important and dominant stakeholders in a corporate financial crisis as they provide goods and services and financial resources and their support is key for a successful corporate turnaround (Pajunen, 2006).

## 2. Research methodology and method

This study applies a systematic literature review (SLR) to identify the relevant literature of the last decade in the area of corporate turnaround research and the role of the leadership in this process. The SLR is based on guidelines from Denyer & Tranfield (2009) and Hökkä et al. (2014) and consists of four steps:

Step 1: Definition of research goals

Step 2: Integration into a theoretical framework

Step 3: Data collection based on keyword search and selected inclusion/exclusion criteria

Step 4: Evaluation of the findings

### 2.1 Research goals

This paper attempts to develop future directions for the role of the leadership team in a corporate turnaround situation by analysing the current state of the research. The primary aim is to explore how this field of research field has developed in the last 10 years. In addition, the results of this study will be used to pave the way for future research and offer management a valuable field of application.

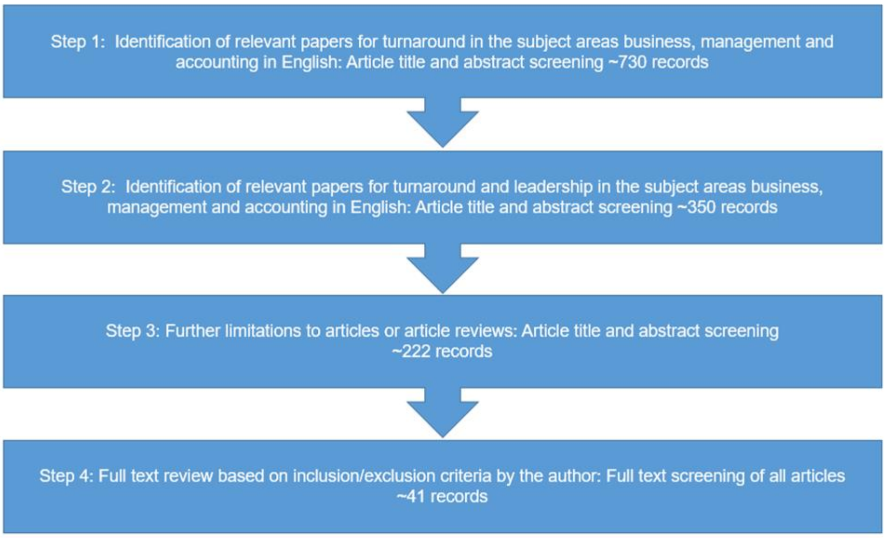
### 2.2 Theoretical framework

Given the emphasis in this study on the leadership team as the key corporate stakeholder in managing a successful turnaround from financial distress the author uses the stakeholder management theory as the theoretical lens. The research paper focuses on the leadership team as the key stakeholder to achieve a turnaround from financial distress. The study includes several dimensions of the leadership team that are essential for a turnaround. The stakeholder concept was originally published by Freeman in 1984. Freeman defines a stakeholder as a party who can impact or is impacted by the target achievement of an organization (Freeman, 2010).

### 2.3 Data collection

The SLR conducts a research in scientific databases by using a defined set of search criteria (keywords, year of publication etc.). In this paper, the author has used Scopus as the source for the keyword search as it was identified as the most relevant database for scientific publications in the subject area of business, finance and strategic management. Those subject areas were selected as the key fields for the selected research topic. The following illustration provides an overview of the structured research design (Denyer & Tranfield, 2009; Hökkä et al., 2014) and the selected inclusion and exclusion criteria.

Figure 1: Process steps of the systematic literature review




Source: Own illustration

Firstly, the author limited the research to relevant literature in the field of turnaround in the subject areas business, management and accounting. All documents in English from 1st of January 2010 till 31st of March 2021 were included as the aim of this research was too look at developments in the last decade of turnaround research. The first step resulted in 730 records. In the second step, the research was narrowed down to leadership topics in the field of turnaround. The outcome resulted in a reduction to 350 records. In the third step, only articles and article reviews were selected which resulted in a reduction to 222 records. In addition, certain keywords like school, education, sport and hospitals were excluded to limit the records to relevant papers only. The following source code was used to generate these records: TITLE-ABS-KEY ( turnaround ) AND TITLE-ABS-KEY ( leader OR leadership OR CEO OR management OR TMT OR executive AND NOT hospital AND NOT school AND NOT education AND NOT sport ) AND PUBYEAR > 2009 AND ( LIMIT-TO ( SUBJAREA , "BUSI" ) ) AND ( LIMIT-TO ( DOCTYPE , "ar" ) OR LIMIT-TO ( DOCTYPE , "cp" ) OR LIMIT-TO ( DOCTYPE , "re" ) ) AND ( LIMIT-TO ( LANGUAGE , "English" ) )

### 2.4 Evaluation of the findings

In a full text review, 41 papers were selected as very relevant. Papers were finally excluded because the content of research related to crisis that were not triggered by economical or financial problems. Additionally, papers were not included if the research subject did not relate to a company or it was a non-profit organization or a state-owned company. However, four papers that were not listed in the findings were included after the 41 papers were analysed as they were referenced several times. This resulted in a final selection of 45 papers that have been clustered according the conceptual framework that will be presented in the next section.

Figure 2: Clustering of results

| Leadership Team | Content | Process | Context |
|---|---|---|---|
| Abebe and Tangpong (2018) | Aspara et al. (2011) | Bhattacharyya and Malik (2019) | Awwad (2011) |
| Abebe et al. (2011) | Boyd (2011) | Bodolicca and Spraggon (2020) | Kraus et al. (2013) |
| Abebe et al. (2012) | Braun et al. (2015) | Decker (2018) | Miglani et al. (2020) |
| Abt and Knyphausen-Aufseß (2017) | Chrystal (2019) | Denning (2017) | Ndfor et al. (2013) |
| Brandts et al. (2015) | Collet et al. (2014) | O'Callaghan (2011) | Ribeiro Serra et al. (2013) |
| Chen (2015) | Gotteiner et al. (2019) | O'Kane and Cunningham (2012) | Santana et al. (2018) |
| Chng et al. (2012) | Hambrick and Chen (2012) | Schmitt and Raisch (2013) | Schweizer and Nienhaus (2017) |
| Connell (2019) | Lawton et al. (2011) | Schweizer and Nienhaus (2017) | Wild and Lockett (2016) |
| Cook and Glass (2014) | Lohrke et al. (2012) | Seah and Hsieh (2015) | |
| Helfat and Peteraf (2015) | McKinley et al. (2014) | Thrams et al. (2013) | |
| Johan et al. (2017) | Ndofor et al. (2013) | | |
| Kendall (2014) | Schmitt and Raisch (2013) | | |
| Liang (2018) | Schoenberg et al. (2013) | | |
| O'Kane and Cunningham (2014) | Schweizer and Nienhaus (2017) | | |
| Rao (2015) | | | |
| Rebora and Minelli (2015) | | | |
| Thrams et al. (2013) | | | |
| Zhang et al. (2008) | | | |

Source: Own illustration based on a systematic literature review

## 2. The role of the leadership team in managing corporate turnarounds

The following chapter identifies important characteristics and elements that a leadership team should possess to manage successfully a corporate turnaround. It explores important elements of turnaround processes and content and highlights different contingencies that might hinder a successful turnaround (e.g. lack of resources).

### 3.1. Background characteristics of the leadership team

Executive background characteristics play an important role in the likelihood of turning around a distressed company. A study of a matched pair sample of 142 US enterprises showed that companies that are led by founder-CEOs are more successful in a turnaround after a performance decline. Founder-CEOs put their turnaround focus on product market-based recovery initiatives such as new product introductions and less on cut costing strategies (Abebe

& Tangpong, 2018). Another positive factor for a successful turnaround is the amount executive board experience outside of the company's own industry. CEOs with a higher number of external board appointments outside the industry of the declining firm offer an important network to develop new innovative strategies and regaining competitive advantages and not just to copy the competition (Abebe et al., 2012). A factor that influences the likelihood of turnaround is as well the tenure of a CEO in the organization, industry or in the position (also including any time outside of the industry). Studies show that the longer a CEO is in the organization the more unlikely it is that there will be a successful turnaround because these CEOs often have trouble initiating significant changes as they are trapped in their internal culture. However, internal corporate cultures and internal processes need to be changed (Johan, A. P., & Handika, R. F., 2017).

### 3.1.1. Cognitive capability of the leadership team

In order to survive in today's dynamic environments in the long term it is important for the corporation to have special skills, namely turnaround skills. This is the ability to return to profitability from a financial performance decline (Liang et al., 2018). This ability in a company is closely linked to the cognitive abilities of the top management (Helfat & Peteraf, 2015). Specifically the cognitive capacity of the CEO to recognize external changes and threats in the organizational environment (Liang et al., 2018). Organizational decline requires flexible leaders who can handle different situations and people to achieve change (Rao, 2015).

Organizational culture and climate influence positively as well as negatively a company to initiate a necessary change in a declining situation. The leader's emotional and social intelligence is an important criterion to create a positive organizational climate which enables companies to find their way back from financial distress (Kendall, 2014).

### 3.1.2. Leadership assertiveness

In a crisis it is important to create the momentum for the urgency of the turnaround. The leadership team must make it clear that if no immediate action is taken, the future of the company is in jeopardy. The company executives need to implement complex and many different change initiatives which require the commitment of the employees. For this, the employees must have trust in the leadership team. The leadership team needs to raise the morale of the workers when many are scared about the current situation. A mind-set of make it happen by the top management team and open communication to the staff is required in such a situation (O'Kane & Cunningham, 2014). Brandts et al. (2015) also showed in their research the importance of the right communication. In an organizational change situation, having the right leadership in place and doing an appropriate communication has a greater impact than having good incentives.

### 3.1.3. Leadership team composition

The CEO is the person in charge for the implementation of change. However, he needs a powerful leadership team who supports his actions and develops the change in the vertical lines (Rebora & Minelli, 2012). In order to increase the contribution of human resource management in a turnaround situation, the HR director could be added to the top management team. He should act then in the role of a chief human resource manager (CHRM). This could be seen as a strong signal in setting the right strategic direction (Abt & Knyphausen-Aufseß, 2017).

### 3.1.4. Leadership team motivation

Chng et al. (2012) demonstrated in their study that executive compensation can motive appropriate leadership behaviour and impact financial performance in an organizational decline. Thus, the setting of incentive compensation for the management is an important point in a firm's turnaround strategy, especially for new hired CEOs (Chen, 2015). However, the study of Chng et al. (2012) also showed that there are certain situational contingencies. The study was conducted in China and that limits the generalizability of their findings. Moreover, studies showed that certain incentives like providing stock options might even lead to negative management behaviour in the form of earning manipulations (Zhang et al., 2008).

## 3.2. Content

Why do some companies fail in their turnaround attempt? Braun & Latham (2012) claim that it is a matter of strategic management. The key to return is a balance between retrenchment and strategic reorientation (Braun & Latham, 2012; Schmitt & Raisch, 2013). Turnaround initiatives are classified into three categories in this paper:

- Organizational strategies
- Retrenchment strategies
- Recovery initiatives and strategic reorientation

### 3.2.1. Organizational strategies

Turnaround researchers in the past pointed out that severe performance declines require significant change and retrenchment activities. Companies with a strong reduction in profitability would benefit from a CEO replacement (Hofer, 1980; Robbins & Pearce, 1992). However, Chen & Hambrick (2012) showed in their empirical study that a CEO replacement only works under certain circumstances. If the company faces severe performance declines it will benefit from replacing a long-tenured CEO with an outside successor. The organization will also benefit in such a situation from removing a CEO that has not enough experience in managing cost cutting and asset rationalization programs. In case the industry is in a severe decline, a company also gains advantages by changing their CEO with an outside industry expert. In combination with the change of the CEO a replacement of other management positions is advocated. Fresh leadership in the top management team is requested to implement a new strategy (Lohrke et al., 2012).

#### 3.2.2. Retrenchment strategies

Research indicates that in a successful turnaround stakeholder management is an important success factor. Especially, it is important to get the support from key creditors of a company. In order to receive this support, the top management needs to create a solid turnaround plan and a retrenchment focus on cost reduction via debt restructuring (Collett et al., 2014). Retrenchment actions like cost-cutting or asset reductions are more favourable to the turnaround outcome in case the decline is based on industry or economic conditions and not based on firm-specific reasons (Ndofor et al., 2013). Moreover, in an organizational decline it is important to stabilize the situation by dissolving non-core businesses and to reduce cost in order to stop losing money and burning cash (Boyd, 2011).

#### 3.2.3. Recovery initiatives and strategic reorientation

In turnaround research there is an intense debate as to whether retrenchment or strategic reorientation is more solid (Braun & Latham, 2012; Schmitt & Raisch, 2013). McKinley et al. (2014) claim that strategic reorientation through innovation is a successful turnaround strategy in certain environments. Innovation is defined as providing new products and services or new production processes in this context. The reason of decline should be attributed to permanent and not just temporary causes. Is the cause of decline only driven by a temporary issue, risk avoidance and a cost cutting strategy could be more efficient than a repositioning of the organization through innovation? The strategic change on a new product or market mix can be implemented by two ways. Firstly, existing capabilities and resources could be used to create a new offering for attracting current and new clients. Secondly, new capabilities and resources could be acquired or partnerships could be started (Ndofor et al., 2013). Strategic reorientation has also other elements than just innovation. Strategic focus on core activities that are the most profitable products and business segments can also be a successful strategy (Schoenberg et al., 2013). Effective leadership is key in strategic reorientation. Focused, dynamic and innovative leadership that introduces a clear vision statement supports the success. The leadership team should have excellent communication and people skills (Lawton et al., 2011). The systemic belief systems of top managers that drives their decision-making impacts as well a strategic reorientation. The background of the current top managers could hinder them in changing the strategic focus of the company (Aspara et al., 2011). Schmitt & Raisch (2013) and Braun & Latham (2012) propose in their research a balance between retrenchment and recovery actions to achieve the optimal outcome in a turnaround situation.

## 3.3. Process

The following sections describe the importance on the processes of a turnaround. The leadership team needs to react fast, set the right actions at the right time and manage the relations to key stakeholders in the way that they support the turnaround plan.

### 3.3.1 Speed

Gotteiner et al. (2019a) proposed an anti-aging framework that bundles various strategies and is put into effect when the first signs of a financial crisis appear. Firms might lose market shares if the top management team does not react quickly (Bhattacharyya & Malik, 2020). Leaders can even proactively introduce crisis-management strategies that allow a quick reaction to a decline situation but also make a company more resilient (Bodolica & Spraggon, 2021).

### 3.3.2. Timing

O'Kane & Cunningham (2012) pointed out the importance of timing in a turnaround. They showed that it can be beneficial to delay a potential CEO change since the strategic dependence on the current CEO might be too strong. The study of Seah & Hsieh (2015) found out that a change in the leadership style in different turnaround phases increases the likelihood of success. In the early phase of a turnaround situation a rather autocratic leadership style is favourable to the turnaround outcome and in the later phase it is a more participative leadership style. The transferability of the findings of the study to Western countries is limited as the research was carried out in a Chinese cultural context.

### 3.3.3 Stakeholder management

The management of the relationship with key stakeholders is crucial in a corporate turnaround. In a crisis it is a challenge to balance the different positions of lenders, customers, owners, employees and suppliers. The top management team needs to deliver results through relationships (Denning, 2017; O'Callaghan, 2011). Decker (2018) analysed in her study the importance of getting immediate stakeholder support for a successful recovery process.

## 3.4. Context

Schweizer & Nienhaus (2017) classify the context in a turnaround situation as an internal (firm specific) or external factor (environmental specific) and add on top the distress cause as a third element.

### 3.4.1. Distress cause

The cause of decline can be divided into two groups namely internal or external causes. External causes cannot be influenced by the management team and include economic recessions, technological or social changes, industry slowdown, legal changes or changes related to the customer. Internal reasons for a decline can be caused by poor management, overleveraging, organizational problems, operational inefficiencies or a weak strategy (Awwad, 2011). The top management needs to analyse the root cause of decline and consider in a turnaround plan the controllable factors.

### 3.4.2. Firm specific factors

Firm specific factors such as the firm's life cycle have an influence on the risk of failure. In the young years of a company there might be failure because of their newness, later they might not manage a turnaround as they face the problem of not adopting in a timely manner to technological or environmental changes. Established firms might focus their learning too much on how to exploit their existing resources and capabilities (Ribeiro Serra et al., 2013). Top management would need to drive the learning in gaining new knowledge and capabilities. Scarcity of resources is as well a factor that hinder companies to achieve a turnaround. A strategic shift into more attractive business areas might fail due to resource weaknesses (Wild & Lockett, 2016). The lack of financial resources is especially a challenge for smaller and medium-sized enterprises (SMEs). However, SMEs have also an advantage in a turnaround situation as the management which is often a managing owner have close personal relationships to many of their key stakeholders like customers, employees or even lenders (Kraus et al., 2013). Miglani et al. (2020) examined that ownership and board structures determine the likelihood of a successful turnaround. The research demonstrates that a turnaround is more likely in companies with higher block, director or institutional ownership.

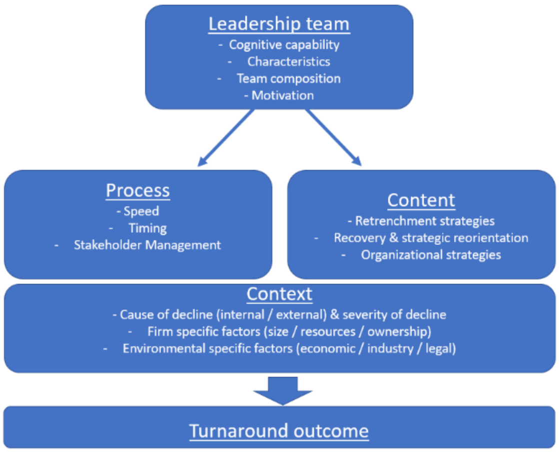
### 3.4.3. Environmental specific factors

One important factor that impacts the turnaround outcome is the situation of the industry. Is the declining company part of a mature, declining or a growing industry? Ndofor et al. (2013) point out that retrenchment initiatives like lay-offs, asset reductions or product stops were unfavourable to the turnaround outcome in a growing industry. In contrast to downsizing activities a declining company in a growing industry is rather successful with a strategic reorientation (new products, acquisitions or alliances). An economic slowdown can affect an entire industry; thus, the decline is then not any longer firm-specific. Moreover, legal aspects like the power of employee representation in a country affect the strategies of the leadership team. If national institutions give more rights to employee representatives the leadership team might need to choose a different recovery strategy than in countries with weak employee powers (Santana et al., 2019).

## 4. Discussion and conclusion

The leadership team is responsible for the process and the content of the turnaround. However, there are certain contingencies that affect the turnaround outcome e.g. the severity of the decline, an economic recession, the life cycle of the industry or the availability of company resources (context). If we take all these factors together an integrative model can be created, which is shown in figure 3 in a simplified illustration.

Figure 3: Conceptual framework on corporate turnaround




Source: Own illustration based on Pettigrew (1987) & Schweizer & Nienhaus (2017)

The proposed model provides the leadership team a framework that supports them in their turnaround efforts. A successful turnaround includes identifying the causes of decline, selecting the right balanced restructuring initiatives with the necessary speed of implementation and managing key stakeholder expectations. However, the top management of a company is dependent if the owner or the board still trust them to manage the turnaround. The question is if stability in the company is more beneficial to the turnaround outcome than a new leadership team that might bring new capabilities and ideas.

## 5. Limitations and implications

The findings presented in this paper contribute to the understanding of the role of the leadership team and the importance of stakeholder relationship management in a corporate turnaround from financial distress. The paper contributes with this research to a better evaluation of corporate turnarounds and provide valuable recommendations like an integrated framework for practitioners and policy makers. It should help them to improve the survival rates in turnarounds and finally it should support academics for their future research. Further studies should address the topic of implementing new learning models in order to adopt new knowledge and business processes that support the leadership team to get out quickly of an emergency situation and manage successfully a turnaround. Action learning could be such a tool as proposed in a case study by Chrystal (2019). Action learning is not a traditional top down management approach. You share problems and discuss solutions in groups together. More empirical research of the utilization of such tools for the leadership team in organizational decline situations is required. Another avenue for research should analyse the role of minorities in the leadership team and their impact on the success of returning from distress situations (Connell, 2019; Cook & Glass, 2014). Are woman-CEOs more successful in turnaround situations or what is the impact of diverse top management boards during organizational declines could be future research questions? This research is limited by the fact that it only focused on a systematic literature review. The systematic literature review was the basis for the development of an integrative framework for managers to organize a successful corporate turnaround from financial distress. The study fails to provide any empirical testing of the concept which would be as well a future avenue for research.

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