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Performativity of Announcing

Redundancy announcements and their consequences in the MNC context

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Abstract

Announcing the redundancies is a common managerial practice of the Multinational Corporations (MNCs). While too much emphasis is placed on the financial consequences of redundancy announcements in previous research; however, little attention is paid to show diverse consequences of the announcements in the cross-border context. This study mitigates these shortcomings by illustrating how the announcements may have different meanings and performative consequences in the diverse institutional contexts of the MNC. Having presented the institutional settings which shape the redundancy announcements, the study investigates the cross-border announcements across the European Union (EU) gathered from secondary sources of European Restructuring Monitor (ERM) database and illustrates the different ways how MNCs announce the redundancies. By showing the performative aspect of announcements as speech-acts, the study illustrates different meanings and consequences in different institutional contexts of the MNC. The redundancy announcements; thus, are found as one MNC practice which is both shaped by the institutional settings, but also which has the potential to shape institutions. Finally, the results indicate that by announcing the redundancies, MNC impacts the actors located in the different institutional settings by speech-acts, which in return fosters its agency to shape the institutions.

Keywords

Redundancy Announcements, Multinational Corporation, Speech-Act Theory, Neo-institutionalism, Agency

Introduction

Shortly after the announcement of a global restructuring plan involving 2,900 redundancies by the management of Air France-KLM on October 2015, the reaction of the workers was far beyond expectations; they broke into the board meeting at Charles de Gaulle airport and forced executives to flee, with one executive clambering over fence half-naked (Willsher, 2015). The lack of security in the meeting room, perhaps, shows that the executives were not expecting such a violent reaction against the restructuring. More interestingly, such an unofficial wildcat action may also show that the announcement exceeded the expectations of the workers since a quick official industrial action was lacking (Blazejewski, 2009). Drawing upon such differences in the role of announcement from

the executives' and workers' sides, there may be many different consequences of the redundancy announcements on the relevant parties beyond the expectations.

The redundancy announcements have been widely studied in the last two decades. However, little attention is given on such different consequences of the announcements on the relevant actors. The previous studies mainly concern with the consequences of the redundancy announcements on one aspect of the organization. In this respect, these studies can roughly be grouped per their focus on either firm reputation (Flanagan & O'Shaughnessy, 2005; Goins & Gruca, 2008), corporate governance such as board structure (Yawson 2006) or market value of the firm (Blackwell et al., 1990; Gunderson et al., 1997). Among these studies; however, tremendous interest is given on the consequences of the announcements on the stock price reactions and financial performance of the firm. For example, Palmon et al. (1997) point out that future performance measures are associated with the reasons stated in layoff announcements since the investors consider them as effective cost-reduction tools signaling the future performance. Likewise, Chalos & Chen (2002) found that the market selectively reacts to downsizing announcements and the redundancy announcements related to the changes in the strategic plan of the firm are positively related with market returns. On the other hand, some studies show that the redundancy announcements are negatively related with shareholder returns wherein the reason of the restructuring determines the magnitude of such correlation (Blackwell et al., 1990; Abraham, 2004). Additionally, there are studies investigating the effect of the announcements on the market reactions either in terms of inter-industry differences within financial sector (Cagle et al., 2009); in the face of redundancy announcements of unionized or non-unionized workers (Abraham, 2006); concerning timing of the announcement (Chan-Lau, 2002; Farber & Hallock, 2009), or the reasons of the restructuring (Kalra et al., 1994; Capelle-Blancard & Tatu, 2012). Collett (2002), for instance, explores the impact of the announcements to stock exchange reactions and found that the size of the employment effect in the announcements plays a significant role. Depending on their areas of primary concern, these studies present significant differences in their findings. Some studies show that the redundancy announcements are either positively (Kalra et al., 1994) or negatively (Farber & Hallock, 2009) related to the stock returns due to the reason for restructuring stated in the announcements. However, despite such differences, the overall focus in the previous studies is limited to present only one specific consequence of the announcements; the financial performance.

Such a focus in the literature may not be surprising for Styhre (2015) since the managerial practices have increasingly become more financial-performance oriented and organizational roles have been redefined on the basis of the capital markets activities due to the socio-economic and cultural shift by the early 1980's. As the companies have been redefined as a portfolio of financial resources and legal contracts and the society has been portrayed as the collective of individual enterprising subjects (Styhre, 2015), it may not be a coincidence that the previous research focuses on the financial consequences of the announcements, especially before the financial crisis in 2008. However, the redundancy announcements may become more problematic and have complex consequences, not only limited to their effects on stock prices. In this respect, this study approaches

the redundancy announcements from a different perspective such that the focus will be given on the performative aspect of the announcements by investigating the possible consequences of them in different contexts.

Moreover, there is a considerable lack of studies considering the multi-national aspect of the announcements in the literature. The majority of the studies focus on the announcements either on the basis of a given firm, or only in one national context. Although Capelle-Blancard & Tatu (2012) and Collett (2002) consider the announcements in an international context, they do not specifically look from a multi-locational context; in other words, the announcements stating the cross-border redundancy effects. The cross-border aspect of the announcements may provide more opportunities to observe different consequences due to their involvement in different contexts. Moreover, a specific look at the cross-border announcements may inherently bring about an investigation of the different contexts in which the MNCs operate. An investigation of the redundancy announcements in the MNC context is underrepresented in the previous studies. In this respect, such a focus may consequently constitute an interesting opportunity to understand the MNC context as well. To study the cross-border redundancy announcements may inherently necessitate us to look at very diverse settings. In this respect, it is relevant to understand these contexts as the different institutions in which the MNC operates (Kostova, Roth & Dacin, 2008). Due to these different institutional contexts, the MNC brings about challenges to the deterministic understanding of the institutions as shaping the firm. Contrarily, the diverse institutional contexts may give the MNC an opportunity to shape the institutions with its agency (Kostova, Roth & Dacin, 2008). With a look at the redundancy announcements as speech acts having performative effects (Austin, 1962), it becomes relevant to make connections with the agency of MNC and the consequences of announcements on the different contexts. Therefore, the redundancy announcements may represent a managerial practice of MNC which is both shaped by the institutional settings, but also which have a potential to shape the institutions.

In this respect, the aim of this study is to investigate how the MNC shapes institutions through redundancy announcements. Hence such an investigation may necessitate us to investigate further on the announcements, this study will also aim to answer how the MNC announces redundancies and what characterizes them. As a third aim, the study will inquire the performative effects and consequences of the redundancy announcements in different institutional contexts.

For investigating the possible answer to these aims, this article will firstly provide theoretical discussions concerning the institutional influences on the behavior of the MNC as well as the performative utterances in speech-act theory. Subsequently, an overview of the legal settings concerning the redundancy announcements will be presented. In the next section, the methodology used to collect, analyze and interpret the data as well as the potential risks and limitations concerning these methods will be presented. Thirdly, the findings on the different ways how the MNCs announce the redundancies and the patterns of these differences under particular groupings will be provided. In the following section, the findings will be discussed in accordance within the conceptual contexts presented in the theoretical framework. Finally, the conclusions and implications of the study will be presented.

Theoretical Framework

Neo-Institutional Theory and the MNC

The understanding that organizations are shaped by the institutional context in which they are located is the common notion of the neo-institutional approach (Morgan & Kristensen, 2006). In order to review briefly, the premises of the neo-institutionalism could be grouped under the organizational field, isomorphism and legitimacy discussions. Meyer and Rowan (1977) argue that the compliance to the institutional expectations deriving from the environment settings is significant for the survival of the organizations, which in return gives the organizations legitimacy in their organizational fields (DiMaggio & Powell, 1983). The compliance to the institutional environment brings about another state called as isomorphism, in which the structures, members and functions of the organizations become similar and tend to follow same patterns in their actions. (Meyer & Rowan, 1977). Consequently, the survival of an organization is; therefore, considered within the terms of achieving legitimacy, stemming from the meeting the expectancies in the environment and compliance to the isomorphic pressures within the organizational field (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). The institutional context and its relationship with the organization; therefore, is the basis of the institutionalist discussions in studies of MNCs.

When looking at the MNC from an institutionalist perspective, there can be found remarkable varieties of approaches in the studies which locate the MNC as the unit of analysis. These studies can roughly be positioned in two major strands (Geppert, et al., 2006, Morgan & Kristensen, 2006; Tempel & Walgenbach, 2007). On the first strand, there are approaches which emphasize the varieties within the different national institutional contexts as well as the complementary social institutions and seek to observe the behavior of MNC to respond these institutional variations in terms of transferring its organizational structure, practices and processes from home country to the host country context (Whitley, 1999; Hall & Soskice, 2001). For the fact that the significance is given on the business system in the country of origin in explaining the behavior of the MNC; it would be expected that the MNC would announce the restructuring in the way that it is shaped by the home country institutions or adopt the same behavior to the host country. On the other strand, there are approaches derived from the application of the neo-institutionalism within the multinational context, where the MNC is portrayed to be under the pressure of contradictory institutional duality, in which the legitimacy is in question either within the institutional context of the home, or either the host country (Kostova, 1999; Kostova & Zaheer, 1999; Kostova & Roth, 2002). In this respect, since the MNC is under the isomorphic pressures of home and host countries, MNC would prefer to diffuse its organizational structures, managerial and business practices globally (Tempel & Walgenbach, 2007). The importance is given on the impact of host country institutions in such an understanding; and hence, from this perspective, the MNC would be expected to announce the restructuring in the way that it's shaped by the host country institutions. On the other hand, there are some studies stating that MNC may also want to put pressure on both home and host contexts to be able to get better conditions. Therefore, besides these two major strands, there are also relatively new institutional perspectives which look at the MNC as not only being institutionally bounded on home and host contexts, but also as an agent

capable of shaping the institutional environment (Djelic & Quack, 2003; Kostova, Roth & Dacin, 2008). Having been briefly explained, the aforementioned institutional discussions will be further elaborated respectively.

The first set of the institutionalist approaches emphasizing the differences in the national business systems, despite the significant variations within, share the common notion that apart from the institutional settings of the MNC, society functions as a set of complementary institutions which shape how the firms evolve (Morgan & Kristensen, 2006). Hence, to start with the business systems approach (Whitley, 1999), the importance is given on the social factors which shape complementary institutions binding the organizations. Whitley (1999) firstly starts with a critic to the neo-institutional understanding of isomorphism since he argues that the variations in the economic systems will continue to be (re)produced by the different institutional settings at national level. The nation state in the business systems approach is defined as the key actor because of its ability to determine the effectiveness and role of the institutions (Tempel & Walgenbach, 2007). Based on this understanding Whitley (1999) draws ideal types of business systems in terms of the extent and scope of shareholders' direct involvement in the managerial issues (ownership versus non-ownership coordination), the employment relations and work organization (the employee participation and representation system, trust delegated by the management to the workforce). The institutional context within business systems are basically grouped into four main arenas, which are the nation state, financial system, skill development and control system as well as the practices on the trust and authority relations (Whitley, 1999). Based on Whitley's (1999) arguments, there are made further studies categorizing the capitalist economies, such as dichotomous liberal market economies and coordinated market economies (Hall & Soskice, 2001); diversified, but not dichotomous market based, social democrat, continental European, Mediterranean and Asian capitalist models (Amable, 2003); or clusters of countries labelled as market-based, social democratic and hybrid economies (Pulignano, 2011) with respect to the differences in national labor markets and employment systems. To reflect on the MNC context, it suffices to state that this approach perceives the MNC as building its own practices and subsidiaries reflecting the organizational forms of their home country and; therefore, MNC tends to look for institutional contexts either where its practices already fit or where the institutional constrains are weak enabling the firm to reproduce its home model (Morgan & Kristensen, 2006). In this respect, the way how the redundancy announcements are made would be shaped by the business system of the home country, or by the home country institutions.

The subsequent set of approaches focus on the settings of organizational fields and the legitimation processes. In this respect, when reflecting the neo-institutional understanding in the multinational context; Kostova and Zaheer (1999) state that there are more complexities in MNC case compared to the domestic firms. In this respect, since the MNC operates with its foreign subsidiaries, there are multiple legitimating sources in the different environments as well as within the organization itself. Therefore, the MNC brings a challenge to the underlying assumptions of neo-institutionalism in terms of the legitimating environment, the organizational context and the process of legitimation (Kostova & Zaheer, 1999). Due to these complexities, the MNC faces two

differentiated isomorphic pressures; from the institutional settings of the host country in which the MNC operates through its subsidiaries and the relational context within the MNC (Kostova & Roth, 2002). Hence, the MNC is under the pressure to adopt local practices and become isomorphic in the local institutional setting, while at the same time, it's also under the pressure to utilize its organizational capabilities, structures and practices throughout the whole organization on the global basis (Kostova & Roth, 2002). Consequently, such an institutional duality plays a significant role in the transnational transfer of the business practices of the MNC (Kostova, 1999), which can be reflected in the case of redundancy announcement as well. Rosenzweig and Nohria (1994), for example, show that the MNC is composed of differentiated practices due to such dualities and the human resource practices, in particular, are shaped by the local isomorphic pressures in the host countries. In this respect, giving credible focus on the different institutional settings, the neo-institutional understanding would expect a global diffusion of the business practices due to the isomorphic pressures (Tempel & Walgenbach, 2007); and the legitimacy would be sought within the MNC as the whole organization as well as within the different host countries in which the subsidiaries operate (Kostova & Zaheer, 1999). Therefore, the redundancy announcement would be expected to be shaped by the institutional settings within the host countries.

Towards a New Perspective

The MNC case brings challenges to the neo-institutional approaches insofar as the early neo-institutional premises are conceptualized by a perspective from the domestic firms operating in national settings and thus they have limited application in the MNC context (Geppert, et al., 2006; Kostova, Roth & Dacin, 2008). Since MNC is as an organization which is different from domestic firms in degree as well as in kind, it has heterogeneous, complex and diverse environments compared to the domestic firm (Kostova, Roth & Dacin, 2008). The multiple, fragmented, nested, multilayered organizational field of MNC contains conflicting institutional environments. Coupled by spatial, language, cultural and organizational barriers, making clear definitions of common domains and patterns becomes difficult compared with the domestic firms. Kostova, Roth and Dacin (2008) explain that the organizational field of the MNC is composed of three layers; the meta-institutional field, intra-organizational institutional environment as well as the meso-institutional context. The meta-institutional field is the domain in which MNC as a specific type of organization forms its own field across countries and industries, disconnected from the national institutional systems and in which the MNC belongs to sui generis institutional field that operates according to particular rules, norms and logic. The intra-organizational environment, on the other hand, is the domain in which the focus is given internally within MNC and its subsidiary and subunits embodied with set of regulations, cognitive structures and norms that provide a sense of direction, certainty and legitimacy within the intra-organizational context. The meso-institutional context includes the national institutional settings, which is the relationships of the MNC with the home and host country institutions.

Stemming from the distinction of the organizational field in the multinational case, the neo-institutional understanding of isomorphism and decoupling may not be applicable to the MNC case

as well. Hence, MNC enjoys institutional freedom to a certain extent due to multitude of diverse practices and patterns of activity in the multinational level as well as having alternative sources compared to domestic firms (Kostova, Roth & Dacin, 2008). Therefore, instead of isomorphic pressures to comply with, MNC has the opportunity to choose between the possible diverse practices in its operations. The legitimacy, on the contrary, is relevant and significant for MNC in order to be accepted as a foreign actor to act in the local contexts. Though the legitimacy in MNC case does not derive from the isomorphic compliance to the national institutional contexts due to differentiated expectations from different environments; however, the legitimacy is rather sought through the negotiations, political processes and exchanges (Kostova, Roth & Dacin, 2008). The MNC, hence has the resources and power for negotiations and execution of micro-political processes to manipulate the institutional context (Djelic & Quack, 2003). Becker-Ritterspach and Dörrenbächer (2011), for example, present such micro-political processes in terms of intra-firm competition among the subsidiaries vis-à-vis the headquarters. The importance is given on balance between the structural determinism of the institutions on the actors and behavioral voluntarism of actors as agents to shape such institutional settings (Becker-Ritterspach & Dörrenbächer, 2011). In short, it suffices to state that together with the institutional freedom and negotiations, MNC has the opportunity and capability to have an agency role in order to shape its environment; either in terms of choosing the institutional settings to comply with, and/or either manipulating, negotiating and partially constructing its environment (Kostova, Roth & Dacin, 2008). In this respect, the performativity of redundancy announcements may be studied in terms of the political processes and negotiations within which the MNC has agency to shape the home and host institutional contexts.

Introducing the Settings of the Restructuring Announcements

The redundancy announcements are bounded by various legal settings. Although there are international, European as well as national rules and regulations concerning the notice of collective redundancies, there are no legal requirements concerning the announcements on cross-border restructurings.

The primary legal setting concerning the redundancy announcements is International Labour Organization (ILO)'s convention No. 158. on the termination of employment at the initiative of the employer. According to convention, it is required from the companies to notify the workers' representatives and public authorities in good time before implementation of collective redundancies due to restructurings caused by the reasons of economic, technological, structural or similar grounds (ILO, 1982). The notification includes relevant information about the reasons for termination, number and categories of affected workers. Although, the convention sets the basic legal setting for the collective redundancy announcements, the procedures regarding the notifications are left to the national laws and practices. It is only required from the employer to provide the aforementioned relevant information to the workers' representatives and national competent authorities as early as possible (ILO, 1982). The aim of the convention is; therefore, to maintain a space for consultation with the workers' representatives to minimize the negative effects of the collective redundancies as well as informing the national public bodies of

employment for mitigating the projected unemployment consequences. It's also important to note that among the EU member states, only Republic of Cyprus, Finland, France, Latvia, Luxembourg, Portugal, Slovakia, Slovenia, Spain and Sweden have ratified the convention. Therefore, it's binding for the MNCs operating in these signatory countries to provide information about collective redundancies to the workers' representatives and public employment/competent authorities in good time before the implementation of the restructuring.

Likewise, OECD's (2011) declaration of non-binding guidelines concerning international investment and multinational enterprises shares the similar notion of ILO Convention No. 158. According to OECD (2011), the MNCs are recommended to notify the representatives of workers and relevant government authorities about the restructurings with collective redundancy effects in good time and with accordance to the national laws and practices. The purpose with early notification of restructuring is to create opportunity for cooperation between the MNC and relevant actors to minimize the negative effects of the collective redundancies (OECD, 2011). Since the regulations vary according to national legal settings, such cooperation is not expected to be identical in all relevant subsidiaries in different countries which are due to restructuring.

Within the EU context, the member states' national legislations and regulations have the predominant role in shaping how the redundancy announcements should be made. However, the European Directive No. 98/59/EC (with further developments in two previous directives of 92/56/EEC and 75/125/EEC) on the approximation of the laws of the Member States relating to collective redundancies serves as a basis to coordinate the national differences in regulations concerning the collective redundancies. In this respect, it's required from the employer to provide workers' representatives with relevant information in good time to notify them in writing, the reasons for the redundancies; the period during which the redundancies will be made; the number and categories of workers normally employed; the number and categories of workers to be made redundant; the criteria used to select those workers to be made redundant; and if applicable, the method used to calculate compensation (Directive, 1998). By the provision of this directive, the employer is also required to notify the competent public authority in writing of any projected collective redundancies except of the method used to calculate compensation (Directive, 1998). Therefore, it's required that the collective redundancies cannot take effect earlier than 30 days after this notification to the public authorities. In short, the directive aims to create an opportunity for cooperation of the employer and workers' representatives in good time to reach an agreement concerning the possibility of avoidance or reduction of the redundancies to mitigate their adverse consequences in the society and anticipating the change (Directive, 1998).

The aforementioned settings are related to the collective redundancies in individual state level. In this sense, when examining the institutional settings of cross-border restructuring within EU, the European Works Councils (EWC) come into question as an institutional setting. The EWC has established by Directive No. 94/45/CE (further developed by Directives No. 97/74/CE and 2007/14/CE) which applies to the companies employing one thousand or more workers with at least 150 employees in each of two or more member states (Directive, 1994). The aim of EWC is to bring workers' representatives from all EU countries where MNC operates together with the

management in order to receive information and give their opinions about the strategies and decisions affecting the organization and its workforce (Directive, 1994). In this respect, EWCs are considered to be a relevant actor which affect the shaping of the redundancy announcements.

While some of the previous studies on EWCs have a positive attitude about their roles in the international industrial relations as they foster transnational solidarity (Arrowsmith & Marginson, 2006; Da Costa & Rehfeldt, 2007; Bernaciak, 2010), on the other hand, there are also views that the EWCs foster the competitive regime industry as they are used as a means for local interests by the local workers' representative bodies causing fragmented competitive solidarity which in return promote the regime competition between the host countries (Hancké, 2000; Streeck, 2000; Banyuls et al., 2008). Regardless of their consequences on fostering transnational solidarity or fragmented competitive solidarity, Arrowsmith and Marginson (2006) draws two important roles of the EWCs: Firstly, they are effective in establishing key principles and parameters for national and local company negotiations; and secondly, in the collection and dissemination of information on cross-border working conditions and employment practices, which can be in local negotiations. In this respect, EWCs as a transnational platform for negotiations between the national and the European level (Da Costa & Rehfeldt, 2007) can be considered as a significant part of the institutional setting in which the cross-border redundancy announcements are shaped.

These legal settings are; therefore, influential in shaping how the MNC makes the redundancy announcements. Although there are no legal requirements concerning the notification of the multi-locational restructurings, some MNCs announce their cross-border redundancies and they do it in different ways. The announcements, coupled by such differences, may have different meanings by the constituents' interpretations; and consequently different outcomes. Such different consequences may show us that MNC affects the actors by the announcements. Announcements are; hence, performative and have more meanings than being statements only. In this respect, the announcement of redundancies can represent one MNC practice which is both shaped by institutions, but also which has the potential to shape institutions. Therefore, analyzing MNC announcement of redundancies as speech acts and investigating their performativity in different settings constitute relevance for understanding how the MNC shapes its institutional surrounding.

Speech Act Theory

The redundancy announcements are statements which have consequences on the relevant actors. Beyond than just being statements, they are performative (Guild, 2002). The announcements; therefore, not only inform or transmit redundancy messages to the relevant parties; but also produce certain effects on the different contexts. Hence, analyzing the layoff announcements from the perspective of different contexts may bring us to have a look at the speech act theory in order to understand the possible consequences of announcements in these settings. The speech act theory takes its roots from Austin (1962) which is developed as a reaction to the predominant approaches treating the language as a fixed system with rules. Austin (1962) argues that such an approach to the language as a fixed system to transmit messages may disregard the performative functions of the statements. The language, words, utterances in the speech may not only describe or report the

facts; but they may also have performative functions and may themselves become the part of acting. For example, utterances such as a bet or promise may have different performativities such as ordering or threatening in certain conditions. However, this does not necessarily mean that every utterance is performative neither. In this respect, Austin (1962) firstly makes a distinction between performative and constative utterances and argue that language is not limited to informing, describing or explaining the statements in a constative way; however, they may be performative. This can be illustrated as: “I bet you sixpence it will rain tomorrow” or “I name this ship the Queen Elizabeth!” (Austin, 1962, p. 5). The language, in such cases, becomes something performative: saying that “it will rain tomorrow and that I bet for it” or “I name this ship” is not describing what I am doing, but it is the utterance itself that is performing the act. In the case of redundancies, as Guild (2002) points out, there takes place many rhetorical battles with consequences to the relevant actors using their most legitimate linguistic weapons. The language; therefore, has a central position when announcing a layoff. In this respect, the redundancy announcements can be considered as performative utterances, since the announcements not only inform or describe the restructuring in a constative way; but they also perform the layoffs by announcing in certain ways.

On the performativity of the utterances, Austin (1962) distinguishes three categories; locutionary, illocutionary and perlocutionary acts. Locution is the conventional meaning and “saying something in the full normal sense” (p. 94). Since the locution is the normal meaning of the utterance, it may not necessarily constitute speech acts in every case. Illocution, on the other hand, is the intention of what is meant by using the words, in other words, “doing something in saying something” (p. 108). Examples of illocution can thus be given as posing a question, a request, warning, an order or threat. Perlocution, on the contrary, is “doing something by saying something” (p. 109) which is the consequent impact of the illocution, dependent but external to the illocutionary act such as persuasion, convincement or deterrence. These three performatives may be illustrated as follows:

Locutionary Act: He said to me to *shoot her!*-meaning by *shoot* to shoot and by *her* to her.

Illocutionary Act: Her *urged* (or advised, ordered, etc.) me to shoot her.

Perlocutionary Act: He *persuaded* me to shoot her or He *got me to* (or made me) shoot her. (Austin, 1962, p. 101-102)

These three acts are usually performed at the same time; starting from the normal meaning of the utterance to the consequent but external act of the utterance by the speaker to the listener or reader (Austin, 1962). In this respect, by announcing redundancies, MNC basically communicates some meanings to the relevant constituents located in different contexts. Regardless of the differences in how it is announced, the announcement’s locutionary act is that “I will fire”. Therefore, they have in common as being directed from the MNC to the different contexts in which it operates by pointing to a time interval in the future. The differences in announcements; however, either based on specification of the addressee, reason, location, scale and/or scope of the restructuring, may consequently have different performativities since such differences may affect the interpretations in different contexts.

Furthermore, Austin (1962) states that there are certain conditions for an utterance to be

performative, which he calls as felicity conditions: There shall be a conventional procedure having a conventional effect; the persons and circumstances in a context shall be appropriate in a given case which is specified in the procedure; and the procedure must be executed correctly and completely. This is to say that in order to be performative, there should be relevant parties in relevant contextual situations. To illustrate, uttering “I sentence you imprisonment” needs relevant parties and contextual surroundings in order to be performative: a judge, a defendant and perhaps a courtroom. Austin (1962) argues that in case that such contextual conditions are not satisfied, the utterance would be infelicitous and performativity would be void. Additionally, the different contextual settings shape the performative utterance in different ways (Austin, 1962; Searle, 1969). The application of the speech act theory within the context of redundancy announcements may; therefore, require us to look into the contextual conditions in which the announcements are made. As Guild (2002) indicates, the significant contextual factors giving meanings to the speech acts have left unspecified by the theoretical model. These contextual conditions remind us the institutional settings in which the organizations make the redundancy announcements. Hence, with the help of an institutionalist perspective, the institutions may fill the gap for the contextual conditions in order to draw conclusions about how the redundancy announcements have impact on the actors in different contexts through the speech acts.

Methodology

The Design of the Study and Data Collection

Since the study aims to provide a framework for understanding how the MNC shapes the institutions, the redundancy announcements have been collected as the object of inquiry. For this aim, the study is based on secondary sources gathered from the European Restructuring Monitor (ERM) database which is analyzed qualitatively. The database, including large set of information over years and in dispersed geographic locations all over the EU, has been generated as a result of the most comprehensive studies on restructurings conducted by the European Monitoring Centre on Change (EMCC) (Bergström, 2014; Eurofound, 2016/a). EMCC is an information resource promoting an understanding of changes in the work life, employment and restructuring, established in 2001 within the European Foundation for the Improvement of Living and Working Conditions and supported by European Parliament, the European Commission and the social partners (Eurofound, 2016/a). The data about the restructurings within the EU over the years have been gathered by the EMCC and collected under the ERM database.

The ERM database is composed of the media reports, press releases and media coverage regarding the restructurings in each EU member state since 2001 and onwards. It contains information on the cases of organizational restructurings in all industries in EU, including public and private sectors. The restructuring events comprise bankruptcy, closure, business expansion, offshoring/outsourcing/relocations, internal restructurings as well as merger and acquisitions. The database provides information about the restructurings concerning the job creations and/or redundancies effects, locations of the affected regions, countries and/or plants and date of the announcements. Since the content of the ERM database is specifically on the restructurings and job creation and/or redundancy effects, it's considered to be useful to make use of the database in

the collection of data for finding relevant field material for the purpose of this study. Additionally, as Bergström (2014) points out, it's interesting to note that even though reporting the announcements concerning redundancies to the national/local authorities is a legal requirement in the EU, there is no available European body to coordinate to collect data of announced and implemented redundancy. Therefore, the ERM database is the one of the few reliable sources of information to gather information on the collective redundancies across Europe (Bergström, 2014).

Limitations and Risks

While on one hand the ERM database contains the most comprehensive set of information on the organizational restructurings (Bergström, 2014), on the other hand, it is important to state that there are certain limitations and risks concerning the content and the formation of this dataset. Hence, the first risk of the ERM database is related to the formation of the database. The database includes the restructuring events which have employment and/or redundancy effect over 100 employees or employment effects affecting at least 10% of a workforce of more than 250 people (Eurofound, 2016/b). While the database does not include the restructurings which have job loss/creation effect under 100 employees, this risk is minimized as focusing on the restructurings with collective redundancy effects for the aim of this study, in other words with effects over 1000 employees.

Furthermore, the aforementioned risk may bring about further related risks in terms of company size bias (Storrie, 2006). Since the database is composed of the restructurings with a selected threshold, it is biased to include more announcements from the side of the companies with larger sizes. Storrie (2006) goes further in his reflections that the company size bias may bring about other biases firstly related to the industry, such as the manufacturing in which there are companies with larger sizes in comparison to companies within service sector, and secondly concerning the region, where the impact of the large company bias will be on the small states since there are fewer larger companies in size in order to exceed the ERM thresholds. As a result, the ERM provides more restructuring announcements from the larger companies and larger states as there is limited information on the smaller countries and companies (Storrie, 2006). However, since the aim of this study is understanding how the MNC shapes the institutions by announcing the redundancies, the focus is given on the restructuring events with larger and cross-border redundancy effects. Therefore, while it's important to keep in mind the larger company size biased formation of the ERM, it's sufficient to state that this bias does not exhibit obstacle; contrarily functions relevant for this study.

Moreover, since the database is composed of the press reports, there is risk that all restructuring events may not be reported in the public media. Therefore, the database is limited in the respect that it only includes the announcements which are covered in the media. On the other hand, the database makes use of different press sources concerning one particular restructuring event, which may have a positive impact on the trustworthiness and verification of the data.

Lastly, for the fact that the ERM database presents the planned redundancies which are announced to the media, it can be important to keep in mind that there may be possible changes in the actual implementation of the restructuring planned concerning the numbers of employees

losing their jobs. Although the gap between the numbers of announced and implemented redundancies is a significant risk; such a risk may not be valid for an investigation of announcements as speech-acts and the agency role of MNC within the institutional contexts. This gap between the announced and actual numbers of employees affected from the implementation of the restructuring may also be an interesting point for further studies.

Data Analysis

The analysis of data has been conducted in successive steps with the use of the grounded theory approach for continuously and comparatively analyzing the field material as the research goes on (Glaser & Strauss, 1967). The path from the empirical findings to the theoretical abstractions follow similar to the explanations of Martin and Turner (1986) on grounded theory such that the level of abstraction goes from lower to higher where consequently the empirical findings from field research are connected to higher theoretical abstractions by the discovery of concepts and the development of theoretical concept definitions. In other words, by employing this approach, the concentration was firstly given on the detailed descriptions and analysis of the collected data and the thematic categories has been used as the data was analyzed to understand the relationships between the findings and the theoretical discussions on the MNC restructuring.

The initial database of ERM has been analyzed in different steps and the data has been separated into subcategories in accordance with the purpose of the study. In each step, the size of the data has been narrowed down in a funneling manner (Table I). For the first step, the announcements mentioning one thousand and more employees were selected. In this step, the set of data in which there is no satisfactory and reliable information on the specific restructuring event were disregarded in order to minimize errors and to increase the trustworthiness of the study.

In the successive step, the announcements with job creation and/or redundancy effects were separated by a method of grouping in different color. Having marked the job creations and redundancies in different color, subsequently, only the redundancies were taken into the sample group for the aim of this study. A first screening was made by excluding the restructurings within the public services (education, health, public transportation and related utilities, military and related defense sectors) from the group to be analyzed further. However, the announcements made by the other state-owned and for-profit enterprises were taken into the group for analysis.

Total Announcements	17992
Total Redundancy Announcements	11898
Qualified Set of Redundancy Announcements	913
Cross-Border Redundancy Announcements	215

Table I-Total and Qualified Numbers of Announcements

For the next step, a deeper elimination was made based on the industry/sector. Since the focus of the study is on the cross-border redundancies, the industries in which the nature of the business is country-specific are disregarded. In this respect, industries and sectors such as, water supply, sewerage, waste management and remediation activities; scientific research and development; residential care and social work activities; agriculture, forestry and fishing; administrative and

support service activities and legal, accounting, management, architecture, engineering, technical testing and analysis activities were taken out.

Furthermore, some related industries were merged in order to make it easier for the analysis. The industries, such as manufacturing, repair and installation of machinery and equipment was merged with manufacture of machinery and equipment; manufacture of electrical equipment was merged with computer, electronic and optical products; mining and quarrying was merged with manufacture of coke, and refined petroleum products; and the transportation, tourism and storage activities were grouped together.

The announcements were analyzed in terms of organizations' ownership structures as well. In the first phase, the companies were labelled with the country of their origins and grouped under four main locations. For the companies with the ownership of EU countries, including Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia by 2004; and Romania and Bulgaria by 2007 enlargement, were grouped under EU. Similarly, the companies with majority ownership structure originated in the US and Canada were labelled as North American. Likewise, the companies with Israeli and Saudi Arabian owners were labelled as Middle East. Lastly, the companies from China, Japan, India, South Korea, Taiwan and Australia were labeled as Asia-Pacific. The ownership structures were thought to be a meaningful tool used at the inquiry in the possible relations of redundancy announcement and the behavior of MNC.

Consequently, the announcements were further analyzed in terms of location and labelled with respect to the location within which the announcement specify the numbers of possibly affected employees either country-wise or production/service plant-wise for further discussions (Table II).

No country nor plant specified	50
All affected countries specified	56
Only home country specified, other countries not specified	33
Plant only in home country specified, other countries not specified	20
Plant only in home country specified, other countries specified	6
Plant only in one subsidiary specified, other countries specified	21
All plants specified	29
Total	215

Table II-The distribution of announcements based on the specification of locations (country/plant)

Introducing the Redundancy Announcements

The redundancy announcements; despite the different underlying reasons leading to downsize, basically inform and notify the possible future layoffs. The announcements; thus, either implicitly or explicitly point to a time interval in the future when the redundancies are intended to be implemented. Additionally, by the announcements, the constituents located inside and outside of the organization are informed about the restructuring. In the MNC context, this includes the other MNCs, shareholders, or investors in general; subsidiaries; public authorities; the workers' representatives located in the home country of the MNC as well as in the host country where it operates. However, despite the same nature and function of the announcements, the analysis of the

data shows that there are significant differences in how the redundancies are announced. The different ways how the management announces the redundancies may have different consequences in such institutional contexts. In this respect, these differences will firstly be presented; then subsequently, the possible different meanings by such differences in the announcements will be discussed within the context of the MNC.

The Different Approaches of MNCs to Redundancies

The analysis shows that there are significant differences in the announcements in terms of the location. Some announcements specify the affected locations in details; while on the other hand, some remain very broad in terms of pointing to the affected locations. From this point of view, the analysis have brought us to three different types of announcements: Location-Concealing, Home-Prioritizing and Location-Revealing Announcements (Table III). While at first glance, these three categories may be perceived as a continuum from the least to the most location specified cases; however, it is important to note that there are also significant variations within each category. These variations will be further presented and illustrated case-wise. The three categories may also be regarded as different ways of choice or different approaches of the MNC when announcing restructuring. In this respect, these different approaches may have different possible meanings and consequences will subsequently be discussed from different angles within the different contexts in which the MNC operates.

<p>Location-Concealing Announcements</p> <ul style="list-style-type: none"> • Neither country nor plant is specified when announcing the restructuring
<p>Home-Prioritizing Announcements</p> <ul style="list-style-type: none"> • The number of affected employees from redundancy is specified only in the home country • The affected plant is specified only in home country while the other affected countries not mentioned • Affected plant in only home country specified while the other affected countries mentioned without specifying the plant
<p>Location-Revealing Announcements</p> <ul style="list-style-type: none"> • All affected countries specified by number of affected employees from redundancy • All affected plants specified in each country • Affected plant in only one subsidiary specified while the other affected countries mentioned without specifying the plant

Table III-Three different categories of redundancy announcements

Location-Concealing Announcements

The announcements under this category have something in common; they do not specify the location, neither country nor plant, and tend to be very general when announcing the redundancies. An example can be given to illustrate this category:

The petrochemical group, ExxonMobil, announced a Europe-wide restructuring plan affecting 1,537 jobs. The project aims to centralize the totality of the managerial teams in a single European center,

which will be based in a country at reduced social cost. In Europe, the group employs directly 24,000 persons on 29 units and owns 106,000 gas stations. (ERM, 2016/a)

The announcement informs us about the prospective reason of the layoffs with its possible redundancy effect in total. However, the location which the restructuring may affect how many employees remains concealed. In this given case; the redundancies may apply to any subsidiary in Europe. Announcing the redundancies this way may communicate in different ways among the different contexts where the MNC operates. Since the location is not known to the parties; with an instant analysis, it can be interpreted as a threat from the subsidiary-side; while on the other hand, it may have other meanings in the other context. Thus, by announcing the redundancies in this way may allow the MNC to create different consequent acts in different contexts by such different interpretations.

When examining the cases further, it was found that announcements are more likely to be location-concealing when the numbers of possibly affected employees rise. The more the number of affected employees, the more likely that the announcements is location-concealing. The scale of the restructuring, therefore, was found to be an important factor in MNC's choice of adapting such an approach in its announcements. Similarly, the scope of the restructuring constitutes another important aspect why the MNC tends to announce this way. When the restructuring involves many countries, the announcements tend to be more general such as mentioning the affected locations as either worldwide, EU, or more precisely, Western and/or Eastern Europe. Therefore, similar to the scale, as the scope of the restructuring rises, the MNCs tend not to specify the locations of the redundancies neither country- nor plant-wise.

This can be explained from different angles: It can be due to the difficulties in calculations of the large numbers of employees dispersed in different locations; or it can be because of diverse legal settings within each location concerning the announcements; and hence, due to getting prepared for the future negotiation processes with the relevant actors such as public authorities, EWCs and trade unions. By specifying a larger number of affected employees in a country and/or plant may result in directing the attention of actors to one location, which the MNC may try to avoid at first hand. It may be also challenging to start negotiations in many different locations at the same time, which may explain why the MNC may choose to announce in location-concealing way. However, regardless of the reason why the MNC doesn't specify the location may have consequences on the other contexts. With location-concealing announcements, the announcement itself may act as enforcing a competition across different countries, as well as, a competition among the subsidiaries. The different interpretations by these contexts may bring about such consequences.

Moreover, when analyzing in a longitudinal way, it was observed that this type of announcements tend to be followed by more specific announcements at a later stage. In this respect, these announcements constitute the first set of further announcements related to a broader bargaining process. Therefore, some of the restructuring announcements under this category follow a similar pattern, starting the redundancy announcements from global or macro level to the

detailed and specified locations based on country or individual plant over time. This can be illustrated by the restructuring case in Renault in 2008:

[On July 2008] Renault, the French automobile manufacturer, has announced that it is to dismiss 5,000 to 6,000 persons out of 47,000 employed in Europe due to the deterioration of the macroeconomic environment. The management said that the reorganization will be implemented on a voluntary basis. Apart Sandouville in France, the direction did not give any information concerning the sites which will be affected by the reorganization. (ERM, 2016/b)

The announcement firstly gives the total number of the employees in Europe who can be affected from the restructuring and it specifies neither countries nor plants. The plant in home country (Sandouville/France) is pointed in the announcements; however, there is no information given about the number of employees who would be made redundant. On the other hand; two months later Renault made more specific announcements:

[On September 2008] Renault has announced plans to cut 4,000 jobs [in France] ... without taking account of its subsidiaries, with staff not directly involved in production ... Unions at the company are hoping to secure better redundancy terms between now and the group's next central Works Council meeting, scheduled for 1 October 2008. Trade unions called employees of Renault to stage a strike on 11 September in protest against the French carmaker's plans to axe 4,000 jobs. The strike is a protest against the group's plans to cut 3,000 jobs and to eliminate an extra 1,000 at its plant in Sandouville. (ERM, 2016/c)

This case illustrates that when the announcement became more specified, it brought about reaction from the other parties in different settings; which is the trade union in the home country as well as the EWC in this context. Therefore, it may be seen as a part of the bargaining strategy of the MNC to first start announcing on a broader level; and then at a later stage make a more specific announcement. Announcing broadly may be an initial part of the prospective negotiations where both parties may get prepared for the next step. On the other hand, as mentioned previously, following such a path in the announcements may also be due to the on-going calculations for the effect of the restructuring in every single location. However, independent of the reason why the MNCs follow such a pattern, each announcement; from the location-concealing to the location-revealing, may have different meanings; and hence different consequences on different parties.

Furthermore, on the industrial/sectoral distribution, it was found that there is an even distribution under this category, though with slightly more biased to industries of computer, electronic/electrical and optical products manufacturing and financial sectors. This means that announcing in a location-concealing way is not limited to a certain industry. This may allow us to state that the MNCs operating in various industries may broadly announce the redundancies in terms of location. In this respect, for location-concealing announcements, the industry may not constitute a specific setting for a search of different interpretations of the announcements within the MNC context.

Home-Prioritizing Announcements

The previous Renault case may allow us to look for the second type of the announcements. Following the analysis, it was found that in some announcements the MNC chooses to specify the extent of the possible redundancy effects in their home countries and/or plants in the home country,

while signaling that the restructuring is not limited to the home country and may extend to the other locations in the scale and scope. The following example illustrates this category:

On 8 July 2008, Siemens released details on its restructuring program. Siemens intends to cut 16,750 jobs worldwide. Out of these 5,250 jobs will be lost in Germany. The cutbacks will most severely affect the German sites in Erlangen (1,350) Munich (1000), Nuremberg (550) and Berlin (350). (ERM, 2016/d)

In this case, the announcement states that there will be redundancies in the home country by referring to the specific locations. On the other hand, the announcement also states that there are redundancies to be made worldwide and conceals the other locations apart of the home country. However, the home-prioritizing characteristic of this announcement, for example, may be due to the fact that it could be based on a German newspaper. While it is important to note such handicap, such an announcement may still be interesting for having different consequences both within the organization; among the subsidiaries, as well as, in the context of the other relevant actors located in home and host countries. The different interpretations; consequently, may result in different performative consequences of such announcements in these different contexts; either this announcement may be perceived as volunteering, sacrificing or instructing for the rest of the organization in home or can be interpreted as a warning or a request by the actors in the host context. Therefore, it remains an interesting question to ask why the MNC announces this way and what it may possibly intend to perform such acts on actors by the announcements.

With a further analysis, there were found some variations within this category. Some announcements, like the case illustrated previously, specify the redundancy effect in the home country and the plant in the home country while not mentioning the other cross-border effects of the restructuring. It was observed that more than half of such announcements (53% of the cases) are made by the German MNCs. The German MNCs are inclined to specify their home country as well as the plants located in their home countries without pointing to the other affected foreign countries when announcing their restructurings. On the other hand, it was also observed that there are no examples of such announcements which are primarily from any MNC with non-European ownership structure.

Although this is to say that no non-European MNC chooses to prioritize their home country when announcing the redundancy; however, it is important to note that such finding may probably derive from the formation of the dataset since it prioritizes collection of announcements which are primarily affecting the European area. The observation on German MNCs may also be connected with the limitation of the data as well; since the database could be biased to the countries with larger population and to the companies larger in size due to media coverage. Regardless of such a bias, the question remains why the German MNCs tend to announce the redundancy effects in their home country and concealing the effects in other locations. It may either be due to legal settings in home country (although ILO's convention No. 158 has not been ratified in Germany), or basically due to the choice of prioritizing the home country effects in the home. This may explain the effect of the home country institutions in the practices of such MNCs in the other countries. The same question may apply for the non-European MNCs as well. However, independent of the reason why, the interesting point is the different interpretations in the different contexts of the

MNC and possible consequences of these interpretations.

Furthermore, there were also some cases in which the MNCs mention the possible effects on the other countries without giving details, but prioritizing to specify the effects in home country or home plant by their announcements. An example can be given to illustrate such cases:

Alcatel-Lucent has announced 5,490 job cuts worldwide, with a large number of job cuts being implemented in France (1430). Other EU states will see 3,300 jobs go, while 900 jobs are to be cut in the Asia-Pacific region ... about 500 positions were under threat in Italy (20% of the workforce) and 10% in Belgium ... cuts would mainly hit support functions such as sales, marketing, finance and human resources, located in the headquarters in Velizy (France). (ERM, 2016/e)

In this case, the announcement illustrates a restructuring related to functional reasons; where the emphasis is given on cutting the administrative functions in the home country. Such way the redundancies are announced; therefore, may be dependent on the reason for the restructuring. Additionally, the priority may be given in the home context due to the scale of the job cuts; as illustrated in this case, where the redundancies are expected to impact mostly the home country. Although such data may not tell us much about the reason, it may lead to question the possible consequences with these differences. In this case, for example, questioning how this announcement may be perceived by the administrative worker in France (whom the announcement directly points to), by a mid-level manager in Italy (whom the announcement indirectly point to) and by a blue-collar worker in a subsidiary in Asia-Pacific (whom the announcement mentions) and which way this announcement may be performative on these actors remain interesting.

Location-Revealing Announcements

Some MNCs do not prioritize the home country/home plant nor do they mention the redundancies in broader global level; however, they specify the numbers of threatened employees in each individual country or in each production/service plant. Such announcements can be illustrated by the following case:

Arcelor, the worldwide steel leader, announced a European restructuring plan affecting six blast furnaces in four units until 2010. The French unit (Florange), the Belgian unit (Liege) and two German units (Eisenhüttenstadt and Bremen) will be affected each by the closures of blast furnaces ... The restructuring plan will not only affect 5000 jobs on the blast furnaces but also subcontractors and other linked companies and workers in the regions. (ERM, 2016/f)

The case illustrates the announcement of redundancies resulting from the closure of production plants; by revealing all the affected locations. Although, it can be said that the announcement itself is very broad; however, when compared to the cases presented in the location-concealing announcements, the announcement is specific as pointing to the specific production plants. The data does not allow us to say much about the reason why, for example, Arcelor announces redundancies such way; however, the interesting point may remain in the questioning whether there are similar or different interpretations in the subsidiaries in Florange, Liege or Bremen vis-à-vis this announcement.

Additionally, it was observed that the majority of these announcements are made by non-European MNCs. To illustrate, fourteen out of fifteen announcements made by Asian-Pacific MNCs fall under this category. Similarly, there are 22 out of 27 announcements in this category

which are made by North American corporations. It is also important to note that the announcements of North American MNCs tend to specify one particular plant in the subsidiary while mentioning the other countries. In other words, the non-European MNCs usually tend to specify the possible redundancy effects on country and/or plant base when announcing the organizational restructuring.

Such announcements by the North American MNCS bring about a subgroup within this approach. Besides the announcements specifying the plants or countries on which there may be redundancy consequences from the restructuring, there are also some announcements combining the specification based on country and production/service plant. Such cases could be exemplified by the following announcement:

On 6 March 2013, Swedish power company Vattenfall announced its intention to lay off about 2,450 staff by 2015 in an attempt to cut costs. Most of these job cuts will take place in Germany (1,500 positions), followed by the Netherlands (500) and Sweden (400). The remainder 50 job cuts will take place in other countries with no further specifications (Denmark, Finland, Poland or the UK) ... [In Germany] the job cuts will mostly affect staff in Berlin, Cottbus and Hamburg. (ERM, 2016/g)

In such announcements, one subsidiary; which is Germany in this case, is prioritized among the others. This may be due to the significance of the subsidiary; or related to the scale of the restructuring in that specific location, which is Germany in this context where the majority of the redundancies may apply in comparison with the minor redundancy consequences in Denmark, Finland, Poland or the UK. However, regardless of the reason why there are such differences in these announcements; the search for answers to the question how the performativity of this announcements among different actors in the Swedish (as home country), German (as prioritized host country) or in Finnish (the least specified country) contexts may apply may give us insights about understanding the different contexts of the MNC.

Moreover, the location of the effect in these cases was an important factor. In Germany, Belgium and the UK, it was observed that the announcements tend to specify the redundancies on plant base while mentioning the scope in the other countries. The restructuring case of Hewlett Packard (HP) between May 2012 and June 2014 may be given to illustrate such different types of the announcements:

[On 23 June 2012] Hewlett-Packard (HP), an American multinational hardware and software corporation, is planning to cut up to 8,000 positions across Europe ... The company announced its plan to lay off 27,000 workers worldwide, about 8 per cent of its current workforce of more than 300,000 workers. HP says that these job reductions would be made mainly through early retirement. The company claims to use cost savings from planned job cuts to drive organic growth. (ERM, 2016/h)

The announcement describes the scale of the redundancies worldwide and in Europe, and points to the reason for the restructuring as well as how the redundancies would be made. However, it does not specify the locations across Europe. After three months, HP announces additional redundancies by extending the scale of the ongoing restructuring:

[On 10 September 2012] HP will cut additional 2,000 jobs worldwide. The company announced a multiyear restructuring plan in May [2012], implying the loss of 27,000 jobs. With the update in September [2012], the total job loss increases to 29,000. HP claims that part of the extra job loss will

come from an "enhanced early retirement" scheme for its US employees. The current early retirement program is described as successful, as close to 11,500 people are expected to leave the company by the end of 2012, which is considerably more than the estimated 9,000 people. HP goes through a restructuring process, reorganizing itself towards more focus on software and services for business. (ERM, 2016/i)

The announcement informs whole organization about the increase in the scale of the redundancies and gives more details about the reason why HP is restructuring. By this announcement, it can also be understood that the restructuring includes the company's home country since it gives information about how US employees will be laid off. However, the locations, where the redundancy may have an effect, are still not known. The first affected location is specified with another announcement:

[On 14 September 2012] HP, which in May 2012 announced to cut 29,000 jobs worldwide, released first figures on job cuts in Germany. According to HP-management, the first restructuring phase will involve a minimum of 450 job cuts by 2014. The subsequent restructuring phase may result in further redundancies. Currently, HP employs about 10,000 persons in Germany, out of these about 4,000 are located in Böblingen, Baden-Württemberg. The global restructuring program is initiated as a response to HP's declining market shares. The company has witnessed a decrease in computer sales due to the increase in usage of smartphones and tablet pcs last years. (ERM, 2016/j)

Germany was the first location announced to be affected from the global restructuring. The announcement points to Böblingen where the majority of the employees work in Germany; however, it is still not known whether the restructuring would affect this location. Such detailed information on the location may be due to the use of German newspapers as source. However, the differences in the interpretations become more interesting when comparing the announcements. While the previous announcements state the focus on the organic growth or a change in the strategic focus as the reason for restructuring, this one relates the redundancies with a response to firm's declining market shares and sales. Such differences may result in different performatives and therefore may have different consequences on the relevant parties. Approximately one month later, the extent of the global restructuring process became specified in Belgium as well:

[On 17 October 2012] HP Belgium announced its intention to cut 265 jobs, 13% of its workforce is Belgium. The management justifies the worldwide restructuring measures by decrease in profits and global market decline. The group already announced its intention to cut 29,000 jobs worldwide. According to the trade unions, the company has to carry social responsibility and enter negotiations in order to reduce the number of job losses. The implementation of the collective redundancy procedure should start in the next few days. (ERM, 2016/k)

In this announcement, details are given about the restructuring in Belgium and the reason of the restructuring is stated as similar to the former one. Additionally, as the announcement now involves the trade unions, it may be interpreted differently and may have different consequences. This announcement, for example, has performativity on the trade unions; perhaps, urging them to negotiate and brings about different consequences; such as making them to resist. The subsequent announcements have involved more actors while making the locations more specific:

[On 18 July 2013] HP's global restructuring plans which involve the cutting of 29,000 jobs worldwide, will include the closure of its location in Rüsselsheim, Hesse (Germany). A social plan was agreed with

the works council via the arbitration by an external lawyer. The closure decision could not be avoided. The closure affects 1,100 jobs. Out of these, 850 jobs will be eliminated. The workers will be covered by a social plan. Another 250 positions originate from car manufacturer Opel Rüsselsheim who outsourced these IT-jobs to HP. The 250 IT-workers will return to Opel. (ERM, 2016/l)

The announcement made the location specific; however, on the contrary to the former announcement, it points to another location in Germany. Additionally, more details on the restructuring is given; that it includes the closure of a location; the involvement of works council as well as its scale to the outsourced workers. Similarly, the locations have become specified in the UK as well:

[On 04 December 2013] HP is to cut up to 1,124 jobs in the UK. Starting in 2014, cuts will affect the sites in Bracknell (600 jobs cut), Sheffield (23) and Warrington (500). The measure is part of a large-scale global restructuring plan affecting 27,000 positions, of which 8,000 in Europe. The restructuring is blamed on falling demand for desktop computers. According to HP, there will be redeployment opportunities and support for the affected staff including re-skilling and alternative employment. Hence, it is likely that part of the 1,124 workers will not be made redundant. (ERM, 2016/m)

This announcement makes the locations specific in the UK as well as informs about the prospective estimations of the labour status of employees who would be redundant. Additionally, the reason for the restructuring is again given the same as decline in the demand in consistence with the former announcements; though contrarily to the early ones. The restructuring case was announced again when HP decided to lay off more employees:

[On 31 December 2013] American multinational HP recently announced additional restructuring measures on top of the previously announced elimination of 29,000 positions in October 2013. Within the framework of the previously announced large scale restructuring plan, additional 5,000 positions will be eliminated by the end of 2014. As announced in December 2013, the total number of job cuts will therefore increase from 29,000 to 34,000 jobs. The additional job cuts represent an extra 15% of the originally predicted number of job cuts. Detailed information on where exactly the additional 5,000 job cuts will take place is yet to be published. (ERM, 2016/n)

Similar to the process initiated in May 2012, no details on the location is given by this announcement. When the additional redundancies announced, the circle has gone back to the location-concealing way and followed by the additional announcements that specify the locations country-wise such as:

[On 24 June 2014] HP announced plans to cut 300 jobs in Belgium. As reported, the job reduction measure will affect the sites in Diegem and Mechelen and comes above the 265 jobs lost at the end of 2012. According to the sources the social plan gives the possibility of voluntary leave, but the trade unions consider that there will be not enough volunteers. The measure is part of a global restructuring plan. (ERM, 2016/o)

The first location specified was Belgium; even though, the scale of the redundancies were minor. This may be due to the source of the data as taken from Belgian media; which may also be the reason why the locations were specified for German and the UK case. However, since ERM collects the data from the national news sources in all EU member states, one could expect detailed and location specified announcements from the other affected countries as well. In this respect, since, for example the HP case involves in the whole Europe, it is relevant to ask why there are

location specific announcements only in Germany, Belgium and the UK, and not in the other countries. This may be explained by the influence of the host country settings on the announcements.

Discussion: The Performativity of Announcements in Different Contexts

The investigation on the consequences of the redundancy announcements have inherently necessitated to look at the different contexts in which the MNC operates. The different contexts may be understood within the light of institutional discussions in relation to MNC. The variance of institutions and multifaceted configurations makes the MNC’s institutional environment complex for the analysis (Djelic & Quack, 2003). Drawing upon this complexity, Kostova, Roth and Dacin (2008) offer three clusters of institutional settings for the analysis of MNC; the meta-institutional, intra-organizational and meso-institutional contexts (Figure-I). The redundancy announcements; in this respect, may act differently in an interplay of actors in three different institutional contexts; shareholders in the meta-institutional; subsidiaries in the intra-organizational and the home and host country contexts in the meso-institutional levels. With the guide of the speech act theory (Austin, 1962), the performativity of the announcements may bring about different consequences on these three contexts. In this respect, firstly the announcements may illocutionary act *promising*, *signaling* and *targeting* and may have perlocutionary consequences such as *loyalizing* or *persuading*; *enduring* as well as *endorsing* in the meta-institutional level. Additionally, the redundancy announcements may make the competing MNCs *frighten* or *spite* as well as not only they may *praise*, but also make the investors *detaching* in the meta-institutional context. Secondly, in the intra-organizational context, the announcements may illocutionary *threaten*, *warn* or *order* the actors; and consequently may make them *competing*, *bargaining* and *accepting* or *resisting*. Lastly, the performativity of the announcements can be *antagonizing* and *asserting* on the actors in the meso-institutional context, which may then have perlocutionary consequences of *compromising*, *urging* or *protesting*. Similarly, they may have different interpretations in home, such as *instructing* and *modelling*, as well as in host context, such as *requesting* and *imitating*. In short, the announcements may be interpreted differently and may have different consequences. Therefore, a search for such different consequences of announcements in these contexts may consequently help us to show how MNCs shape institutions.

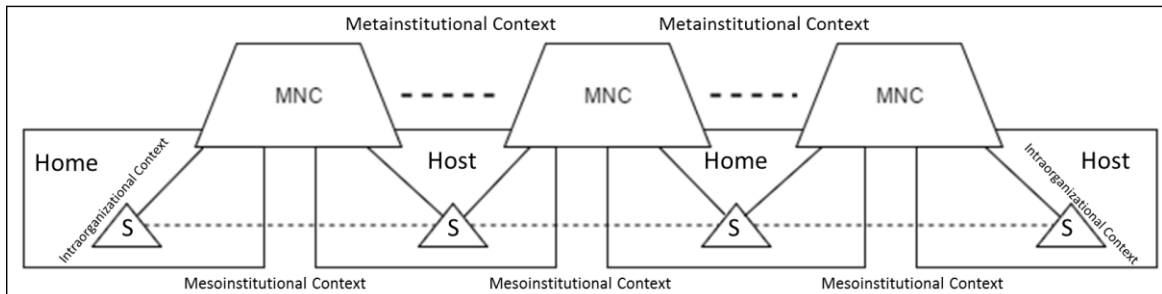


Figure I-Three institutional contexts of the MNC (adapted from Kostova, Roth and Dacin, 2008)

Consequences on Meta-institutional Context

The meta-institutional level is an institutional context which is peculiar to the MNC and which is detached from the national institutional settings of home or host countries. It is an institutional context wherein the MNC, as a separate form of organization, interacts with the other MNCs and forms its own logic, rules and practices (Kostova, Roth & Dacin, 2008). The meta-institutional context may include the shareholders or investors in general not only who already are shareholders, but also other MNCs as either business-to-business customers, suppliers or competitors. The redundancy announcements may have different meanings for these actors. For instance, Nokia's announcement by the end of 2009 stating its "plans to cut between 4,500 and 5,800 jobs worldwide when the third quarter interim results showing that the company was in the red again, while its worst competitor Ericsson was making a healthy profit" (ERM, 2016/p) may be interpreted *spitefully* by Ericsson, as a competitor. On the other hand, since the announcements of redundancies may indicate future performance (Palmon et al., 1997), they may not only result in the spitefulness of the competitors, but also may make them *frightened* for indication of their competitor's future performance.

In this respect, such different consequences of the announcements can be investigated on investors as an actor representing this institutional context since investors are positioned over the whole organization; and not bounded by the national borders. The redundancy announcements may be interpreted differently by the investors and therefore may have different consequences on meta-institutional level. As Chalos and Chen (2002) state "the restructuring involves a fundamental change in business strategy and operations in hopes of achieving improved results of operations in future periods, often as a result of reduced costs" (p. 847). In this respect, the redundancy announcements may *promise* the investors future profitability. However, they may also be *targeting* the investors when the announcements make the addressees clear since the restructuring is associated with profitability (Chalos & Chen, 2002). The differences in the announcements; therefore, may have significant roles in shaping such different interpretations. As it was observed, the scale of the redundancy affects how it is announced: The larger the scale of the redundancies the more often the announcements are locationally anonymous. Therefore, the location-concealing announcements may promise the shareholders for future profits since they involve larger scales of restructurings. In return, they may have consequences on the investors as either *loyalizing* them to the MNC in the long term or *persuading* to keep their investments maybe in the short run such as when "the new chairman of Siemens AG, Klaus Kleinfeld, has announced far-reaching restructuring of the group involving more than 5,000 job losses in order to raise productivity and profitability" (ERM, 2016/q). The announcements with specific locations, on the other hand, may target the investors vis-à-vis the actors situated in the subsidiary as well as the home and host contexts. Through location-revealing announcements, the investors may be targeted by the identification of effects in the other contexts. By making the addressees clear and targeting the investors so far as the restructurings is associated with profitability (Chalos & Chen, 2002), consequently, such announcements may *endorse* the importance of the investors. Furthermore, similar to the location-concealing announcements, the home-prioritizing announcements may

signal the investors for the future returns since such announcements can be considered indicating a start of restructuring. By announcing from its home, the MNC may indicate an extension of restructuring from its home to the other locations, as signaling the investors a bigger scale restructuring and perhaps, more profitability and; consequently enabling their investments to *endure* during the restructuring.

The announcements; however, may not only promise or signals about the future profitability or target the investors, but also they may *praise* the investors so far as the announcements are identified with such as the market value of the firm (Blackwell et al., 1990; Gunderson et al., 1997); and consequently with the maximization of investor returns (Abraham, 2004). When Guild (2002) inquires how the layoffs are legitimized by the management and responded by the employees, she finds out that the importance of the maximization of shareholders' interests was often motivated for legitimization of the restructuring. In the same manner, these announcements, such as in Siemens case (ERM, 2016/q), emphasizing to raise profitability; thus praise the investors. However, on the other hand, some announcements may contrarily be *detaching* for the investors depending on the stated reason. Farber and Hallock (2009) state that the restructuring announcements pointing to a decrease in product/service demand are negatively related to stock markets; thus, to investor returns. In this respect, an announcement pointing this aspect, such as in HP case where “the restructuring is blamed on falling demand for desktop computers” (ERM, 2016/m) may detach the investors from the MNC. Therefore, apart from the differences in terms of location specification, the other aspects of the announcements, such as the reason for restructuring, may be influential in the interpretations of the actors in all contexts and; hence, may have importance to shape differences in consequences as well.

In short, the redundancy announcements may have different meanings and consequences in the meta-institutional context, depending on how the redundancies are announced as well as the nature of the restructuring. By announcements, the MNC potentially shapes the interpretations of the actors who are either located inside or outside the organization. For the fact that the meta-institutional context inherently necessitated to go beyond the MNC's organizational boundaries, perhaps, a look into in the performativity of the announcements in intra-organizational context may portray the different consequences within the organization.

Consequences on Intra-organizational Context

The meaning of redundancy announcements are quite different in intra-organizational context in comparison to the meta-institutional level. The intra-organizational context is the internal area of the MNC together with the subunits, in other words, the institutional setting which all units of MNC belong to (Kostova, Roth & Dacin, 2008). The subsidiary, therefore, could be given as an actor representing this context. The redundancy announcements may have different illocutionary and perlocutionary performatives on the setting within the MNC in contrast to the meta-institutional context. In this respect, the location-concealing announcements may act *threatening* on the subsidiaries since the location of the effect is not known yet and; hence directing a threat which is fed upon the uncertainty. When the HP, for instance, announced the additional redundancies, the location was not known; and therefore, the subsidiaries may feel threatened in

the face of this announcement. For subsidiaries, such an illocutionary act may not only be seen as a threat of closure or losing jobs, it may also foster intra-firm competition among subsidiaries, trying to avoid closure or major redundancies. Becker-Ritterspach and Dörrenbächer (2011) define the intra-firm competition in terms of the competition among the subsidiaries to access to scarce capital, technological and human resources as well as improve and/or defend their system positions. It may be argued that such redundancy announcements not only act perlocutionary to enhance *competition* among the subsidiaries to access scarce resources, but also to avoid losing them. In this context, rather than accessing these resources, the redundancy announcements may foster competition among subsidiaries to keep their scarce human resources. Such announcements may also foster the competition in terms of the subsidiaries' system positions. Lou (2005) explains the system position of a subsidiary vis-à-vis the headquarters within the context of intra-firm competition as the subsidiary's position in the value chain, its position to access the important information flow as well as its capability to influence the decisions made by the headquarters. In this sense, the uncertainty from such announcements may make the subsidiaries to compete to reach the information and influence in the decision-making processes to improve and/or keep their system positions. Similarly, the home prioritizing announcements could be argued to be interpreted as *warnings* by the subsidiaries; a warning to be ready for the prospective consequences of the restructuring starting in the home country. The illocutionary warning act of such announcements may have consequences in the *bargaining* of the subsidiary to perhaps minimize the negative effects. In this respect, these announcements may perlocutionary make the subsidiaries to bargain about the possible consequences of the restructuring. On the contrary, when announcing in location-revealing way, the affected location has already been decided and not much space is left for such negotiations by the announcement. In this respect, such redundancy announcements may be interpreted as an *order* by the subsidiaries, as a decision taken by the management to be implemented. In return, it may be perlocutionary responded in at least two ways by the subsidiary; either *accepting* the order and implementing the decision; or *resisting* against it.

To sum up, the announcements may have different consequences on the actors located in this context as well. Depending on their interpretations, the announcements may have different consequences by either fostering competition, affecting bargaining, or making the actors accept or protest the restructuring. In this respect, the announcements have different performatives in the intra-organizational context compared to their meanings in the meta-institutional level. Such differences in these contexts may be argued to converge in the meso-institutional context of the MNC. The differences in interpretations of announcements in the home and host countries may; therefore, resemble the consequences both in meta-institutional and the intra-organizational contexts.

Consequences on Meso-institutional Context

The announcements, despite their significant differences, may have consequences in this contexts which resembles the interpretations in the case of investors and the subsidiaries. The MNC operates in at least two national contexts; the home and host countries, which Kostova, Roth and Dacin (2008) call as the meso-institutional context. The redundancy announcements may have

different meanings on the home and host country settings. The announcements with unspecified locations may create stress on the actors located both on the home and host countries, similar to the subsidiary context; though, illocutionary acting as *antagonizing*. The antagonizing may not necessarily take place only between the home and host countries; however, it may extend to a scale among the different host countries as well. This resembles competition between different countries to keep the investments in their home: a regime competition (Streeck, 1992). The point that Traxler and Woitech (2000) make on the regime competition by displaying the opportunistic choices of the MNC for the location of its investments in the countries with the most cost minimizing labor regimes and lowest national labor standards/regulations could; therefore, be reflected on an opposite direction where the countries try to keep the investments in their home countries by offering the most cost optimized options for the MNC. Such a reverse look to the regime competition from the redundancy side; looking from where the MNC exists instead of tracing where it invests to, may also be connected to the perlocutionary act of the location-concealing announcements as well. When the restructuring plan of HTI High Tech Industries AG was released by the management at a press conference on June 2009, announcing to “cut its workforce across its European sites by around 500 to 1,100 by December 2009” (ERM, 2016/r), the announcement may antagonize the home and host countries since it does not specify any location. Consequently, it may be expected that the actors in the home and host countries would *compromise* and comply with the trend of making their own labor markets more attractive for the multinational corporations as a choice for location (Alber & Standing, 2000); in this context, to keep the investments in their home. The antagonizing and compromising act of these redundancy announcements may; therefore, foster the regime competition.

On the other hand, the location-revealing redundancy announcements may perform as *asserting* on the home and host settings, in a similar way to the subsidiary context. However, the difference arises from the fact that the redundancy announcements do not directly order the constituents about possible implementation, which is the case in the subsidiary context. Similarly, the perlocutionary consequences may have two directions; either *urging* or *protesting*. Since there may be actors in the home and host context that are located outside the organization, such announcements may not order, but instead act to urge for the implementation of the decision. On the other hand, it may also be argued that these announcements result in the protestation in the home or host contexts. This can be visible by the protest of trade unions stating that “HP has to enter negotiations in order to reduce the number of job losses” (ERM, 2016/k) when the redundancy was announced in Belgium.

Furthermore, the distinction between the home and host contexts becomes more apparent in the case of the home-prioritizing announcements. Since such announcements discriminate the specification in favor of home context, they may be argued to have a direct effect on the home country; while, on the other hand, signaling effects on the host (Figure-II). Such distinction; therefore, may result in different meanings within the home and host countries. Since the MNC starts the restructuring from its home country, these announcements may perform as a kind of *instruction* for host country subsidiaries for how it should be done. The way that MNC restructures

in its home country, could be the way that it will be in the host countries as well; therefore, the announcements in the home could be instructing how it will be done. From this point of view, the perlocutionary act on the home country context would be *modelling*; being an example of the restructuring for the host country. On the other hand, such announcements may be *requesting* the actors in the host country to act similarly to home context. As a consequent act, they may perlocutionary be *imitating* the home country practice to the host country context. When Siemens “released details on its restructuring program intending to cut 16,750 jobs worldwide, out of these 5,250 jobs in Germany” (ERM, 2016/d), the announcement makes the home context instructing and modelling for the host; since the majority of the redundancies would be made in the home; while on the other hand, it requests the host countries to imitate what is done in the home.

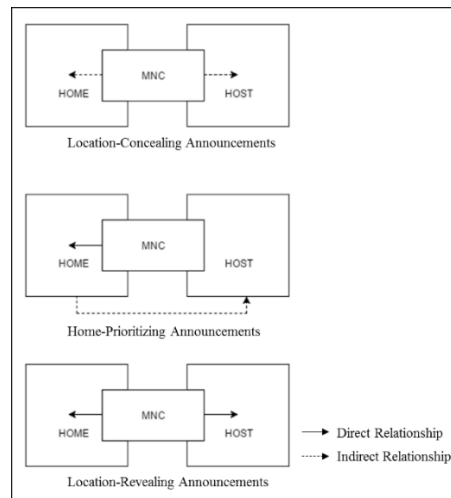


Figure II-Relationships of the different categories of redundancy announcements with home and host contexts

Summing Up

The speech act theory helps us to identify such different meanings through the locutionary, illocutionary and perlocutionary acts of the announcements in these contexts (Austin, 1962). The redundancy announcements; thus, far more than being statements, perform and do something in each context. In each of three contexts, there can be identified three sets of illocutionary and perlocutionary acts based on how the redundancy is announced (Table IV). However, for the locution, such differences in the announcements may not constitute speech act on the actors since the announcements; themselves, are the locutionary acts, with their traditional meanings. That’s to say that the redundancy announcements, regardless of their differences, perform locutionary that the firm *informs* about the layoffs in their full-normal meanings. Therefore, differences in redundancy announcements become more interesting when a comparison is made in terms of their illocutionary and perlocutionary meanings. The different performatives may be more apparent for the restructuring case of Airbus in 2007:

On 28 February 2007, EADS the parent company of Airbus presented the restructuring program, Power 8, for Airbus. According to the program a total of 10,000 jobs will be cut, whereof a majority in the factories: 3,700 in Germany, 3,200 in France, 1,600 in Great Britain and 400 in Spain. In addition, the head office in Toulouse will be reduced by 1100 jobs ... Following the announcement, some workers

decided to stop work and gathered in front of the management. French politicians are particularly sensitive to job cuts in the run up to presidential elections in April and May 2007. In Brussels, union officials from Britain, France, Germany and Spain met to coordinate their strategies with the European Metalworker's Federation, and hinted that the first strike action may be only weeks away. Three French unions called for a half-day strike at the company's French factories on Tuesday 6 March and a pan-European day of action was announced for the middle of the month. The cost-cutting scheme aims to save the company 5 billion Euros by 2011 and 2 billion Euros per year thereafter. (ERM, 2016/s)

By the announcement, the parent company, EADS is *ordering* to the subsidiary, Airbus; and *asserting* the restructuring on the home (France) and host (Germany, Spain and the UK) contexts. The announcement have resulted in *protestation* of the workers and unions located in the home and host countries; moreover, have implications for consequences in the political environment as well. This case; therefore, may illustrate how the announcement may be interpreted differently by in different contexts; and thus have different consequences. In this respect, MNC may be argued to exert its power by such different consequences of announcements as means to shape the institutional settings (Djelic & Quack, 2003).

As it has been pointed out, the differences in the redundancy announcements have different meanings in the different contexts. These differences indicate that announcing the redundancies have performative consequences on different actors in certain contexts. While, on the other hand, looking at these settings with the perspective of speech-act theory, it becomes visible that announcements enable the MNC to exert the performativity on actors in these settings through the illocutionary and perlocutionary speech acts. Therefore, the redundancy announcements may constitute an area in which the MNC intentionally shapes its institutional surrounding by impacting the acts of the actors through the speech acts. This may lead us to look at the neo-institutional determinism of the institutional surrounding in which the actions of the actors are relied on the seeking for the legitimacy in the face of isomorphic pressures (Meyer & Rowan, 1977; DiMaggio & Powell, 1983) with a different eye. Such different meanings in different contexts may therefore help us to understand the institution building aspect of the MNC (Djelic & Quack, 2003), or the agency of MNC to shape the institutions (Kostova, Roth & Dacin, 2008). The MNC, with speech acts, impacts the actors in different directions and which in return may consequently foster its agency role.

Locutionary Act: Informing		Location-Concealing Announcements	Home-Prioritizing Announcements	Location-Revealing Announcements
Investors	Illocutionary Act	Promising	Signalling	Targeting
	Perlocutionary Act	Loyalizing or Persuading	Enduring	Endorsing
Subsidiaries	Illocutionary Act	Threatening	Warning	Ordering
	Perlocutionary Act	Competing	Bargaining	Accepting or Resisting
Home/Host Countries	Illocutionary Act	Antagonizing	Host Country Requesting	Asserting
			Home Country Instructing	
	Perlocutionary Act	Compromising	Host Country Imitating	Urging or Protesting
			Home Country Modelling	

Table IV-The performativity of redundancy announcements in different contexts

Concluding Remarks

In an overview, this study looks at the cross-border redundancies with an aim to identify how the MNC shapes institutions through redundancy announcements. The investigation showed us that there are significant differences in how the companies announce the multi-locational redundancies. Illustrating such differences, the study has been able to show the consequences of such differences independent of the possible antecedents. Concerning the antecedents, such inquiry brought us to more complexities where there are institutional settings within which these announcements shaped. From this point of view, the second aim of the study; questioning how the MNC announces redundancies and what characterizes them, directed us to investigate the institutional settings which the announcements are due to. The institutional settings have been presented either in terms of the home country effect which is elaborated by the differences in the business systems (Whitley, 1999), or in terms of the position of the legitimacy vis-à-vis the isomorphic pressures stemming from the different institutional contexts within the subsidiaries (Kostova & Roth, 2002) referring to the legal frameworks shaping the differences in the announcements. The inquiry on the different contexts of the MNC brought us to explore the performative aspect of the announcements as a third aim of the study. The announcements are speech acts themselves; and which are considered in terms of the agency of the MNC within the institutional surrounding. The investigation in the redundancy announcements consequently points out the capability of the MNC due to its resources and power to shape the institutional environment.

In this respect, the study contributes to the previous studies in several aspects. Previously, the redundancy announcements have been studied either in terms of performance; such as in relation to the market value of the firm (see e.g. Blackwell et al., 1990; Gunderson et al., 2007; Farber & Hallock, 2009), or within the context of corporate governance; such as the relationships between the announcements and the board structure (Yawson, 2006) and shareholders (Ursel & Armstrong-Strasse, 1995; Abraham, 2004), or in terms of the organization's strategic objectives (Kalra et al., 1994; Chalos & Chen, 2002). The previous studies are mainly concerned with one-narrow consequence of the redundancy announcements. In this respect, this study has a different perspective than some of the previous literature presented and contributes empirically to the literature by combining the neo-institutionalism with speech-act theory and showing the different consequences of the announcements on the diverse institutional contexts. Additionally, these studies mainly investigate the announcements either based on single company, one industry or national context. There are few studies in the literature focusing on the cross-border redundancy announcements. Those studies which consider the multi-locational aspect of the announcements are concerned with one narrow consequence of the announcements in relation to the stock price value (Collett, 2002; Capelle-Blancard & Tatu, 2012). Focusing in the cross-border announcements gave this study more opportunity to look to the consequences of the redundancy announcements from many different angles, on which very little attention was given in the previous literature.

Furthermore, the study supports the understanding of MNC in terms of its agency capability to shape the institutional context. Kostova, Roth and Dacin (2008) highlight the

importance of the sui-generic institutional level in which MNCs operate besides the home and host country settings as the MNC itself representing a third institutional dimension which they call meta-institutional level. This setting is basically where the MNC acts as an agent to shape its institutional environment. The authors agree that such an important aspect of the MNC is underrepresented in the institutionalist discussions and; therefore, they call for more studies focusing at the agency role of the MNC in such institutional level. Within these terms, this study contributes to the previous MNC literature by employing the alternative views to the institutionalism to provide evidence on the institutional-boundedness of the MNC either in terms of home or host country level with more focus on its capability to shape these settings. Additionally, pointing out the performativity of the redundancy announcements in combination with the speech act theory and institutionalist look may hopefully be a meaningful tool to show the agency of the MNC to shape its environment. This explains to a certain extent why the MNCs announce the cross-border redundancies although there is no transnational legal requirements. The study; therefore, makes a contribution by looking from a different perspective to the MNC context by connection of the performativity of the redundancy announcements with such agency role.

However, there are certain limitations to the results of this study. A limitation is concerning the setting of the study. Since the focus is on the mass redundancies within the EU, the comparison is limited with the European setting. Although there are significant major differences among the countries within the EU, it could give us more insights and present interesting results if the study could compare the other countries in the world with different institutional and legal settings as well. The different settings may lead to different implications for the consequences of the redundancy announcements. In this respect, a suggestion for future studies is to focus on the consequences of the redundancy announcements in comparison with intercontinental institutional environments. Therefore, the further research may explore the agency role of the MNC headquarters vis-à-vis the subsidiaries across the continents by asking if the redundancy announcements have any impact on the competition among subsidiaries located in the different continents, and if so, how it influences the regime competition.

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