

Chapter 1

Tenneco-Gijón. A case of local worker resistance against a global player

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‘The first thing I thought was that the guy had gone crazy. How could he say that there was still time to do something? Management had already told us that we’d been closed down. What were we going to do, when we’ve all already been fired?’

Interview quotation, local works council member
(TEN_CE09/26/10/2015).

1. Introduction

Analysing the local embeddedness of multinational companies (MNCs) is a worthwhile line of research when examining the growing detachment between labour and capital in the globalized economy. Corporate global restructuring impacts production, employment and incomes, leading to a new landscape of globalization winners and losers in the form of boom or bust districts and regions. The rupturing of an MNC's local embeddedness leads, in some cases, to the formation of incidental local networks of resistance to production relocation and plant closure plans. Such cases of reactive mobilization by workforces and local communities are the subject of much discussion and interest, as they reveal opportunities and constraints for effective local responses to relocation threats. Labour, civil and local public players engage in these *ad hoc* alliances in an attempt to gain influence over MNCs and reverse corporate decisions. Nevertheless, the actual effectiveness of such networks of resistance is low. The teleology of organization change is very difficult to break once a relocation decision has been taken and implemented throughout the production chain.

This chapter examines a successful case of local resistance to relocation. In early September 2013, the 221 employees of the American MNC Tenneco in Gijón (Spain) were informed that their plant was about to be

closed down. The workers immediately initiated collective action in the form of an unusual repertoire of protest and mobilization of support. The attempt to avert the closure was successful, and the plant was re-opened eight months later. A comparatively small workforce was able to reverse the decision to cease operations and relocate, unexpectedly stopping an ongoing process of global restructuring. Conventional theoretical approaches to organizational behaviour and change, corporate decision-making and transnational industrial relations were unable to provide an adequate set of exploratory instruments and explanatory tools to understand what had happened.

The structure of this chapter is as follows. The first section – on the MNC as a contested political complex – is devoted to presenting a conceptual framework which examines corporate decision-making as a political process in which various private and public players, internal and external MNC stakeholders become intertwined. An MNC is a labyrinth of interests, strategies and power resources pursued and deployed at local, national and transnational levels. Corporate decision-making is therefore much more than just the result of a rational quest for productivity and competitiveness gains, innovation, cost containment and efficiency improvements. It takes place within a multi-level political complex, under conditions of contestation, conflict and unpredictable change. The MNC is a political matrix structure, the legacy of struggles between different locations and decision-making nodes on a variety of scales.

The following section describes and analyses the case at hand, examining the successful resistance of the Tenneco-Gijón workforce to the corporate decision to relocate production and close down the plant. From September 2013 to April 2014, regular labour mobilizations were combined with a heterogeneous range of tactical collective actions to gain the backing of different civilian and public stakeholders, including (decisively) the European Commission. The workforce was able to build such a heterogeneous coalition through intensive strategic learning and tactical flexibility. Eight months of mobilization culminated in the re-opening of the plant and the reinstatement of the dismissed workers.

Concluding the chapter, the discussion revises the contested (i.e. political) nature of corporate decision-making. The production of social norms on relocation is the outcome of temporary and unstable power relations between different political stakeholders within and outside the MNC. The teleology of organizational change can thus be both avoided and broken.

Inventive and experimental collective action at local level is decisive to counteract and, in some cases even reverse, the most negative effects of corporate global restructuring on industrial relations and employment.

2. The MNC as a contested political complex

2.1 Perspectives for organizational change and industrial relations

The internal complexity of MNCs constitutes one of the most dynamic areas of research in the fields of organizational behaviour, corporate governance and industrial relations. The seminal studies conducted by Howard V. Perlmutter in the late 1960's led researchers to focus on the institutional, cultural and sectoral embeddedness of internationalized companies (Perlmutter 1969). The context in which the company itself operates, its competitive environment and changes in market patterns and regulation shape corporate practice. Global sectors, cultural environments and institutional arrangements, under different conceptual enunciations (i.e. varieties of capitalism, national and subnational business systems) define and help produce business models, governance structures and practices and organizational behaviours (Hofstede 1980; 1991; DiMaggio and Powell 1983; Boyer 1986; Maurice *et al.* 1986; Dicken 1992; Ghoshal and Westney 1993; Müller 1994; Whitley 1999; Hall and Soskice 2001, *inter alia*).

The preference attached in the literature to the isomorphism of corporate decision-making processes has caused certain shortcomings, including the de-politization of MNCs. This emphasis on a company's institutional, sectoral or cultural embeddedness has resulted in a blurring of other substantive aspects. The focus has been on structures (i.e. results) and not on the processes behind organizational change. Reproduction of environmental conditions, rational adaptation and efficiency-seeking are not the only principles guiding any reconstruction of corporate decision-making. Organizational change is also the temporary outcome of the power struggles, negotiations and arrangements of the different stakeholders and interest groups shaping the organizational context. Strategic egoism, partisan thinking, destructive competition and non-rationality are also decisive factors to be considered when looking into corporate behaviour.

New research on organizational change insists on the contested and contingent nature of MNCs. The establishment of social norms within an organization depends on the interrelation of institutional, cultural and sectoral contexts on the one hand, and collective action on the other. Corporate decision-making is more about power relations and strategic leadership processes not necessarily aligned with the rational quest for optimal, mutually beneficial and efficient arrangements on the part of those concerned (Streeck 2011; Becker-Ritterspach and Dörrenbächer 2011; Geppert and Dörrenbächer 2011; 2014).

MNCs are the incidental outcome of an institutional legacy of struggles, negotiations and contested decisions more in line with the conditions of uncertainty, ambiguousness and complexity than with the mechanistic and linear teleology of *rationality* and *efficiency*. As a result, MNCs are contested terrains spread across multiple institutional realities, such as varieties of capitalism, global fields of organizational competition and cultural topographies *à la Hofstede* (Kostova *et al.* 2008: 997).

The strategic positioning of an MNC is not an individual form of interest pursuit but rather a temporary result of the political balance among different stakeholders and interest groups. MNCs are highly complex configurations of ongoing micro-political struggles at different levels in which heterogeneous players interact socially to create temporary coalitions and balances of power (Köhler 2004: 128; Morgan and Kristensen 2006: 1473; Köhler and González Begega 2010b: 37).

The political analysis of an MNC reveals the biased reasoning of those perspectives suggesting the existence of predefined paths of organizational change. Global sourcing, production site benchmarking and the *de-territorialization* of economic activity are often presented as the inescapable results of globalization. Implicitly, this same narrative presents local resistance against corporate decisions as out of line with global rationality and consequently futile and ineffective. While labour is systematically harmed by such corporate practices, the mere suggestion of collective action and protest is often ruled out *ex ante* in the face of the assumed *impossibility* of altering the course of an already-taken decision to disinvest and relocate. The politization of corporate decision-making makes for an understanding that organizational change is neither unrestrainable nor utterly unmanageable by labour and other local stakeholders. MNCs are multi-level contingent constructions. Corporate decision-making is historically grounded and path-dependent, but it also

opens up multiple windows of opportunity and feasible options to be carried forward by those players and interest groups with enough power resources to pursue them (Tapia *et al.* 2015; Albarracín Sánchez 2015; Marginson 2016).

2.2 Power dimensions in MNCs. The production of social norms on corporate restructuring and relocation

MNCs are social intersections of power, interests and divisions between capital and labour in which it is possible to re-address the relationship between structure and collective action from a micro-political perspective (Crozier and Friedberg 1977).

In this definition, corporate decision-making is based on the always precarious and contingent arrangements reached by those players with a stake in the organizational field. The power resources available to these internal or external, local or de-territorialized, private or public stakeholders are not simple possessions to be exerted at will. Rather, in a genuinely *foucaultian* sense, power resources constitute the very grounds on which the different forms of social interaction within an MNC take place. Power is not therefore a mere disputed asset, utensil, advantage or prize but the cornerstone upon which social reality is constructed: in our case, organizational reality (Foucault 1975; 1993).

Three interconnected power dimensions are identifiable in MNCs. Social norms regarding organizational change and relocation are both contested and/or negotiated through these power dimensions. An MNC's social system, on which corporate behaviour, governance structures and disciplinary schemes depend, is built upon them. These power dimensions involve corporate discourse, corporate decision-making processes as well as their material outcomes in the form of rewards and sanctions for the different players and interest groups with a stake in the MNC (see Table 1).

- (1) Power dimension 1: Corporate discourse reflecting shared beliefs, values and understandings of organizational objectives which legitimate the means to attain them. Political struggles within this power dimension refer to the contest for hegemony and symbolic legitimacy among different players, which confers greater desirability and rectitude on certain corporate practices while others

are shown to be (and assumed to be) irrational, counterproductive, non-efficient or dangerous.

- (2) Power dimension 2: Corporate governance procedures and the mechanisms for assigning rewards and sanctions. This dimension relates to the political struggles over decision-making procedures and discourse rationalities in a constant evaluation process for individuals and groups. This includes both the discretionary assignment of the corresponding rewards and sanctions to these individuals and groups; and the organizational routines, designs and rites that legitimize certain players to participate in corporative decision-making or deny others access to it.
- (3) Power dimension 3: The actual distribution of material rewards and sanctions. This dimension refers to the political struggle for material compensation and penalties, including investment vs. disinvestment; hiring vs. dismissal; promotion vs. demotion, etc. Competing interests around this power dimension determine which individuals and groups (i.e. plants, workforces, subsidiaries, management levels) maintain, improve or worsen their status within the MNC.

Table 1 Power dimensions in the MNC

Power dimensions	Contested areas	Character
Discourse	Shared beliefs, values and understandings of organizational objectives that legitimate both governance procedures and the allocation of rewards and sanctions.	Symbolic
Governance structure and procedures	Routines, designs and rites of corporate decision-making. It includes legitimation of certain individuals and mechanisms for assigning rewards and sanctions.	Procedural
Rewards and sanctions	Actual distribution and access to financial, technological and knowledge assets. It includes the effects on the workforce of investment and disinvestment decisions (i.e. corporate restructuring and relocation).	Material

Source: adapted from Ferner, Edwards and Tempel (2012).

The production and institutionalization of social norms on corporate restructuring and relocation traverses the three power dimensions: symbolic; procedural; and material. The political struggles over the actual distribution of compensation and penalties are reflected in forms of organizational behaviour and corporate change. Power balances and

competing interests within an MNC shape organizational preferences for particular choices and development paths, while others are rejected as out of line (i.e. non-rational) with the hegemonic and prevalent corporate discourse (Ruigrok and Van Tulder 1995).

The corporate discourse on corporate restructuring and relocation is based on a specific rationality which aligns the work of the MNC as a whole with the objective of creating shareholder value. The interests of local stakeholders (including workforces) and territories are subordinated to this objective. The *financialisation* of corporate discourse marginalizes alternative forms of value distribution. As such alternatives are ignored, other options for the organization of global chains and, consequently, other possible paths of globalization, remain hidden (Hirst and Thompson 1996).

Financialisation transforms corporate governance routines, designs and tools. Decision-making procedures are de-territorialized, increasing the disconnection between transnational capital and local environments (Ruigrok and Van Tulder 1995; Köhler and González Begega 2010a; Becker-Ritterspach and Dörrenbacher 2011).

On the one hand, financialisation concentrates corporate power at the transnational level. With its direct links to shareholders, central management is strengthened to the detriment of subsidiary and local management, including the management of suppliers and sub-contractors. Concentrating power around central management reinforces hierarchical and vertical disciplinary lines. Business units and local production sites are expelled from corporate decision-making and instead placed under tight monitoring and intense pressure. Furthermore, any relationship between local units is based on strictly competitive terms, with units systematically benchmarked for efficiency and profitability by central management. The MNC becomes an internal market whose units, along with their associated internal and external interests, compete under conditions of short-term commitment, production volatility and the continual threat of disinvestment (Blazejewski and Becker-Ritterspach 2011; Marginson 2016).

On the other hand, the concentration of corporate power prevents the representation of non-transnational interests in corporate decision-making, such as site workforces or local and national public authorities. In the absence and/or weakness of appropriate institutional structures,

local stakeholders are excluded both from the elaboration of corporate discourse and from corporate decision-making on material rewards and sanctions (González Begega 2011).

The production and institutionalization of social norms on corporate restructuring and relocation are fed by a plethora of symbolic discourses, procedures and material resources with a powerful disciplinary impact. Public authority and trade union responses to relocation plans often go along with the implicit financialisation rationality, favouring the avoidance of resistance and the generation of consent. Corporate restructuring is socially reproduced (i.e. constructed, presented and perceived) as necessary, strictly unavoidable and *fair* (Eurofound 2013).

Empirical research demonstrates, however, that the allocation of material rewards and sanctions does not always comply with patterns of corporate rationality. In some cases, relocation decisions do not correspond to efficiency criteria but to partisan thinking, egoistic interests and disputes between different management groups. When such a rupture of corporate rationality occurs, the fragility, dynamism and specific political character of organizational change are revealed. The following case study tells a rare story, that of a successful worker mobilization disrupting the teleology of organizational change.

3. The case study. Worker resistance and public mobilization at Tenneco-Gijón

3.1 Methods

As stated in many research publications, in-depth case studies are necessary to deal with the complexity of multi-level power relations and micro-political arenas. The internal fragmentation of MNCs in different contested terrains at various overlapping levels generates a huge variety of possible strategies and stakeholder constellations (Ferner *et al.* 2004; Almond and Ferner 2006; González Begega 2011).

Ferner, Edwards and Tempel (2012: 182) argue that case studies 'are better suited than surveys to developing nuanced operationalizations and unpicking the complexities of power, how different kinds of power capabilities are deployed by different actors in the transfer process, and how configurations of interests are constructed around different transfer

cases.’ As flexible bundles of research instruments and analytical tools, case studies offer a series of advantages for analysing organizational change and the social production of norms and values in MNCs.

First, case study approaches allow flexible adjustments of different research methods and the combination of various sources of information when facing the difficult challenge of simultaneous explorative and explanatory objectives. Second, case studies are able to tackle fundamental theoretical research problems such as the ontological gap between structure and agency. Collective action, corporate decision-making and struggles over norms and rules at different organizational levels can be analysed taking societal contexts into consideration. Third and finally, case studies are particularly suitable for recovering the normative aims of a renewed public sociology approach, re-aligning sociological analysis with the study of current social realities (Eisenhardt 1989; Yin 1994; Burawoy 2005).

Our fieldwork, covering the period from October 2013 to March 2016, included: (1) 18 semi-structured interviews with employees, works councillors, trade unionists, employees and political representatives at local, national and European levels. A number of additional semi-structured interviews were also conducted with corporate managers and political representatives but were not registered and documented due to confidentiality requirements; (2) the analysis of the documented interviews with Tenneco employees available at AFOHSA (Archive of Oral Sources for the Social History of Asturias); (3) a survey of 130 of the 216 employees (November 2013; 60,18% of the workforce covered) asking 53 questions on their employment conditions and their perception of the situation after the closure decision; and (4) an exhaustive analysis of secondary sources, particularly company documents and the regional and local press and media; and observations made at workers’ assemblies and mobilizations.

3.2 The case. Avoiding the unavoidable, breaking the teleology of organizational change

On 5 September 2013, local management at the Tenneco production plant in Gijón (Northern Spain) presented to the works council the corporate relocation decision which entailed the closure of the facilities and the dismissal of its 221 employees. The reasons given for moving the plant’s

production to other factories in Spain and Eastern Europe and for closing down production at Gijón were economic: the plant's reduced profitability and impaired competitiveness.

The corporate decision to relocate production came as a complete surprise for the workforce. Both workers and their representatives in the local works council were shocked, as the plant had recently received recognition for product quality and technological know-how. It had never reported losses on operating activities and, after a period of temporary restrictions (agreements on working time reduction with corresponding wage cuts) between 2007 and 2010, the plant had been working at full capacity since early 2013.

Tenneco had decided to relocate its Western European operations to Eastern Europe, shifting shock absorber production to Poland (Gliwice) and Russia (Togliatti), where a new production facility had been planned and would soon become operational. The closure of the plant in Gijón was in fact just a minor element of an overall plan restructuring Tenneco's entire European shock absorber manufacturing division (Project ICARUS), to be implemented immediately and tailored for the MNC by the international consulting firm Ernst & Young. Project ICARUS entailed the relocation of work-intensive manufacturing facilities with a view to lowering labour costs and achieving substantial tax reductions. It was bound to put Tenneco sites and national authorities in Western and Eastern Europe under great pressure. As a result of ICARUS, 221 employees in Tenneco-Gijón and a similar number in another plant in Belgium (Sint-Truiden) were to be laid off. However, the only production facility to be closed in Western Europe in the first implementation phase of ICARUS was Tenneco-Gijón.

Tenneco-Gijón was actually a brownfield plant. It was founded in 1967 by two local families who soon formed an alliance with the British component manufacturer Armstrong to produce shock absorbers for the automotive industry. BMC, the assembler of the well-known Mini, was one of the main customers of the small local company. In 1976, Armstrong acquired full ownership of the plant and started to expand production. In 1989, Tenneco Inc., an American MNC which was already one of the world's largest designers, manufacturers and marketers of clean air, ride performance and automotive system products, acquired several Armstrong plants in Europe, including Gijón. Tenneco Inc. established its Monroe brand of shock absorbers and exhausts and

boosted its position as one of the automotive industry's main component suppliers in Europe.

Relocation threats cropped up several times in the following years, in particular following the inauguration of a larger and more modern *greenfield* plant just 300 kilometres to the east, in the Basque town of Ermua. However, Tenneco-Gijón was able to survive due to its higher product quality in original equipment and to the innovative solutions applied to manufacturing processes and to reducing production costs. Its accumulated engineering know-how was one of the main assets of the old brownfield plant.

What happened after March 2013 dramatically changed the picture. Although the actual date of the corporate decision to implement ICARUS is unclear, the story started for the Tenneco-Gijón workforce when the local director was replaced by the head of the Ermua plant, who subsequently took managerial control of both factories.

The plant closure announcement led the workforce to react. The local works council, composed of four different trade unions (the traditional USO, UGT and CCOO and the more radical and grassroots-oriented CSI) rejected the intervention of trade union federations and other external interests. Trade unions were left out and the design of the strategy to counteract the corporate decision to relocate production and transfer the machinery to other plants (Ermua, Gliwice and Togliatti, once operational) was kept under the exclusive control of the works council and the workers' assembly.

The workers occupied the factory and organized 24-hour watches to prevent management from dismantling the plant. The local and regional administration soon sympathized with the workers, who kept violence under control and started to call for political and civilian support. The case was also depicted as unfair by the local and regional media. A global MNC was crushing a bunch of workers for no economic reason. As the plant was not loss-making, what was the rationale behind the corporate decision to relocate?

The regional administration did its best to reverse the closure decision. The plant had received several public subsidies for modernization as well as for research and development. Between 2007 and 2011, Tenneco had received almost 3 million Euro from the Spanish Ministry of Industry and

the regional government. A lawsuit was filed by the local works council with the legal support of the trade unions to have Tenneco repay the state aid in case it proceeded with the closure.

The workers rejected the negotiation of redundancy packages. They also demanded an external viability report, an information and consultation right stipulated in the Directive on European Works Councils. The management of Tenneco Europe did their best to avoid having the report compiled, but were finally forced to cover the cost. In late November 2013 an audit by the international consulting firm Secafi-Alpha was published, dismissing all technical and economic arguments for closing down Tenneco-Gijón. The report attested the plant's full viability and suggested minor job cuts and investments for modernizing the premises and machinery.

Behind this very effective utilization of the legal resources available to the European Works Council of Tenneco was a local representative in the European Parliament, who became involved in the case right from the start in early September and whose personal contacts in Strasbourg and Brussels proved to be exceedingly effective in presenting the workers' case at a European political level. He not only proposed a European solution to the conflict but also eased the way for the workers through his own social capital and personal contacts within the European Commission.

The conflict exploded at local level, with workers receiving impressive support from the local community when some 10,000 people attended a demonstration against the closure of Tenneco-Gijón on 16 October 2013. Local and regional political parties also expressed their solidarity with the workforce. The attitude of trade unions was more ambivalent. While they gave legal support to the workers in their demands, they also strove to gain prominence, suggesting negotiations over a redundancy package and stopping resistance to the closure. The workforce resisted the attempts of local management to divide them through offering generous early retirement and redundancy packages to older employees. Starting in November 2013, the workforce achieved several court judgements against the closure. In March 2014 Tenneco was forced to reinstate the dismissed workers.

Despite the legal victories, it was political pressure by the European Commission on Tenneco management that changed the teleology of organizational change. In late 2013, a decisive public player stepped into

the conflict. The Vice-President of the European Commission and Commissioner of Directorate-General Enterprise and Industry (DG ENTR) received a workforce delegation in Brussels and took a personal stake in the process. After a meeting with Tenneco European management in which he was informed that relocation was unavoidable, a press release heavily criticizing the plant closure was issued by the European Commission. The Commission Vice-President contacted the company's corporate headquarter in Illinois (US) and started personal negotiations with the president of Tenneco himself.

In March 2014 the Crimea crisis broke out. The commercial conflict escalated between the EU and the US on the one hand, and Russia on the other, and Tenneco decided not to proceed with the opening of the Togliatti plant. Whether this was relevant or not for the introduction of changes in the implementation of ICARUS is contested among respondents.

On 15 April 2014, Tenneco announced that the plant would be re-opened for a transitional period of two years at a reduced size. The local works council negotiated the conditions for reopening the plant on the basis of the viability report issued by Secafi-Alpha. An agreement between the parties was reached in early June 2014. It avoided dismissals, established early retirement and voluntary redundancy schemes for older workers and fixed the reopening of the plant for 28 July 2014. Tenneco-Gijón restarted operations with 117 employees. When the Vice-President of Tenneco and Chief Operating Officer visited the plant in early July he expressed his surprise that Gijón was a seaside city with important port facilities which could help in the global distribution of local production.

A new management team was appointed in August 2014 to run the plant for the transitional period until a new investor was found. In March 2016, after almost two years, Tenneco finally rid itself of the rebellious workers. The plant was sold to the German investment fund Quantum Capital Partners A.G. (QCP), through its subsidiary Vauste Spain S.L. The new owner has undertaken to develop a five-year production plan shifting specialization from shock absorbers to injection-moulded parts for the automotive industry.

3.3 Analysis of the case. Stakeholders, interest strategies and micro arenas of political contestation, alliance formation and negotiation

The Tenneco-Gijón workforce was able to demonstrate that the arguments for the unavoidable closure of the plant were actually an alibi to cover up managerial struggles. The intensive and successful mobilization of labour, civilian and public power resources enabled the workers to act simultaneously at social, political and legal levels in a very effective way. After eight months of plant occupation, self-management, self-organization and negotiations at different local and transnational levels, the tenacity and solidarity of a small workforce of 221 people paid off. A relocation decision taken by the corporate management of an MNC whose top managers didn't even know the actual location of the plant to be closed was cancelled. The teleology of organization change was altered through collective action, political contestation and *soft* pressure on the company by EU institutions.

The case illustrates a complex interplay of individual players and groups and interest strategies in a multi-level political complex. Table 2 summarizes the main players, interests and micro-political arenas for contestation, alliance formation and negotiation in the Tenneco-Gijón case.

Table 2 **Players, interests and micro-political arenas in the Tenneco-Gijón case**

Players and interests	Level	Micro-political interplay
Workers and local management	Local	Conflict and negotiation
Workers and civil society	Local	Alliance formation
Workers, trade unions, local and European management and the judiciary	Mixed	Conflict
Workers, trade unions and public authorities	Mixed	Alliance formation
European Commission and European headquarters (HQ) management	Transnational	Negotiation

Source: own elaboration.

- (1) The first micro-political arena in the case developed along the traditional lines of interest struggle and confrontation between capital and labour and took place in and around the place of work - the plant and its premises. The replacement of local management in March 2013 opened up a new scenario. Tenneco-Gijón played no

role in the managerial struggles at European level over the implementation of ICARUS and the allocation of rewards (i.e. gains in production capacity) and penalties (i.e. closures and/or loss of production capacity and lay-offs). The local management had no real say in the closure. In early September 2013, when the corporate decision was communicated to the workforce, Tenneco-Gijón employees faced two options: to surrender and delegate the negotiation of a redundancy package to the trade unions, or to oppose the closure, organize themselves and start fighting for their jobs. They opted for the latter, occupied the factory and started to weave a network of contacts with a range of civilian and public stakeholders and interests.

- (2) The second micro-political arena was the local community. From early September 2013 onwards, the media paid great attention to the conflict and took a stance in clear favour of the workforce. The workers gained broad support from the population, political parties at local and regional level and civilian organizations and NGOs. The alliance, symbolically *glued together* through demonstrations, festivities and information campaigns, was highly effective in boosting workers' morale and tenacity during the struggle.
- (3) The third micro-political arena was the judiciary and the information and consultation rights available to the Tenneco European Works Council. The successive court rulings in favour of the workers, first preventing the removal of machinery by management and finally ruling the reinstatement of dismissed employees, were important assets for mobilizing additional political power resources. The local management committed several formal errors in the closure process. While the European Works Council was unable to stop the implementation of Project ICARUS, it played a decisive role in forcing European management to have an alternative report on the plant's viability compiled.
- (4) The fourth micro-political arena was actually a heterogeneous mixture of local, national and European alliances with public authorities and trade unions. The local and national political levels turned out to be ineffective. Public authorities at these levels of the administration did not even gain access to local management. Trade unions were, for their part, unable to present the case at national and European levels. No energetic initiative by the European Trade

Union Confederation (ETUC) was taken with regard to Tenneco-Gijón. The workforce had to develop their own strategy to put management under political pressure. They gained access to the European Commission in the person of its Vice-President and the DG ENTR Commissioner through the informal and selfless support of several local public representatives in Brussels and Strasbourg.

- (5) The fifth and final micro-political arena was activated in late 2013 and did not entail employee participation. The European Commission itself initiated negotiations with management. As European management refused to discuss the closure, the Vice-President of the European Commission took a personal stake in the conflict and put pressure on corporate management in Illinois (US) to reconsider the relocation plan. The geopolitical context did its part, although labour, trade union and public sources differ with regard to its impact. In spring 2014, Tenneco decided to amend ICARUS and not to proceed with the opening of the Russian plant (Togliatti). In mid-April, the reopening of the Gijón production plant was announced.

4. Discussion

The Tenneco case illustrates several general issues concerning the analysis of MNCs. First of all, it confirms the need and utility of case studies as a method to tackle the complexity of transnational business and industrial relations processes. Traditional workplace surveys or statistical data are unable to reveal the often hidden and subtle decision-making and bargaining processes in an overall company complex. Second, we support the political bargaining arena approach to analysing MNCs which rejects isomorphism on the basis of rational economic or functionalist models in favour of micro and meso-political power games that shape the social order of a transnational business organization. A third issue is the need for sector-specific analyses, as the particular conditions of the automotive and component sectors explain at least in part the business strategies of the companies and differ clearly from other sectors such as non-manufacturing industries. Finally, our approach allows a more fine-tuned analysis of the interplay between political deregulation, *financialisation* and the growing internationalisation of companies and markets. The structural hegemony of neoliberalism in the ongoing globalisation process becomes visible as a complex puzzle of political games and players.

From a more concrete perspective, we identify a trend or further step towards the internationalisation of MNCs. The headquarters of MNCs have learnt to act as global managers in global contexts, moving assets and resources from developed and often saturated to fast-growing emerging markets. Their strategic capacity is increasing as states tone down their regulatory powers. Labour seems unable to develop effective transnational collective action structures. The EU as a potential substitute for the fading national regulatory capacities is unable to constitute itself as a powerful and integrated political institution.

Relocation decisions in sectors like automotive components follow a simple and by no means rational logic. They start as an intra-headquarter debate on strategic action under the constant pressure to act and present something to shareholders and corporate control markets. In this process a consulting firm is brought in to underpin the new strategy with pseudo-rational arguments. The degree of regional headquarters involvement depends on the organization and power structures within the corporation, but there is a general trend towards concentrating power and decision-making in corporate headquarters without taking regional or local interests into account. Alternative production facilities are installed, technology and know-how transferred and local managers replaced. In the affected plants a discourse of crisis, competitiveness problems, the need to cut costs, etc. prepares the ground for plant closures. Transfer pricing and intra-group benchmarking leave the plants in an unfavourable competitive position. Public subsidies for new facilities in new locations are further relocation incentives. Finally, local players are shocked by a short-term closure announcement.

Paradoxically, the workforce and local stakeholders never questioned the dominant shareholder value discourse and efficiency logic respectively related to the MNC's symbolic and procedural power dimensions. Instead they questioned the break with this rationality on the part of corporate management. The workforce's motivation and resistance stemmed from a deep feeling of injustice and incomprehension of a management decision which went completely against the logic of the proper managerial discourse without questioning the material power dimension of the MNC.

The Tenneco case thus opens several research pathways for the future. In general, our knowledge of MNCs as multi-level political complexes has to be expanded through theory-based comparative case studies. A further aspect is the institutional political context which still matters, as it

conditions the power and bargaining relations within an MNC. The neoliberal reforms and EU attitude, such as the recent Labour Market Reform Act in Spain (2012) weakening collective bargaining and facilitating collective redundancies, are outbalancing the power relations and leaving the company headquarters without contesting political and union forces. Finally, the revitalisation and internationalisation of trade unions are urgently needed in times where individualised workers and local communities are left without power resources to fight strategic corporate decisions.

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Chapter 2

Coming apart or joining hands?

The crisis and current dilemmas of the Romanian trade union movement

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1. Introduction

Romania stands out in the landscape of the Eastern European countries where crisis-driven austerity has in recent years resulted in a loss of trade union rights at local, sectoral and national levels (Varga 2015). From a country with a centralized industrial relations system where unions enjoyed extensive powers to negotiate collective bargaining agreements, Romania has shifted to a highly decentralized system of industrial relations that prioritizes company-level agreements and at the same time imposes considerable limitations on the powers that company-level trade unions used to enjoy. This decentralization of labour relations was particularly sudden, as the legislative changes were enforced unilaterally, without consulting the social partners and leaving virtually no temporal and organizational leeway for trade unions to adapt to the new institutional framework (Guga and Constantin 2015).¹

In this chapter we analyse the impact the decentralization of industrial relations had on Romanian trade unions from a multilevel perspective. We show that their loss of power experienced as a result of the 2011 legislative changes hit all levels of collective bargaining simultaneously.² Furthermore, we argue that enterprise-level collective bargaining has now officially become the most important source of protection for workers. To analyse the effects of the decentralization at the local level we discuss two cases of union organizing in two automotive plants: Dacia and Ford. These two cases exemplify the dynamics of industrial relations in one of the major new 'leading sectors' (Greskovits 2008) in Romania

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1. Our research for this chapter included in-depth interviews with trade union representatives from all organizational levels conducted in 2015 and early 2016.
 2. The Romanian trade union movement has a three-tier structure: company-level unions, sectoral-level federations whose affiliates are company-level unions from the same economic sector, and national-level confederations to which federations can be affiliated.