

**Struggles over legitimacy in global organizational restructuring:  
A rhetorical perspective on legitimation strategies and dynamics in a  
shutdown case**

**Niina Erkama**

**Eero Vaara**

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<sup>1 1</sup> Both authors have contributed equally. They are listed in alphabetical order as a matter of convenience. We wish to express our gratitude to Volvo's and Carrus's managers and personnel for making this study possible. We also want to thank Cynthia Hardy and the anonymous reviewers for insightful comments that have greatly improved the paper. Cooperation with Janne Tienari and Pasi Ahonen has been a major source of inspiration and learning. Finally, we are grateful for David Miller for language revision.

## **Abstract**

Critical organization scholars have focused increasing attention on industrial and organizational restructurings such as shutdown decisions. However, we know little about the rhetorical strategies used to legitimate or resist plant closures in organizational negotiations. In this paper, we draw from New Rhetoric to analyze rhetorical struggles, strategies and dynamics in unfolding organizational negotiations. We focus on the shutdown of the bus body unit of the Swedish company Volvo in Finland. We distinguish five types of rhetorical legitimation strategies and dynamics. These include the three classical dynamics of logos (rational arguments), pathos (emotional moral arguments), and ethos (authority-based arguments), but also autopoiesis (autopoietic narratives), and cosmos (cosmological constructions). Our analysis adds to the previous studies explaining how organizational restructuring as a phenomenon is legitimated, how this legitimation has changed over time, and how contemporary industrial closures are legitimated in the media. This study also increases our theoretical understanding of the role of rhetoric in legitimation more generally.

**Key words:** shutdown, restructuring, legitimacy, legitimation, resistance, rhetoric

## **Introduction**

Organizational restructuring is changing contemporary organizations and industries in the form of downsizing, offshoring, and shutdowns at an unprecedented pace. On the one hand, organizational restructuring is seen as a positive force that increases effectiveness, competitive advantage, and shareholder value through creative destruction. On the other hand, the social and human implications resulting from reductions, cost cuts, and layoffs are drastic. Critical analyses have focused on explaining the causes and consequences of organizational restructuring. In particular, critical scholars have helped us to understand how organizational restructuring as a phenomenon has been socially constructed and legitimated (Hardy 1985), how the discourses of restructuring have changed over time (Hirsch and DeSousey 2006), and how specific decisions have been justified in the media (Vaara and Tienari 2008). Despite these advances, there remains a paucity of knowledge about how exactly radical organizational restructurings such as shutdowns are negotiated in concrete organizational settings. In particular, we know little about the rhetorical struggles and strategies used to legitimate or resist globalization-driven plant closures.

Hence, the objective of this paper is to examine the rhetorical strategies and dynamics in organizational negotiations around globalization-driven shutdown decisions. In this analysis, we draw from the New Rhetoric (Perelman and Olbrechts-Tyteca 1969, Cheney et al. 2004, Sillince 2004, Suddaby and Greenwood 2005). This provides a theoretical basis that allows us to examine the rhetorical strategies of organizational actors, the dynamics of legitimation and delegitimation, and how the protagonists and antagonists draw from global organizational restructuring discourse in their attempts to legitimate or delegitimize shutdown decisions in unfolding organizational negotiations.

In this paper, we focus on the negotiations around the shutdown of the bus body unit of the Swedish company Volvo in Finland between 1998 and 2002. This is a revealing case that was characterized by intensive discussions inside the corporation and in the Finnish media. Hence, this case allows us to develop analytical generalizations that help us to better understand – with due caution – the rhetorical strategies and dynamics in other settings as well. Our analysis is based on extensive documentary, interview and observation material gathered during and after the negotiations that led to the final closure. As a result of our analysis, we distinguish five types of rhetorical legitimation strategies and dynamics. These include the three classical dynamics of *logos* (rational arguments),

pathos (emotional moral arguments), and ethos (authority-based arguments), but also autopoiesis (autopoietic narratives), and cosmos (cosmological constructions).

Our study makes a contribution to critical studies on organizational restructuring by identifying and elaborating on the multiple rhetorical strategies and dynamics involved. Thus, our analysis adds to the previous studies explaining how organizational restructuring as a phenomenon is legitimated (Hardy 1985), how this legitimation has changed over time (Hirsch and DeSoucey 2006), and how contemporary industrial closures are legitimated in the media (Vaara and Tienari 2008). This study also increases our theoretical understanding of the role of rhetoric in legitimation (Green 2004, Suddaby and Greenwood 2005). In particular, our findings underscore the crucial role of autopoiesis and cosmos as powerful but easily overlooked rhetorical strategies in organizational change processes.

We next provide an overview of previous studies of organizational restructuring, highlighting the need to examine the rhetorical strategies of legitimation in more detail. We then outline our rhetorical perspective, which is based on the New Rhetoric. This is followed by a description of our case and the methods used in our rhetorical analysis. The next sections illustrate and exemplify our key findings in terms of the rhetorical dynamics of logos, pathos, ethos, autopoiesis, and cosmos. Finally, we discuss the implications of these findings.

### **Critical research on organizational restructuring**

Research on organizational restructuring reflects both the changing nature of this phenomenon and shifts in societal values and ideologies (Hardy 1985, Hirsch and DeSoucey 2006). In the 1970s and early 1980s, there was keen academic interest in shutdowns, layoffs, redundancy, retrenchments and downsizing from a critical angle (Mick 1975, Edwards 1982, Hardy 1985). The emphasis in this research was on the social and personal costs of the restructuring (Mick 1975, Taber et al. 1979). Historically, this was the most active period of industrial militancy, which is shown in the critical perspective taken in these studies (Edwards 1982, Bright et al. 1983). At that time shutdowns and layoffs generally lacked social and societal legitimacy (Hardy 1985). ‘Restructuring’ as a term had a negative connotation and it was associated with economic distress and closures (Hirsch and DeSoucey 2006).

Interestingly, by the 1980s academic interest in organizational shutdowns dwindled because of political and economic but also managerial strategies that legitimized restructurings – now framed

as necessary, justifiable, and inevitable (Hardy 1985). Also, industrial militancy decreased radically in the beginning of the 1980s (Edwards 1982, Bright et al. 1983). Restructuring as a term began to receive more positive connotations in terms of increased efficiency, profits, and shareholder value (Hirsch and DeSoucey 2006). Retrenchments were perceived not only as events of crisis but also as positive investments for the future (Hardy 1987). Only a few dissonants begged for more aggressive public policy against the changes (Craypo and Davisson 1983). At this time, economists, finance scholars and strategy researchers became interested in organizational restructuring, in particular in the financial benefits (Zajac and Kraatz 1993, McKinley and Scherer 2000, Clark 2004) and management of change (Gilmore and Hirschhorn 1983, Sutton et al. 1986, Kets de Vries and Balazs 1997, Marshall and Yorks 1994, Freeman 1999).

In the mid-1990s, social organizational analyses (Sennett 1998, Probst 2003, Ehrenreich 2006) and critical approaches to management (Deetz 1992, Alvesson and Willmott 1992, 2003, Ezzamel et al. 2001) again gained ground. In this research, the social costs and human concerns of restructurings have been placed at the center, against the benefits of restructurings (Thomas and Dunkerley 1999, Newell and Dopson 1996, Fiss and Hirsch 2005, Ehrenreich 2006). Among others, Hirsch and DeSoucey (2006) have argued that one should not take the legitimacy of organizational restructuring for granted, nor accept for example layoffs as automatic consequences of efficiency demands. They have explained how ‘organizational restructuring’ is a discourse that originated from the US and became naturalized along with the institutionalization of financial and corporate governance models that emphasize shareholder value. This model tends to trigger more downsizing than other systems in which the emphasis is on growth over return, long-term relationships and stakeholders (Ahmadjian and Robbins 2005, Barsky et al. 1999). Moreover, in the American type of capitalism the attitude towards downsizing has changed in recent decades, developing from a socially risky activity to a legitimate way to produce value for the shareholders (Budros 1997). In this system, managers are primarily accountable to shareholders, but not to employees, who as a stakeholder group suffer usually the most in downsizings. Hence, scholars have called for new models and interpretations of financial reporting instead of the prevailing ones, which encourage management to saddle employees with all the costs of downsizing while management and shareholders skim off the benefits (Barsky et al. 1999). Also, the Western accountancy industry plays a central role in neo-liberal restructuring as ambassadors of shareholders and consultants who do not question the ends of restructurings (Arnold and Cooper 1999). In other systems of capitalism – e.g., Nordic ‘stakeholder capitalism’ – the shareholders are expected to support the company in overcome crisis situations, if possible without downsizing. However, the adoption of Americanized

practices has greatly changed the traditional stakeholder systems in Japan, Europe, and elsewhere (Morgan et al. 2001, Ahmadjian and Robbins 2005). This has undoubtedly greatly changed views regarding radical organizational restructuring.

At a more micro-level, other critical scholars have focused on resistance and examined its various forms and effects on restructuring projects (Ezzamel et al. 2001, Ezzamel et al. 2004). In particular, Ezzamel et al. (2001, 2004) have explained how workers' resistance to new manufacturing and accounting models stems from fundamental conflicts of interest between managers and employees but is also related to identity-building. Their analysis provides examples of employee resistance that impeded or at least slowed down the adoption of practices that would have most severely limited their autonomy or challenged their identity as skilful workers. Recently, researchers have also focused on the role of the media in organizational restructuring. In particular, Vaara and Tienari (2008) have demonstrated how newspaper articles dealing with shutdowns involve specific discursive legitimation strategies that easily pass unnoticed.

To date, we, however, lack understanding of how exactly negotiations around globalization-driven shutdown decisions are played out in concrete organizational settings. In particular, there is a need to better understand the rhetorical strategies used to legitimate or resist such drastic decisions.

### **A rhetorical perspective on legitimation dynamics**

Legitimacy is an age-old issue, the origins of which can be traced all the way to Machiavelli and the ancient Greek philosophers (Zelditch and Walker 2003). It plays a central role in influential social theories (Parsons 1960, Berger and Luckmann 1966, Weber 1968, Habermas 1975, Giddens 1984, Bourdieu 1991) and especially in institutional organizational analysis (Meyer and Rowan 1977, March and Olsen 1989, Scott 1995, Suchman 1995, Ruef and Scott 1998, Deephouse and Suchman 2008). While there are distinctively different views on legitimacy, most agree that it is intimately linked with the institutionalization of specific social phenomena and the stability of social relationships (Meyer and Rowan 1977, Suchman, 1995). In organizations, this means that organizational legitimacy is related to the legitimacy of broader cultural and societal beliefs and values but also to the power position of managers (Deephouse and Suchman 2008). For our purposes, it is important to emphasize that legitimacy – or the lack of it – becomes a crucial issue in the context of change, that is organizational change requires legitimation. In particular, dramatic changes such as organizational restructurings imply 'legitimacy crises' that question not only the

decisions at hand but also the legitimacy of the entire corporation and its management (Kostova and Zaheer 1999).

Legitimacy involves several dimensions. For instance, Suchman (1995) distinguishes the pragmatic, meaning calculations involving self-interest; the moral, based on normative approval; and the cognitive, based on comprehensibility and taken-for-grantedness. Recently, scholars have also focused explicit attention on the role of language in legitimation (Creed et al. 2002, Phillips et al. 2004, Vaara et al. 2006). The roots of this perspective may be traced in the management meaning, that is using language to create meanings that either legitimate or delegitimize change (Pettigrew 1987). Scholars have shown how issues can be framed in specific ways to advance or resist the legitimation of particular phenomena, decisions, practices, or changes in them (Martin et al. 1990, Creed et al. 2002). Whether intentional or not, different accounts can provide radically different understandings of issues, and thus lead to legitimation or delegitimation (Creed et al. 2002). Closely related, scholars have shown how impression management is a central part of legitimation (Ashforth and Gibbs 1990, Arndt and Bigelow 2000, Elsbach and Sutton 1992, Elsbach 1994, Staw et al. 1983, Zimmerman and Zeitz 2002). According to this perspective, the management of legitimacy often involves targeted and even manipulative rhetoric aimed at presenting specific issues in a way that promotes the interests and protects the power position of specific actors (Elsbach and Sutton 1992, Elsbach 1994, Brown and Jones 2000). One essential finding of this research is that a successful framing requires that the audience can link the message to other discourses and identify with the key concepts and arguments. Lately, scholars have then singled out specific elements in rhetorical justification and identified rhetorical legitimation strategies (Green 2004, Suddaby and Greenwood 2005), which is the perspective that we will build on and develop in this paper.

What then are these rhetorical legitimation strategies? They are specific, though not always intentional or conscious, ways of employing rhetorical means to establish sense of legitimacy (or illegitimacy). In classic Aristotelian rhetoric, legitimation is seen as comprising *logos* (logic and rationality), *pathos* (moral, value and emotion), and *ethos* (character and authority) (Aristotle 1954). In the New Rhetoric, the focus has shifted from simple rhetorical techniques to more complex forms of persuasion and convincing (Burke 1966, Perelman and Olbrechts-Tyteca 1969, McCloskey 1985). Cheney et al. (2004: 82) put it as follows: “organizational rhetoric is embedded in or implied in interaction that deals with contingencies, uncertainties and ambiguities.” This has led organizational scholars to distinguish ways to employ particular rhetorical strategies that can be used for persuasion or convincing, the emphasis often being on the latter (Cheney et al. 2004, Mueller et al. 2003, Green 2004). Most notably, Suddaby and Greenwood (2005) have identified the

following kinds of strategies for the legitimation of mergers in their analysis of special hearings: ontological (rhetoric based on assumptions about what can or cannot exist or co-exist), historical (appeals to history and tradition), teleological (divine purpose or final cause), cosmological (emphasis on inevitability), and value-based theorizations (appeals to wider belief systems).

An important feature of the New Rhetoric is that it allows us to look at the dynamics of legitimation; instead of merely to singling out specific rhetorical strategies, we can examine patterns of legitimation-delegitimation-relegitimation in rhetorical strategizing. This is essential in enabling us to understand the struggles that take place in the context of shutdown negotiations. In simple terms, corporate management most often works to legitimate the decision, while the managers and workers of the shutdown unit try to reverse the decision with specific kinds of actions and arguments. However, individuals adopt different positions in specific settings and particular debates. For example, local managers may represent the corporation toward the employees, while they argue against the shutdown vis-à-vis corporate management. Furthermore, in specific discussions, it is frequent that individuals' subject positions may change, that they look at and frame issues in different ways, and that their rhetorical constructions and strategies also vary.

Another important feature of the New Rhetoric is that it links rhetoric with broader discourses (Perelman and Olbrechts-Tyteca 1969, Cheney et al. 2004). Crucially for our purposes, it allows us to connect specific rhetorical strategies with the overall discourse of global organizational restructuring and to focus on how exactly this discourse affects rhetorical strategizing. Unfortunately, only a few studies have examined these dynamics. The recent analysis of Spicer and Fleming (2007) has, however, shown how 'the discourse of globalization' legitimated restructurings by making change appear inevitable. They also showed how such discourse can be resisted, for example by surfacing implicitly shared values, appropriating dominant themes of globalization, and recovering traditional notions of public service. The study of Vaara and Tienari (2008) provides us in turn with an example of how specific discursive strategies are used in a newspaper article to legitimate a shutdown case. Drawing on Critical Discourse Analysis (Rojo and van Dijk 1997, van Leeuwen and Wodak 1999, Vaara et al. 2006), they focused on four general types of semantic-functional strategy: authorization (legitimation by reference to authority), rationalization (legitimation by reference to utility of action), moralization (legitimation by reference to specific value systems) and mythopoesis (legitimation conveyed through narratives). As to authorization, they showed how specific actors such as the CEO were given a particular position of authority in and through the text. Financial rationalizations played an accentuated role: the shutdown was legitimated by references to expectations of improved financial performance and increased annual



savings. Moralizations were key means to delegitimize the decision, but were also used to justify it, for example in terms of “saving the jobs of others.” Finally, mythopoetical elements such as framing the decision as part of a “restructuring program” already under way were also powerful means of legitimation.

We, however, lack understanding of how globalization-driven organizational restructuring decisions such as shutdowns are rhetorically legitimated and delegitimated in actual organizational negotiations. This leads us to formulate our research questions as follows: “What rhetorical legitimation and delegitimation strategies are employed in negotiations around shutdown decisions?”; “What are the rhetorical dynamics of legitimation?” and “How do these strategies relate to the discourse of global organizational restructuring?” To answer to these questions, we now turn to examine rhetorical strategies of legitimation and delegitimation, legitimation dynamics, and their linkages to the more general discourse of organizational restructuring in a revealing shutdown case.

### **The case: Shutdown of Carrus**

We focus on the negotiations around the shutdown of Carrus, which was a bus manufacturing unit of the Swedish company Volvo in Finland. This is a revealing case because the shutdown negotiations lasted for a long time and caused intensive debate between the stakeholders, including the Finnish media. This case thus provides a research design that allows us to examine a variety of rhetorical strategies and dynamics in the unfolding negotiations. This case also allows us to develop analytical generalizations (Tsoukas 1989) that help us to better understand the rhetorical strategies used in other settings.

Even though we adopted a critical approach, we were fortunate to be given consent to carry out this research project and open access to the case. Throughout the research project, we have been very conscious of the ethical concerns in conducting a critical analysis. In particular, we have been careful to protect the anonymity of specific informants, especially those whose actions have not been scrutinized in public. We are proud to be able to publish the case without using pseudonyms. This is relatively rare in critical organization studies, but adds to the validity of our analysis and enhances the prospects for learning from this case.

At the end of the 1990s, the Finnish Carrus, a family-owned company, had grown into the second manufacturer of bus bodies worldwide. In 1996, it produced 450 bus bodies per year and had a

turnover of 70 MEUR. Carrus's operation relied on cooperation with the Swedish-based Volvo Bus Corporation (VBC), on whose chassis 60% of the Carrus bus bodies were built. In 1995, Carrus and VBC founded a new bus factory in Wroclaw, Poland.

On January 1, 1998, VBC acquired Carrus from its previous owners. In this acquisition VBC took possession of all three Carrus bus body factories. VBC announced a plan to shut down the units only about six months after the acquisition. By the end of the year the decision had become final; Carrus Helsinki (CH) in Vantaa, would be closed. A key idea was to transfer the production to Wroclaw.

This shutdown was part of Volvo Group's bigger restructuring program. The 'diet' meant getting rid of 5,300 employees. This restructuring was already the third for Volvo in the same decade. Altogether, 7,000 employees had been fired on two different occasions in the beginning of the 1990s. In addition to CH, Volvo announced it would close factories in other places.

For various reasons, the shutdown was postponed several times. Despite the reported positive financial performance of Carrus and setbacks encountered in Poland, VBC's management neither changed its mind about Wroclaw nor decided to keep CH running. On May 17, 2001, it announced that the factory would be closed down. The last bus at CH was completed in September 2001. Table 1 provides a summary of the key events.

Table 1: Case timeline

	<i>Event</i>
1953	Production begins in Vantaa
1958	Cooperation with Volvo begins
1989	Carrus Group is founded when several Finnish bus body factories are united
1995	Carrus and VBC found a new factory in Wroclaw
1.1.1998	VBC acquires Carrus from its previous Finnish owners
23.6.1998	Press release about planned restructuring where CH is mentioned among other sites
1.12.1998	VBC announces that it will close CH
8.12.1998	Employees walkouts in Helsinki, Tampere and Turku factories
30.1.1999	VBC promises extension of one year for CH
23.3.2001	VBC calls for a co-operation procedure to be started
27.3.2001	Call for co-operation procedure is announced to the employees and to the media
4.4.2001	Start of the co-operation procedure
15.5.2001	End of the co-operation procedure
17.5.2001	Final closure decision for CH
18.5.2001	Press release about the closure, meeting for the personnel, employee group meetings
17.8.2001	A report called "White Book Poland" by VBC (on the future strategy)
30.9.2001	The last bus is completed in CH
8.10.2001	New co-operation procedure is started in CH
18.10.2001	End of the co-operation procedure
2002	Intensive discussions about the case within VBC and in local media
2001-2004	Development of new operations in Wroclaw
2005-2006	Plans and decisions of restructuring in other older units

In the following, we will focus on the rhetorical legitimation and delegitimation strategies used in the negotiations around this case between 1998 and 2002. This includes both the official co-operation procedure (institutionalized form of negotiation between employer and employees regarding major changes in Finland) and other discussions between the key actors.

### **Empirical material and analysis**

Our longitudinal case study is based on a unique opportunity to observe and study the shutdown negotiations in real time. We gathered extensive empirical material (see Table 2) which we combined and analyzed to study legitimation strategies and dynamics as part of the events unfolding in the shutdown negotiations. It should be noted that we did not only focus on specific official negotiations, but examined the broader social and societal argumentation around the closure issue.

Table 2: Empirical data

<i>Data type</i>	<i>Number of documents</i>	<i>Year</i>
Minutes of meeting	15	1998-2001
Financial and strategy documents	9	1994-2003
Press releases by Volvo Bus Corporation	5	1997, 1998, 2001, 2003
Other official publications by Volvo Bus Corporation	13	1998-2002
Confidential documents (letters, emails, reports, etc.)	105	1998-2001
Articles in Helsingin Sanomat (national newspaper)	13	1997-2005
Articles in other newspapers and journals	17	1996-2001
TV news and documents	5	1998-2000
Interviews in CH	11	2000, 2001, 2002
Interviews in Tampere factory	13	2000, 2002, 2004
Interviews in Turku factory	6	2000, 2002
Interviews in VBC headquarters	6	2000, 2006
Interviews in Wroclaw	4	2004

We collected all the documentary material related to the shutdown negotiations. This includes minutes of meetings (including the crucial cooperation procedure); other confidential data given to us by different organizational members (including emails and reports concerning the restructuring); financial and strategy concerning the project; press releases; official publications by VBC, newspaper articles, TV news, and a documentary film focusing on the employees life at CH under the shutdown threat.

We also conducted 40 in-depth interviews between January 2000 and July 2006. The interviewees include the corporate management of VBC in Gothenburg, Sweden (5 persons, 6 interviews), the local management of Carrus in Finland, and Volvo Polska in Poland (8 persons, 12 interviews), and both blue- and white-collar employees of Carrus, and Volvo Polska (16 persons, 22 interviews). Some of the informants were interviewed several times. There were two group interviews where 2 to 3 persons were interviewed at the same time. Importantly, 21 interviews were conducted during the shutdown process: after the initial announcement of the shutdown decision, but before its final implementation. Nine interviews were made within the five months following the final shutdown, and ten interviews after that. The interviews were semi-structured. The interviewees were asked to tell their story of the shutdown process. However, specific questions also focused on particular events, negotiation and resistance tactics, and on the arguments used by the various parties. Anonymity was promised to all interviewees to give them the freedom to speak as private persons.

All the interviews were recorded and later transcribed. In addition, the first author spent altogether three working weeks conducting interviews and observing the different Volvo units; this provided her with many opportunities for informal discussion and observation.

Our analysis can be seen as a classical qualitative case study in the sense that it combines various kinds of empirical material that was used to develop an overall understanding of the rhetorical legitimation and delegitimation strategies and dynamics in this case. The approach was ‘abductive’ (Dubois and Gadde 2002, Van Maanen et al. 2007), meaning that our theoretical ideas were constantly refined as we progressed through the data analysis. Our analysis proceeded in stages, the most important of which are summarized below. First, we created an overall picture of the various phases of the negotiations, the parties involved, and the key events and decisions in the negotiations. In concrete terms, based on all available material, we mapped out who did and said what, where, and when. This mapping was revised various times during the analysis to provide an increasingly accurate picture of the negotiations.

Second, we focused on the ways in which corporate managers, local managers, employees and their representatives made sense of the shutdown event. This analysis was based on the interviews conducted. This sensemaking analysis led to an early conference paper where we highlighted the differences in their framings. Most importantly, we could see how the corporate managers frequently, though not always, tended view this issue in global terms, focusing on the Volvo group’s overall strategic position and future of the industry. In turn, the local employees and their representatives tended to focus on the local financial performance and human concerns. Interestingly, the local management at Carrus found themselves in a challenging position: they often had to explain the global concerns to local employees and other stakeholders, while at the same time conveying local concerns to the HQs in Sweden. A closer look at the interviews showed complexities, ambiguities, and contradictions, but these were the overall patterns in this case.

Third, we then focused more systematically on central themes (topoi) in the negotiations by examining both the documentary material and our interviews in great detail and coding them accordingly. This meant a careful analysis of paragraphs and sentences in texts, involving several iterations. In documentary texts, the coding focused on those parts of the texts that were relevant for our analysis and often involved “reading between the lines” when interpreting some of the official documents. In interviews, the coding was systematic, elaborate, and often laborious due to the large amount of text produced. We found and then focused on several themes that were central (recurring and significant) not only in the official negotiations between the corporation and the employees’

representatives (the cooperation procedure) but also in the public discussion and the interviews. These included ‘financial performance’ (debate around past, current and future financial performance), ‘human concerns’ (human and social implications), ‘knowledge’ (competences of Carrus and Wroclaw employees and knowledge transfer to Poland), ‘strategy’ (mainly Volvo’s strategy related to the restructuring program), ‘future of the industry’ (including debates concerning economies of scale and customer service and general discussion on globalization), and ‘fairness/hypocrisy’ (discussions related to the shutdown decision itself and the contradictory messages of the headquarters). As is usually the case with such analysis, our categories include overlaps and some of the themes may actually relate to several categories. Most importantly, global industrial restructuring could be seen as an overall theme linked with most themes. Due to the central role of this theme, we also identified and coded instances where this discourse was most prevalent in our textual material.

At the fourth stage, we then focused on the rhetorical legitimation strategies of the key actors. By drawing on previous research on rhetoric (Perelman and Olbrechts-Tyteca 1969) and analysis of legitimacy in organization research (Suddaby and Greenwood 2005, Vaara et al. 2006), we organized and coded the material according to the most central rhetorical legitimation and delegitimation strategies. This led us to first identify three types of rhetorical strategies and dynamics following the classical ideas of rhetoric (logos, pathos, ethos). However, we soon also discovered the importance of two other types of rhetoric that we decided to call ‘cosmos’ and ‘autopoiesis.’ Accordingly, we focused on rational arguments (logos); emotional moral claims (pathos); authority-based arguments (ethos), autopoietic narratives (autopoiesis), and cosmological constructions (cosmos). We coded the documentary and interview material accordingly.

Fifth, we were amazed by the complexity of the rhetorical strategies used, but wanted to spell out central legitimation-delegitimation-relegitimation dynamics in the negotiations. Thus, we analyzed how specific rhetorical legitimation and delegitimation strategies were used in discussions around specific themes. We concentrated on the most significant patterns that led us to identify the following rhetorical dynamics: logos (financial performance), pathos (human concerns); ethos (human concerns, fairness, hypocrisy); autopoiesis (strategy, knowledge) and cosmos (future of the industry). These findings are summarized in Table 3, and are explained in more detail in the following sections.

Our analysis involves limitations that should be taken seriously. First, even though we were given open access to the case, it was not possible, for example, to attend official meetings in the

cooperation procedure. Thus, our analysis is partly based on second hand information with respect to some key meetings. However, the extensive documentary data, the numerous interviews, and the meetings with the managers and employees have provided us means to reconstruct credible descriptions of what was actually said and how. Moreover, it should be emphasized that we have not only focused on specific meetings, but mapped out and examined the broader organizational and societal negotiations around this case. Second, related to the previous issue, the interviews and other encounters with the actors may have created interactional dynamics leading to the reproduction of particular kinds of discourse in interviews. Nevertheless, the extensive number of the interviews and the ability to compare the interview material with other sources of data such should alleviate these concerns. Third, we conducted the actual analysis in Finnish, but translated some key documents and quotations to English. This has not been unproblematic as some meanings are unavoidably lost and others created in the process of translation. In the end, these difficulties were, however, sidelines to this analysis as we focused on the central rhetorical dynamics that characterized the negotiations.

### **Rhetorical strategies and dynamics in negotiations around the shutdown decision**

Table 3 provides examples of the rhetorical strategies and dynamics that characterized negotiations around this case. We will now elaborate on key features of these strategies and dynamics.

Table 3: Legitimation strategies and dynamics in the Carrus case

Legitimation strategy	Themes in negotiations	Examples of legitimation-delegitimation-relegitimation dynamics
Logos: Rational arguments	Financial performance	<p>Legitimation based on poor financial performance:</p> <p>“Financial performance is lousy. They spend too many hours [in production]. We don’t do it [close CH] for fun you know.” (Corporate manager, 2000)</p> <p>Delegitimation by reference to positive financial performance record:</p> <p>“Well, I must say that it [the closure decision] felt unreal in the sense that CH was making a good return. It did not make sense for the owner, even a new one, to destroy a unit that was making a good profit.” (Blue collar employee, 2000)</p> <p>Relegitimation based on estimates of future financial performance:</p> <p>“[Carrus is] very conservative instead of really realizing that “we have to change” ... And the thinking [in Carrus] that “we are profitable, so don’t argue with us!” I mean, [they say that] “Let us do what we do. We do things in a profitable way.” But what we see is a threat coming and profitability going down.” (Corporate manager, 2001)</p>
Pathos: Emotional moral arguments	Human concerns	<p>Delegitimation by reference to human concerns:</p> <p>“Everybody is really nervous ... and many have sacrificed things for this factory thinking that it will continue ...” (Blue collar employee, TV documentary film, 2000)</p> <p>Relegitimation by downplaying human concerns:</p> <p>“They have many good people: good engineers, many good bus builders. Of course they felt a bit disappointed that Volvo was doing this. However, we can say that it was told openly, because behind the contract was this strategy and thinking since many years. So, it was the fact of getting it on black and white on print that was a bit surprising and disappointing.” (Corporate manager, 2000)</p> <p>Relegitimation by reframing human concerns as unavoidable:</p> <p>“These issues are unfortunate but unavoidable” (Several corporate manager interviews, formal and informal communications)</p>



<p>Ethos: Auhority-based arguments</p>	<p>Human concerns Fairness/hypocrisy</p>	<p>Legitimation by reference to authority (hierarchical position and procedural justice):</p> <p>“That [shutdown] decision was made at the highest level of Volvo Group, because it was not only Wiima [CH] that was focused on here. There were a number of factories all over the world: bus, cars, trucks factories that were pinpointed on that [shutdown] list.” (Corporate manager, 2000)</p> <p>Delegitimation by references to unfairness:</p> <p>“This uncertainty concerning the future when we do not know whether it will be shut down or not ... The timing is always hanging in the air [which is unfair].” (White collar employee, 2000)</p> <p>Delegitimation by reference to hypocrisy:</p> <p>“Volvo advertises in <i>Volvo Way</i> these long-term development and trust relationships with its employees. The question is whether they ever came true for Wiima [CH]... So how seriously can you take these ... values.” (Local manager, retrospective interview, 2002)</p> <p>Relegitimation by reference to consistency (see also autopoiesis):</p> <p>”And then these decisions that may have come too early and discussions around the shutdown ... We wanted to proceed in the Swedish manner by saying that [shutdown] right in the beginning, even though the actual closure could come only much later.” (Corporate manager, 2000)</p>
<p>Autopoiesis: Autopoietic narratives</p>	<p>Strategy Knowledge</p>	<p>Legitimation by reference to strategy:</p> <p>“We want to utilise the knowledge and the concept outside Finland and the Nordic area. That was the strategic part of it so to speak. Using it as a base concept in the continental Europe but also outside of Europe. Mexico as one example now.” (Corporate manager, 2000)</p> <p>Delegitimation by historical reconstructions:</p> <p>“We have produced buses for 65 years. Years of proficiency and know-how are something we have here in Finland and in that respect we are leaps ahead of the others.” (Blue collar employee, 2000)</p> <p>Relegitimation by reference to consistency in strategy:</p> <p>“So we can basically say that the original vision we had for Poland has been realized. It has been a longer road than perceived because we underestimated the knowledge, the hidden knowledge.” (Corporate manager, retrospective interview, 2006)</p>

<p>Cosmos: Cosmological arguments</p>	<p>Future of the industry</p>	<p>Legitimation by reference to inevitability:</p> <p>“This whole industry has to change ... You cannot do that in a small factory. You have to build a Polish factory that is based on a philosophy of integrating the building of the chassis and the body.” (Corporate manager, 2001)</p> <p>Delegitimation by alternative framing of the future of the industry:</p> <p>“Is it really time for one big factory in Europe? Its time will pass before it really blossoms... All factories should be put into a good condition because the benefit of low labour cost [in Poland] will eventually disappear.” (Local manager, 2002)</p> <p>Relegitimation by reframing of the inevitability argument:</p> <p>“But you can say the main factors remain attractive in Poland like competitive workforce and availability of workforce and closeness to Europe.” (Corporate manager , retrospective interview, 2006)</p>
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## **Dynamics of logos**

Logos is a rhetorical dynamic that deals with rational arguments. In shutdown cases, argumentation around financial performance often forms a central rhetorical struggle. In the negotiations regarding the future of Carrus, financial performance was the key issue of debate because of radically different views on profitability. In this case, projections concerning future financial performance were a major part of corporate management's argumentation. The following are typical examples from corporate management interviews during the shutdown negotiations:

One can simplify it by saying that it [the shutdown] is financially efficient!  
(Corporate manager, 2000)

The bottom line decides it. And what Volvo wants is profitability on the bottom line.  
(Corporate manager, 2000)

For the local people, including managers and employees, this view was difficult to understand. For them, the calculations showed that CH was profitable, as it had been for several years. Many also focused attention on the comparisons between the units in the Volvo group. As an employee put it:

We are still at this moment doing fine and doing a pretty good result in comparison with other units in Volvo.  
(Blue collar employee CH, 2000)

This view was also supported in the national media. For example, the national TV news put it as follows in their first coverage of the case:

Volvo will close down its profit-making bus body factory that it bought a year ago.  
(National TV-news, 1998)

This was the key argument of the union representatives in the first cooperation procedure meetings. A union representative who had a central role in these negotiations put it as follows when reporting the progress of the cooperation procedure to other employees at CH:

We asked in the cooperation negotiations why one of the few profitable units in VBC is under the threat of shutdown. The answer was that they were seeking to secure the future of the Polish production unit because its cost level is lower ... It is very strange that the company refuses to generate money!

(Union representative, 2001)

The local people – both managers and workers – argued that the calculations of the corporate management were unfair and misleading. In particular, Volvo’s calculations were based on ‘standard product ideology,’ which did not fit Carrus’ customized mode of operation. This was a major argument in the talks between corporate and local managers, for example, in their mail and email exchange. A local manager explained it as follows:

[At VBC] the performance of the factory is the difference above or below the standard cost ... And here [in a bus body factory], every product is different, so all the additional features [ordered by the customers who finally also pay for the modifications] show in the [financial] reports as a divergence [from the target budget]. Of course we cannot manage a standard process if we do not have a standard product. So now they impose the standard product thinking, according to which we just assemble.

(Local manager, 2002)

The fact that the financial surplus accumulated by Carrus was not taken into consideration when evaluating the performance of the unit also annoyed the Carrus people. In the negotiations, the corporate managers, however, provided justifications for their approach. In their view, Carrus should not be seen as an independent unit but as a part of a larger group. A corporate manager explained this as follows in the midst of the most intensive negotiations:

In Carrus they are very proud that ... they have a good rating. Now that they are part of the Volvo group, it has no meaning, absolutely not the slightest meaning! Actually, on the contrary: If Carrus has too much money on its accounts and so on, it is a waste of Volvo’s money, because Volvo can - through centralisation - earn a much better return on that money. Much better than Carrus would ever be able to make.

(Corporate manager, 2001)

Furthermore, in the corporate logic, the point was not about the past, but all about the ability to operate profitably in the future. A corporate manager elaborated on their logic related to future restructuring gains:

[Carrus is] very conservative instead of really realizing that “we have to change” ... And the thinking [in Carrus] that “we are profitable, so don’t argue with us!” I mean, [they say that] “Let us do what we do. We do things in a profitable way.” But what we see is a threat coming and profitability going down.

(Corporate manager, 2001)

What was most frustrating for the local people – managers as well as employee representatives – was that their counter-arguments had little impact. As they saw it, any “concrete” calculations could

easily be dismissed by references to "future scenarios," "cost projections," or "shareholder expectations" in the corporate managers responses and other communications in 2001-2002.

In all, the debate around financial performance (logos) illustrates the political nature of accounting information (Knights and Collinson 1987, Ezzamel et al. 2008). Also, it shows how in global restructuring estimates of future performance appear to be more important than the actual financial performance of specific units. This debate is thus a concrete example of how 'imaginaries' and 'future projections' (Fairclough and Thomas 2004) enter negotiations around shutdown decisions.

### **Dynamics of pathos**

Pathos deals with the emotional dynamics of legitimation. In the negotiations, human concerns triggered the most emotional discussions dealing with the moral basis of shutdown. Pointing to the problems such as unemployment was an essential part of the resistance campaign of the employees and their union representatives. For example, there was a half-day walkout following the initial announcement of the shutdown decision which focused on "the human implications." "The human side" was the key argument in the workers' communications in local negotiations as well as in other arenas.

These concerns were also communicated in the media where the workers' representatives sought support for their views. For instance, the Chief Shop Steward expressed his feelings as follows on the initial shutdown plan in a Finnish TV-documentary film:

They no longer care about people. They are playing with others' money, and employees are only instruments. It has been very difficult to negotiate with Volvo when I no longer know where it is.  
(Film, TV 2, 2000)

Note how the third sentence expresses a general problem in the negotiations from the workers' perspective and also constructs Volvo as a 'faceless' MNC (that does not care about people).

A particular concern of the workers' representatives was the situation for those workers who had been at the company a long time. It was framed as unethical to get rid of these people, many of them over 50 years old, who would have major difficulties in finding work elsewhere. The Chief Shop Steward summarized their argumentation in a personnel information meeting as follows:

One can in fact ask whether there is any healthy corporate morality left. How can it make sense for personnel to commit to a company if it only leads to a shutdown. A company also has to have social responsibility. Only focusing on technical and financial aspects leads to severe social consequences.  
(Chief Shop Steward, 2000)

In the prolonged shutdown process, the human concerns received public sympathy in the Finnish national media (newspapers and TV). This was the case, for example, when the CH workers demonstrated after the announcement of the final shutdown decision. They placed a memorial garland with mourning bands on the windshield of a bus. The workers wore caps with the text “Volvo Way: Bye-Bye!” referring to Volvo’s new strategy and policy called “The Volvo Way –You can trust us.” Each employee had a number on the front part of the cap referring to the years worked. Some of the numbers on the caps were above 40.

While the workers’ views could have a significant impact on Finnish public opinion, this was not the case elsewhere. Hence, the pressure on the corporate decision makers, located in Sweden, was not something exceptional in the end. A key corporate manager put things into perspective as follows:

Ilmari [Ilmari Mustonen, the former owner of Carrus] focused on one thing only and that was Carrus. Volvo has 83 markets all over the world. And Carrus is a small unit within Volvo ... or medium ... I mean within the Volvo group Carrus is very small ... It contributes rather well to profits, so it is important from that perspective. But the higher you go up in the Volvo organization, the smaller Carrus gets, so to speak. And I don’t think that Leif Johansson, the chief executive officer of Volvo, even knew that Wiima [CH] existed, I guess.  
(Corporate manager, 2002)

The local people, especially the blue collar employees, focused a great deal of attention on the human side of the shutdown threat. While these views received sympathy, they were in the end dismissed by the corporate decision-maker relatively easily. In fact, they were often framed as “unfortunate but unavoidable” in the corporate managers’ responses and official communications in 2001-2002.

In all, this discussion about human concerns illustrates how a shutdown decision can be resisted by emotional morality-based arguments. However, this case also shows that whilst an appeal to human concerns may help to rally local support for resistance to the shutdown decision, it can prove inadequate. In fact, while the local community and the media may strongly resist the shutdown, this

does not necessarily have a great impact on the MNC management in charge of a number of units and based in another country.

### **Dynamics of ethos**

Ethos deals with authority-based arguments in legitimation. This involves the credibility of the decision-makers, and so was also the case in the negotiations concerning Carrus, especially when dealing with human concerns. The corporate representatives often explained that the decisions had been made "at the group level," by "highest authorities," and by following "careful reasoning." In contrast, the employees and occasionally also local managers focused attention on (the lack of) procedural fairness and the (alleged) hypocrisy of Volvo's corporate management.

In the general discussion around this case, employee representatives pointed out that Volvo was not any company, but a Swedish-based group that was supposed to value its "human resources" and pay specific attention to its human resource practices. These were described, for example, in "The Volvo Way" booklet launched and marketed by the corporate management of VBC in 2001. Accordingly, many people in Finland argued that corporate management was "hypocritical" and acting against the corporate values that it was promoting. A seasoned worker put it as follows:

The Volvo Way is a bit like looking at the world from the porch of the Vicarage. It is not about doing, but looking at things from the outside and then giving instructions and demands. Thus, the discussion appears nice, but it is not about listening to the personnel or employees. They do not need to from the porch. It is like the wind.

(Blue collar employee, 2001)

A local manager described the situation as follows in a retrospective interview:

In Volvo the concept 'human resources' is highly valued and there is a big human resources department. They seem to be very human-resources-oriented, and the personnel are held in high esteem ... In real life, the commitment to the employees ... they [the employees] are seen merely as something that can be used as a headline when the [financial] situation is bad, to cool down the owners. "5,000 are fired." "Factories are closed." ... So it seems like they are trying to take the easy way out and at the same time buy the commitment of the employees. But in reality there is no commitment to the employees and the employees are not appreciated. Instead they pander to globalization; any kind of factory can be founded anywhere, and everything is saleable, buyable, and movable.

(Local manager, 2002)

A key argument of the local people was that the whole process had been handled in an extremely “unfair” way by Volvo. In particular, people were forced to live and work under a constant threat of shutdown “hanging in the air,” as the blue-collar employees often put it (1998-2001). Moreover, it was pointed out that by focusing on financial performance, Volvo’s representatives were creating “false hopes” and actually taking advantage of people desperately trying to improve the financial performance of the unit.

On the personal level, the corporate managers in charge did understand and even sympathize with the workers at CH. However, on the whole, the corporate managers tended to view the negotiation and decision-making process in a different light. Both in the official negotiations (especially the cooperation procedure) and in the interviews, they argued that announcing the closure as early as possible was the “honest” and “transparent” way to proceed. By so doing, they employed a strategy of consistency (Christensen 2002) in their communication. This consistency strategy was closely linked with the continuous use of strategy rhetoric in which the shutdown was portrayed as a necessary step in a longer-term restructuring plan (see autopoiesis below). A top manager explained their approach as follows:

Leif Johansson, our president, felt that it is better to be very open and present what the future looks like because sooner or later we will face the problem of internal discussions anyway [regarding the shutdown decision] ... So, two years ago he decided that we would go out openly and say, “We cannot tell the exact time. But we believe strongly that in the near future this will happen” and then we can plan for it.

(Corporate manager, 2000)

Thus, the rhetoric around ethos illustrates how the decision-makers may be challenged regarding the hypocrisy in their decisions and actions. However, such rhetoric may be countered by continuous references to consistency (Christensen 2002, Cheney et al. 2004). We will discuss this aspect below in relation to autopoiesis.

### **Dynamics of autopoiesis**

Autopoiesis deals with narratives of purpose and identity. It is linked with mythopoesis (Vaara and Tienari 2008) and historical reconstruction (Suddaby and Greenwood 2005), but also encompasses other aspects of organizational auto-communication. In the organizational context, this kind of auto-communication is often explicitly linked with ‘strategy’ (Broms and Gahmberg 1983). This was also the case in the negotiations around the shutdown of CH. In the rhetoric of corporate



management, the shutdown was often presented as a logical and necessary step in the “official restructuring program” started in 1998. This also involved frequent references to specific plans such as the “White Book” that explained this restructuring strategy and its implications.

This legitimation strategy was often used subtly, in combination with other strategies such as rational arguments. However, sometimes it was used also very intentionally. For instance, for a press conference in 2001, the managers received the following paper with ready-made answers to potential questions:

Q: Why are you shutting down the production in Vantaa?

A: The shutdown is part of the consolidation [‘restructuring’ is another possible translation] of the industrial operations in Poland, which started in 1998. There is an over-capacity in the Nordic countries and we are to adjust. The factory in Vantaa is the oldest in Carrus.

The views and arguments of the local people were very different. Rather than engaging in a discussion concerning the reorganization of VBC, they focused on the specific knowledge and competence residing in Carrus. The point was that the very competitive advantage of CH was portrayed as resulting from years of experience in customer-oriented production. An experienced worker expressed their argument as follows:

They [corporate management] thought they could get all the knowledge, and it is probably based on a false kind of thinking in that this would be easily machine made, automated and documented. It is a picture that comes from another industry that they have built for themselves, which was misleading, and they certainly did not get all this knowledge, not ever ... It is gone with the wind.

(Blue collar employee, 2001)

A local manager described their point in the following way:

A 50-year-old tradition of producing busses here will end...One could say that the silent knowledge of these people will disappear [along with the shutdown of CH] ...Usually in this kind of situation some of the buses that will not be manufactured here will be manufactured by Volvo, but at least half of them will be lost to the competitors. You cannot force the customers.

(Local manager, 2001)

These narratives often involved nostalgia, referring to “good old times” involving “more committed management.” In the discussions with corporate managers, the local managers and employee representatives also criticized VBC headquarters for “determinism,” thus linking the strategic

justifications with their point about hypocrisy (see above). This is an excerpt from the speech the Chief Shop Steward gave in a meeting in 2001:

Negotiations [the cooperation procedure] concerning the eventual shutdown of the Helsinki [Vantaa] unit of Carrus were called by the employer and started on 2.4.2001. The minutes of the meeting show that in 1998 VBC already presented its plan regarding the restructuring of its operations in Europe. This included for example the closing down of the Helsinki factory. These arguments [for the closure] indicate that the market demand is not the reason for the closure but the plan of VBC for the restructuring itself. Market demand is just an excuse that one can draw attention to, a means for justification and way to make people comprehend and accept the wrongdoings.

(Chief Shop Steward, 2001)

Hence, the legitimation and resistance strategies relied on explicit and implicit narrativizations of the history, the present, and the future. Importantly, while the local people could articulate their view on the historically created knowledge and competence base residing in CH, they rarely succeeded in providing a convincing alternative to the future strategy of the VBC as a whole. Thus, their local considerations could in the end not challenge the “big picture” constructed by the corporate management.

In the shutdown context, this kind of narrativization may provide a particularly powerful legitimation strategy – especially if the decision-makers can refer to continuity in their strategic planning. This may lead to a self-fulfilling story the repetition of which itself forms a major legitimation device.

### **Dynamics of cosmos**

Finally, cosmos deals with arguments of inevitability (Suddaby and Greenwood 2005). Arguing for the inevitability of globalization can be seen as a crucial justification for organizational restructuring as this discourse has become an inherent part of global capitalism (Spicer and Fleming 2007). In particular, globalization seems to reproduce self-reinforcing myths and futurological scenarios (Fairclough and Thomas 2004) that are very hard to challenge.

In the Carrus case, a central part of corporate management’s rhetoric was to point out that global restructuring was inevitable. This theme was omnipresent in most of the official documents, often as an uncontested assumption concerning what will necessarily happen in the future. However, this inevitability was sometimes also elaborated on explicitly. This was the case, for example, when referring to what the competitors were doing:

We go the same way as our rivals. Both MAN and Mercedes have very big factories in Turkey. They are producing busses there with the exact same philosophy [of cheap labour]! ... The cost per working hour is clearly higher in the Nordic countries than for example in Poland.

(Corporate manager, 2000)

Accordingly, the corporate management often reverted to ‘a rhetoric of compulsion’ in the negotiations; they argued that in the long run the corporation had no choice but to move production from relatively expensive to more inexpensive locations. This view was eventually crystallized in “one factory for one continent” thinking in VBC’s strategy, a key part of the autopoiesis described above. A key corporate manager explained this reasoning:

We see in front of us that in the long run we will have four big production sites. Poland in Europe ... Mexico will have a factory in that area [North America] ... Then we have a factory in South America, in Curitiba, Brazil, and then a factory in China for Asian Pacific. But this is how it will go in the future. We cannot compete otherwise.

(Corporate manager, 2000)

The local managers and employees in turn attempted to challenge this inevitability on the basis of their specific customer-oriented approach. A local manager who had a key role in the face-to-face discussions with the corporate representatives summarized their argument as follows (in an interview conducted after the final closure):

Volvo’s world is based on standard production thinking ... maybe one could transform us to a standard factory but unless we can change the customers so that they all want a cheap Chinese bus, then it will be difficult to be a global factory.

(Local manager, 2002)

However, the local people also tended to reproduce this inevitability in their argumentation. For example, when trying to make the headquarters to change their decision, Carrus managers did not challenge the inevitability of globalization *per se*, but the specific idea in investing in Wroclaw. The local manager explained this counter-argument as follows:

It is naturally so that if some day the factory in Poland [Wroclaw] works OK and if the wages there are just a part of our wages, and all the other things will work there as well, and if we can prove that every car [=bus] will be 100000marks (~17000€) cheaper there for good, and the customers buy eagerly, then for sure it is worth to move all the production there! Is it really time for one big factory in Europe? Its time will pass before it really blossoms... All factories should be put into a good condition because the benefit of low labour cost [in Poland] will eventually disappear.

(Local manager, 2002)

Importantly, when insisting that future changes would be inevitable, the corporate managers could effectively deal with resistance based on poor performance in Poland. This is how this issue was tackled in the important report “White Book Poland”:

In spite of the difficulties encountered, the choice of Wroclaw as a European industrial hub for VBC has been a correct decision. It offers a long-term cost advantage on body building, and component manufacturing. The deviancies on targets are mainly due to underestimation of the complexity in bus body building as well as the possibility to launch complete buses on new markets. Knowing this, it would have been wiser to take the Wroclaw expansion in steps... However, it should be possible to fulfil the remaining part of plant targets within a 2-3 year period.

(White Book Poland, 2001)

The cosmological constructions about the inevitability of change provided were a crucial facet in the corporate managers’ justifications. At times, the local people could challenge this reasoning, primarily by pointing to the special nature of CH’s operations and the problems encountered in Poland. Nevertheless, these counter-arguments were often met with the ‘inevitability of globalization’ rhetoric, which proved difficult to resist both in the internal discussions and in external arenas.

In all, the rhetorical dynamics around cosmos are crucial to be able to comprehend the full force of the discourse of organizational restructuring driven by globalization. In brief, by pointing to the inevitability of globalization corporate managers were able to frame the shutdown as an unavoidable event. This kind of rhetoric may be particularly difficult to challenge as it essentially reproduces a central theme in global capitalist discourse (Fiss and Hirsch 2005, Spicer and Fleming 2007).

## **Discussion and conclusion**

This paper has been motivated by a firm belief that organizational researchers have to continue to study global organizational restructuring from multiple critical perspectives (Hardy 1985, Hirsch and DeSoucey 2006, Vaara and Tienari 2008). We believe that this analysis contributes to the literature on organizational restructuring precisely by spelling out a rhetorical perspective that helps us to see how rhetorical strategies are used in negotiations around shutdown decisions and consequently to understand the dynamics of these legitimation struggles. Thus, our analysis adds to

the previous studies explaining the legitimation of the phenomenon (Hardy 1985), how its legitimation has changed over time (Hirsch and DeSoucey 2006), and how contemporary restructuring decisions are justified in the media (Vaara and Tienari 2008).

Our framework helps to analytically distinguish specific rhetorical strategies, to observe how they are used in legitimation and delegitimation, to see how they are inter-linked, and thus to understand the resulting rhetorical dynamics. These dynamics include struggles over logos, pathos and ethos, but also autopoiesis and cosmos. Singling out these five dynamics of legitimation helps us to understand that the overall question of legitimacy can and must be broken down to better understand the complexities involved; rational arguments, emotional moral claims, authority-based arguments, autopoietic narratives, and cosmological constructions may be used in different ways for legitimation, de-legitimation or re-legitimation purposes. Thus, we can better comprehend the multiple discursive facets in the legitimation of drastic organizational restructuring decisions such as industrial shutdowns.

Each of the dynamics deserves attention as they can be found in other restructuring cases as well. First, logos deals with rational arguments around issues such as financial performance. The fact that financial performance was a contested issue may not be surprising *per se* (Knights and Collinson 1987; Ezzamel et al. 2008), but it is interesting to contrast the global and future orientation of the protagonists with the local and current perspective of the antagonists. In a way, this dynamic reveals a fundamental mismatch in such negotiations; it explains how even the most convincing argumentation, which concerns solely the current financial performance of the focal unit, may not be enough. Second, our analysis of pathos illustrates how a shutdown decision can be resisted by emotional moralistic arguments, especially by referring to the human, social and societal implications. However, the case also shows that whilst an appeal to human concerns may help to mobilize support for resistance, it can prove inadequate. Thus, this analysis provides an example of the subordination of human concerns in MNCs (Alvesson and Willmott 2003). Third, the rhetoric around ethos in turn illustrates how corporate decision-makers may be challenged with respect to the hypocrisy in their decisions and actions (Brunsson 1989). However, the case also demonstrates how such rhetoric may be dealt with by references to consistency in strategic planning and negotiations (Christensen 2002; Cheney et al. 2004).

Fourth, what we have called autopoiesis is a special form of rhetorical legitimation that rests on organizational auto-communication (Broms and Gahmberg 1983). Our analysis shows that this kind of narrativization may provide a particularly powerful legitimation strategy – especially if managers

can refer to continuity in their strategic planning. This may lead to a self-fulfilling story the repetition of which itself forms a major legitimation device. Fifth, and finally, the rhetorical dynamics around cosmos are the key to understanding how exactly the globalization-driven organizational restructuring discourse is mobilized in concrete negotiations. What is crucial – and perhaps counter-intuitive – is that this rhetoric is ultimately mythical, resting on the ever-present myth of the necessity of change, this time translated into the language of organizational restructuring. As March has put it: “The most conventional story of contemporary futurology is a story that observes and predicts dramatic changes in the environment of organizations.” (March 1995: 428).

While all these rhetorical dynamics are important for an understanding of the rhetorical side of shutdown negotiations, we wish to underscore the crucial role of autopoiesis and cosmos in supporting the more classical logos-, pathos-, or ethos- driven arguments. In this way, we can provide a fuller picture of rhetorical strategizing that links more classical argument -based analysis with discursive studies emphasizing the overwhelming power of organizational restructuring discourse. This helps us to understand how this discourse is mobilized in concrete negotiations, but also how it is then reproduced through such discussions – something that has been called for in this area (Hirsch and DeSoucey 2006).

All these findings also raise questions about the possibilities of successful rhetorical resistance. Such negotiations – especially the cooperation procedure – do not correspond to an “ideal speech situation” but rather involve “distorted communication” (Habermas 1975, 1984). This is due to the rhetorical dynamics described above, and also to the apparent asymmetry in the terms of access to all kinds of information and plans, especially in the case of the workers. Overall, this case provides a rather pessimistic view of the limited opportunities of local managers, workers and their representatives to reverse corporate management shutdown plans. From the perspective of the local people, they seemed to do everything possible to show the viability of the unit – not only in their rhetoric but also otherwise – to resist the shutdown plan. It would, on the other hand, be simplistic to draw the conclusion that all resistance was futile in this case. As indicated in other studies (Thomas and Davies 2005, Spicer and Fleming 2007, Ezzamel et al. 2001, 2004), resistance serves many purposes, including the right to voice one’s concerns and to disagree. In this sense, the debate over the legitimacy of the shutdown decision was also about the legitimacy of resistance. Hence, the articulated counter-arguments and the support gained in local media undoubtedly helped the local people to maintain self-identity and dignity in these tragic circumstances.

Our analysis also has broader implications for the study of legitimacy. In particular, our analysis adds to the recent studies focusing on the role of language in legitimation (Green 2004, Suddaby and Greenwood 2005, Vaara and Tienari 2008). While previous studies have examined discursive legitimation in specific settings such as commission hearings (Suddaby and Greenwood 2005) or media texts (Vaara and Tienari 2008), our analysis has concentrated on rhetorical legitimation strategies in actual organizational negotiations – and thus complements prior research. The findings of these studies are similar in the sense that they all point to a myriad of discursive and rhetorical strategies and their power in the creation of senses of legitimacy or illegitimacy. However, what is specific in our analysis is that it illustrates in a very concrete manner how such rhetorical strategies are used to legitimate or delegitimize as part of unfolding organizational change processes. This is important as it helps us to better understand the actual dynamics of legitimation-delegitimation-relegitimation. It should also be noted that our analysis of ethos highlights the issues of hypocrisy and consistency in ways that add to previous legitimation analysis, which has focused mostly on the positive side of authorizations. Furthermore, autopoiesis provides a new perspective on organizational auto-communication that links with mythopoiesis (Vaara and Tienari 2008), but is more than a specific type of storytelling. Finally, our analysis of cosmos adds to understanding of cosmological arguments (Suddaby and Greenwood, 2006) by broadening the scope of inevitability constructions.

We believe that our analysis provides a useful theoretical framework for future studies on organizational restructuring, but also see a need to proceed with new focused analyses. First, while the Carrus case provides us with an understanding of the various kinds of rhetorical legitimation strategies and dynamics, there is a need to examine other cases in different socio-political and cultural contexts to be able to distinguish and compare rhetorical dynamics in more nuanced ways. Second, while our analysis has examined specific rhetorical resistance strategies, there is much more to resistance (Spicer and Fleming 2007, Ezzamel et al. 2001). Indeed, there is a need to examine in a more detailed way the various ways in which specific actors cope with and resist shutdown and other drastic restructuring plans in multinational corporations. Such studies should draw from previous analyses in this area (Ezzamel et al. 2001, Ezzamel et al. 2004) but focus on the specific features of particular types of restructurings such as closures. Third, issues around subjectivity and identity also warrant more attention, and such analyses could build on previous studies on other types of restructuring illustrating the dynamics of identification and their linkage to resistance (Ezzamel et al. 2004). Shutdown threats often involve a setting where corporate management and the local people represent the two sides of the conflict. However, as our analysis

illustrates, a closer look reveals that specific people such as local managers or employee representatives often find themselves in a controversial and challenging situation. Analyses focusing on discursive subjectivity and identity constructions in such circumstances would help us to better understand the multiple and often controversial effects of corporate-driven globalization on individual people.

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