

Identification of salient stakeholders: the contribution of boundary object and systemic shock

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Résumé :

L'identification des parties prenantes reste une question pour la théorie des parties prenantes (PP). L'articulation de la PP avec les notions d'objet frontière et de choc systémique peut contribuer à y répondre. Un objet-frontière est « l'enjeu (stake)» qui agrège un réseau stable d'acteurs complémentaires et interdépendants « y ayant (holder)» intérêt. Ils doivent faire des compromis pour satisfaire leurs intérêts individuels et parvenir collectivement à un équilibre. Le pouvoir et la légitimité sont spécifiquement liés à l'objet frontière.

Une décision managériale impactant l'objet frontière déclenche un choc systémique qui affecte les acteurs appartenant au réseau et perturbe le compromis. Le choc crée de l'urgence pour certains acteurs, matérialise pouvoir et légitimité, et amène de nouveaux acteurs. Les parties prenantes adoptent différentes positions vis-à-vis de l'entreprise : favorable, opposée ou neutre. Les attributs et les positions façonnent des alliances et des coalitions qui évoluent au fil du temps pour atteindre un nouvel équilibre.

Pour étayer le cadre conceptuel, nous présentons une étude de cas approfondie d'une restructuration industrielle accompagnée de licenciements massifs. Le cas explore les processus politiques qui caractérisent les relations lorsqu'un réseau d'acteurs agrégés par un objet frontière est perturbé par un choc systémique.

Mots clés : Management des parties prenantes, Objet frontière, Choc systémique, Restructuration industrielle

Identification of salient stakeholders: the contribution of boundary object and systemic shock

INTRODUCTION

Stakeholder theory (ST) contributes to strategic management by defining the multiple actors involved with a firm as any group or individual who can affect or is affected by the achievement of the organization's objectives (Freeman, 1984). Stakeholder management is about dealing with the potential conflict stemming from divergent interests between a firm and its stakeholders (Barnett, 2014; Donaldson & Preston, 1995; Harrison & Wicks, 2013). Moving beyond the wheel of bilateral interactions, scholars have pointed out that these stakeholders are structured in networks of multilateral interactions, in which the firm is more or less embedded (Driscoll & Starik, 2004; Ferrary, 2009; Rowley, 1997).

Since its inception, stakeholder identification and saliency are major issues in ST. To characterise stakeholders, Mitchell, Agle & Wood (1997) considered three attributes: (1) the stakeholder's power to influence the firm, (2) the legitimacy of the stakeholder's relationship with the firm, and (3) the urgency of the stakeholder's claim on the firm. Saliency depends on the cumulated attributes defined by nine categories: (1) dormant, (2) discretionary, (3) demanding, (4) dominant, (5) dangerous, (6) dependent, (7) definitive and, (9) nonstakeholder.

Recently, Wood, Mitchell, Agle & Bryan (2021) acknowledged the challenges that remain in identifying stakeholders and assessing their saliency. The theory does not explain why a stakeholder is definitive in some contexts and dormant in others. Why does a stakeholder

acquire or lose an attribute? Similarly, it does not explain why the same stakeholder supports the firm in some situations and opposes it in others. Why does a stakeholder join an alliance with the firm or a coalition against it?

To address these questions, I mobilize two concepts: the boundary object (Star & Griemeser, 1989; Star, 2010) and systemic shock (Jen, 2003). I argue that an actor becomes a stakeholder when it shares a common interest with the firm about a given boundary object. The boundary object defines the power and legitimacy of stakeholders and different boundary objects aggregate different networks of stakeholders.

Systemic shock contributes to the exploration of the dynamics dimension. Network theory points out that a network is usually a stable system of components that routinely interact to collectively perform a specific function (Barabasi et al., 2011; Jen, 2003; Watts, 2004). I argue equilibrium results from a compromise between stakeholders' competing interests, power resources, and legitimacy. A managerial decision can be a systemic shock that destabilises such equilibrium, redefining power and legitimacy, and inducing urgency for some stakeholders. A shock might also reverse the nature of interactions from supportive to oppositional, and lead to the involvement of new stakeholders.

I combine the two concepts to propose that a boundary object aggregates a network of stakeholders that is usually characterized by equilibrium. Depending on their interests, power and legitimacy, stakeholders are “dormant,” “dominant,” or “discretionary.” A managerial decision can cause a systemic shock by affecting a boundary object that disrupts the equilibrium. The shock creates urgency for some stakeholders who then become “definitive,” “dangerous,” “dependent,” or “demanding.” It induces intense interactions among stakeholders, seeking a compromise that would establish a new equilibrium capable of satisfying their interests based on their contextually redefined power and legitimacy. The path

between two equilibria is characterized by shifting alliances of stakeholders between the firm and the coalition moving against it.

Empirical evidence is provided by an in-depth case study (Eisenhardt, 1989; Yin, 2017) of an industrial downsizing that included massive dismissals. Gamma-Alpha (GA),¹ a large German pharmaceutical company, decided to cut 1250 positions in its Geneva entity and to close the office. The 1250 jobs in the Geneva office are a boundary object and the organizational downsizing is a systemic shock. I use a temporal bracketing methodology to analyse the dynamics of interactions (Langley, 1999; Langley et al., 2013).

The article consists of four sections. First, a conceptual framework is introduced combining the boundary object and systemic shock. Second, the case study is analysed. Third, my findings from the empirical analysis are presented. The conclusion discusses the contributions.

1. SYSTEMIC SHOCK ON BOUNDARY OBJECT AND NETWORK OF SALIENT STAKEHOLDERS

1.1. BOUNDARY OBJECT AGGREGATING STAKEHOLDERS

An actor becomes a stakeholder when it shares interests about something with the firm (Barnett, 2014; Harrison and Wicks, 2013; Kujala et al., 2022). A firm doesn't share interest about everything with all of the actors within its business environment. There is no intrinsic nature for an actor that induces systematic interaction with a firm. It is the "stake" that brings them together. Therefore, identifying stakeholders requires a clear definition of the "stake" in which they share interest with the firm. For instance, when a pharmaceutical company commercializes a new drug, it does not interact with the same stakeholders as when it downsizes its organization. Moreover, depending on the convergence or divergence of

¹ Anonymous name

interests, a stakeholder can play a supporting, neutral or oppositional role with the firm. A local government supports a firm that creates local jobs but opposes it when it cuts them. It will be neutral when the firm does something that does not affect local jobs.

The “boundary object” concept contributes to ST by materializing the “stake” that brings “holders” together. Actors become stakeholders for a firm when they share common interests about a boundary object. Without the use of boundary objects, trying to identify potential stakeholders, especially for a multinational firm, leads to an endless list. Using boundary objects provides the ability to pragmatically identify salient stakeholders for each managerial decision.

Griesemer and Star (1989:393) defined boundary objects as:

“objects which are both plastic enough to adapt to local needs and constraints of the several parties employing them, yet robust enough to maintain a common identity across sites. They are weakly structured in common use and become strongly structured in individual-site use. They may be abstract or concrete. They have different meanings in different social worlds, but their structure is common enough to more than one world to make them recognizable, a means of translation. The creation and management of boundary objects is key in developing and maintaining coherence across intersecting social worlds.”

Star & Griesemer (1989) illustrate the concept by analysing the creation of the Berkeley’s Museum of Vertebrate Zoology. The museum is the boundary object bringing together different actors (research scientists, university administrators, curators, amateur collectors, private sponsors, government officials, members of a scientific club, trappers, etc) with converging and diverging interests on which each stakeholder compromises in order to enable the creation of the institution.

A boundary object does not exist by itself. It exists by bringing actors together from different social worlds to conduct collective work and act towards and with it (Star, 2010). It is the stake of action that brings actors together to bargain and compromise. Stakeholders coming together from different social worlds frequently have the experience of addressing a boundary object that has a different meaning for each of them and fulfils different interests. Due to

their interdependency, they need to compromise to satisfy their interests. A boundary object is characterized by some sort of materiality and spatialization.

Jobs provided by a firm in a specific place fit this definition. To exist they require cooperation between several local stakeholders coming from different social worlds (shareholders, employees, trade unions, local politicians, public administrations, customers, etc.). Each stakeholder has specific interests related to these jobs and provides complementary resources for their enactment. While the interests may converge or diverge, they have to compromise on these interests in order to materialize jobs. Each stakeholder has a specific representation of what employment means, but they share a minimal common understanding to coordinate with each other. Following Griesemer and Star's (1989) definition, employment is plastic enough to adapt to the local stakeholders' needs and constraints. It is weakly structured for common use by several layers of regulation, such as the *International Labour Organization*, the *European Union* or national labour laws, but is strongly structured at the corporate level by collective agreements and, at the individual level, by labour contracts.

Identifying a boundary object aggregating the firm and its stakeholders also contributes to the clarification of the contextual definition of power and legitimacy. These two attributes are not intrinsic characteristics of any particular actor but depend on the boundary object. An environmental activist organization possesses legitimacy in challenging a firm's environmental policy but less to challenge its labour policy. Similarly, unions and labour administrations are powerful and/or legitimate in influencing the firm in their domestic country but less so abroad. Therefore, a boundary object provides the opportunity to identify a stakeholder as "dormant," "dominant," or "discretionary."

1.2. NETWORK OF STAKEHOLDERS AGGREGATED AROUND BOUNDARY OBJECTS

Rowley (1997) pioneered the articulation of network analysis with ST to highlight that a stakeholder's influence is not an intrinsic characteristic but rather a contextual one related to

the structure of the relationships in which a firm is embedded. Firms do not simply respond to stakeholders individually. They respond to multiple influences from an entire set of stakeholders. Therefore, explaining how firms respond to their stakeholders requires examining the complex array of interdependent relationships that constitute the stakeholder network (Bergstrom & Diedrich, 2011; Driscoll & Starik, 2004; Ferrary, 2009).

A firm may nurture cooperative or conflictual interactions with its stakeholders depending on the convergence or divergence of their interests (Savage et al., 1991). Such ties structure the network and define alliance with the firm and coalition against it (Hillman and Hitt, 1999; Min, 2017). Stakeholder management aims to create alliances with stakeholders through business relationships, partnerships, lobbying, as well as contributions to political parties and professional organizations (Oliver & Holzinger, 2008; Whitford & Zirpoli, 2016). Conversely, divergent interests nurture coalition between stakeholders. Powerless stakeholders trying to mobilize powerful actors to pressure a firm on their behalf (Frooman, 1999). Therefore, an actor's influence may arise from relationships with others who compel the firm to act in the actor's interest to a greater extent than the actor's direct power warrants.

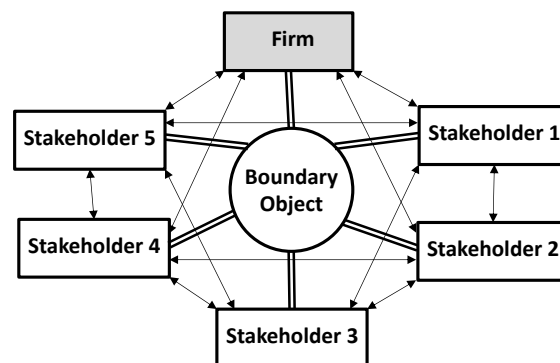
The degree of the firm embeddedness within the network affects the power and legitimacy of stakeholders (Habisch et al., 2004), as well as the way the firm prioritizes economic responsibility towards some shareholders relative to social responsibility towards other stakeholders (Doh & Quigley, 2014). Being highly embedded obliges a firm to compromise between its economic responsibility and its social responsibility when taking managerial decisions (Mitchell, Weaver, Agle, Bailey & Carlson, 2016). The greater the firm is embedded, the more it depends on stakeholders' resources. Likewise, the greater the firm is embedded, the more it cares about the legitimacy of its managerial decisions (Ferrary, 2019; Tost, 2011) and is sensitive to social control of its business (Jones, 1982). Conversely, a low degree of embeddedness leads a firm to nurture instrumental relationships with its

stakeholders and to focus on maximizing profits with opportunist behaviour without considering the legitimacy of its behaviour (Filatotchev & Nakajima, 2014; Min, 2017).

Integrating boundary object into ST means that the structuring element of the stakeholder network is not the firm by itself, but the boundary object that brings the firm to interact with stakeholders sharing interests in it. Multilateral interactions related to a boundary object aggregate a network of stakeholders in which the firm is more or less embedded. Each boundary object aggregates different networks of stakeholders.

A network is stable (Figure 1) when there is a compromise between its components' competing interests and resources, and they nurture routine and low intensity interactions (Jen, 2003; Watts, 2004).

Figure 1 – Stable network of stakeholders



Legend:

Thin arrows represent routine interactions

Double lines represent stakeholder's interest

1.3. SYSTEMIC SHOCKS AND STAKEHOLDER NETWORK DYNAMICS

The concept of systemic shock developed by complex network theory explains the process that causes interactions to intensify and evolve over time. Mathematicians (Thom, 1977) stressed that major changes do not result from minor evolutions captured by linear regressions but from random shocks that are difficult to predict. This approach first gained popularity in physics, biology and computer science to explain network dynamics (Jen, 2003). Since then,

management science has explored the role of systemic shocks in organizational behaviour and network evolution (Clegg, Josserand, Mehra & Pitsis, 2016).

Without explicitly mentioning the word “shock,” often ST scholars use major events to illustrate why stakeholders start to interact with a firm. For instance, Mitchell et al. (1997) use the example of the giant oil spill from the Exxon Valdez in Prince William Sound. Barnett (2014) mentions the BP oil spill in the Gulf of Mexico, the Union Carbide’s disaster in Bhopal, and other crises like nuclear disasters, accounting scandals, and the bankruptcy of financial institutions. Wood et al. (2021) also suggest that major organizational transformations such as mergers, acquisitions, divestitures, etc., are events affecting stakeholder interactions.

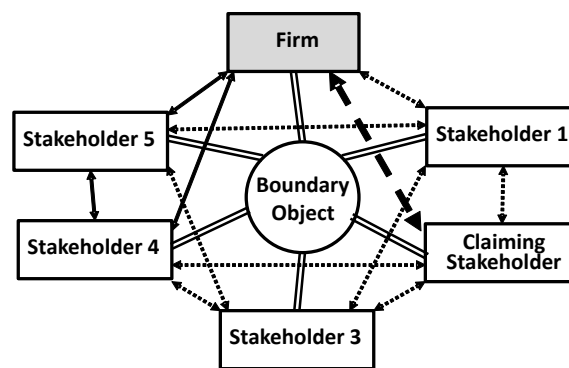
For network theory, systemic shocks disrupt the balance of interests and the network's ability to perform its function (Jen, 2003; Watts, 2004). Shock spreads more or less spatially and persists more or less temporally. The more it spreads and persists, the more systemic it is. Gradually, after a shock, components adjust through their interactions, tensions subside and, progressively, the system stabilizes in an equilibrium that may be similar to or different from the original situation (Barabasi et al., 2011; Callaway et al., 2000).

Applying this framework to stakeholder management means that a managerial decision affecting a boundary object can be a systemic shock that destabilizes the network of stakeholders aggregated around it. The shock disrupts compromises and creates a misalignment of stakeholders’ interests. It leads to increased interactions aimed at finding a new equilibrium.

A systemic shock also redefines the power resources and legitimacy of the firm and stakeholders. Moreover, by creating urgency, it transforms some “dormant,” “dominant,” “discretionary” stakeholders, and “non-stakeholders” into “demanding,” “dangerous,” “dependent,” or “definitive” stakeholders.

A claiming stakeholder might be aware of its lack of resources (low power and/or low legitimacy). Engaging other stakeholders becomes strategic behaviour aimed at building a coalition. The likelihood of successful influence on the firm grows with the size of the group acting against the firm (Barnett, 2014). Conversely, the firm might build alliances with other stakeholders in order to face the oppositional coalition and even strategically try to prevent it (Figure 2). Claiming stakeholders try to socially and spatially spread the shock to make it persist over time. Conversely, the firm does its best to prevent the spreading of the shock and its persistence.

Figure 2 – Destabilized network of stakeholders



Legend:

Very large dash arrow represents the initial shock caused by the firm to a stakeholder

Large dash arrows represent the coalition with the initial claiming stakeholder

Large plain arrows represent the alliance with the firm against the coalition

Double lines represent stakeholder's interest

To build coalitions or alliances, the media is often a critical stakeholder to involve and to manage (Adut, 2005). An event becomes a scandal when it is publicised by the media and provokes collective disapproval within society (Daudigeos et al., 2020). Barnett (2014) points out that corporate misconduct might go unnoticed by stakeholders, and therefore, induce no reaction. Media publicisation makes misconduct noticeable (Deephhouse, 2000). For instance, in 2010, poor labour conditions at Foxconn Chinese factory, a major long time Apple contractor, became an issue for Apple when fourteen Foxconn employees committed suicide and *The Wall Street Journal* published several articles on the situation. The suicides were a

shock highlighting the still unnoticed poor labour conditions (more than 60 hours a week, low salary, child labour, precarious living conditions, etc.). The publicisation by *The Wall Street Journal* contributed to make the shock systemic by involving several stakeholders, including Apple employees and customers, which then forced Apple to react.

An industrial downsizing with massive dismissals is a managerial decision that triggers a systemic shock destabilizing a network by creating the misalignment of stakeholders' interests. In addition to employees losing their jobs and local contractors and businesses losing clients, local governments lose taxpayers. Individually, workers have little power to bargain with an employer. Collectively, they can block production activities through strikes. However, the critical factor is their ability to involve other stakeholders (Bergstrom & Diedrich, 2011; Ferrary, 2009). A network perspective explains why employees affected by downsizing hold corporate leaders prisoner, start hunger strikes and carry out campaigns to boycott company products. The purpose is to mobilize the media, and by a ripple effect, citizens, customers and local or national politicians who might have power and legitimacy to influence the firm.

2. CASE STUDY

2.1. METHODOLOGY

To empirically support the conceptual model, I analyse an organizational downsizing with massive dismissals in the Swiss entity of a German pharmaceutical company, Gamma-Alpha (GA). A temporal bracketing methodology (Langley, 1999) is used by decomposing the process in successive periods in which there is a certain continuity in the activities within each period and there are certain discontinuities at its frontiers (Langley & Truax, 1994). This methodology contributes to a nonlinear understanding of organizational processes (Denis et al., 2011) and helps to analyse how the actions of one period lead to changes in the context

that will affect actions in subsequent periods (Langley et al., 2013). From an epistemological perspective, this methodology fits within Giddens's (1984) structuration theory, which emphasises that the actions of individuals are constrained by structures (including formal and informal rules and norms) but that these actions may also serve to reconstitute those structures over time.

I consider three brackets. First, from the beginning of 2011, when GA publicly announced poor financial results, to April 24, 2012, the day GA publicly announced the closure of the Geneva office. Second, from April 24, 2012 to June 19, 2012, which was the legal period of consultation between the employer and its employees according to Swiss labour law. Third, from June 19, 2012, the beginning of the implementation of the redundancy plan, to June 28, 2013, the date of the effective closure of the Geneva office.

Following case study methodology, I drew on multiple data sources collected over a three-year period to capture the phenomenon (Eisenhardt, 1989; Yin, 2017). The study was initiated in June 2012, after the public announcement. I adopted a retrospective longitudinal design to retrace the early interactions between stakeholders (Bergstrom & Diedrich, 2011). Fifteen semi-structured interviews were conducted with different stakeholders: the Swiss GA CEO, the HR director and two HR managers, two managers, a staff representative, four employees, the general secretary of the local trade union Unia, one member of the local government in charge of the Labour Department (Geneva canton), the director of the public employment centre in Geneva and a journalist of a major newspaper in Geneva who covered the event (*Le Temps*). The interviews lasted between one and three hours. Questions were asked about the respondents' experience of the downsizing and their interactions with other stakeholders. The interviews were taped and transcribed in full. Some stakeholders could not be interviewed (notably, top German managers, consulting groups and law firms involved in the decision). Interviews were supplemented by GA internal documents and annual reports, union handouts,

GA and Unia press releases, newspaper articles (especially *Le Temps* and *La Tribune de Genève*), and websites created by GA employees. We triangulated interviewee responses with one another and with other documents. Graphical representations of the stakeholder network were used to support the analysis.

2.2. THE BOUNDARY OBJECT: THE GA GENEVA OFFICE

In the 1970s, the government of the Geneva canton, to foster the life sciences industry, convinced Alpha, an Italian biotechnology company founded by the Bari family, to relocate its headquarters and R&D activities to Geneva. By 2005, Alpha employed more than 4750 people worldwide and successfully commercialized a drug that combats multiple sclerosis.

In September 2006, to develop its biopharmaceutical activities, Gamma, a large German pharmaceutical company, bought Alpha to merge it with its biopharmaceutical unit to create GA. In 2010, GA employed 16,867 people worldwide (Germany, the US, China and France), of which 2400 were in Switzerland (1250 in Geneva and 1150 in a factory in the Vaud canton). Geneva was the GA European headquarters and a R&D unit.

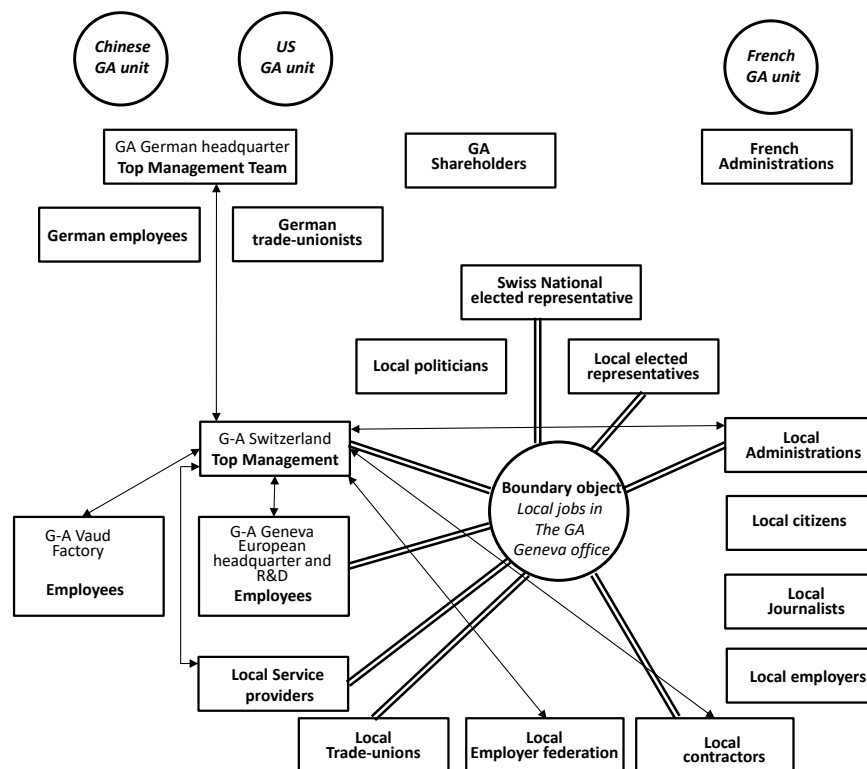
At that time, the Geneva office and its 1250 jobs were a boundary object aggregating a network of mainly local stakeholders nurturing routine interactions in a stable equilibrium (Figure 3). German shareholders enjoyed an innovative and profitable entity. A rumour mentioned by several interviewees and reported by the media² asserts that a secret agreement between GA and the Geneva canton stipulated that the firm would not pay tax on profit for 5 years after the acquisition.³ Employees received high salaries (in 2011, the median salary at GA Geneva was 200,000 Swiss francs) and a high quality of life in this area (safe place, good schools for children, international airport, the Alps for outdoor sports, etc). Local government enjoyed having a “flagship” for their biotech policy with GA being one of the main employers

² Le Temps, April 25, 2021

³ At that time, it was common for foreign firms to negotiate their tax with the local government and to settle on a rate by a secret agreement

of the canton, providing highly qualified jobs, supporting local businesses (in 2011, more than 500 people from contractors and temporary agencies worked for GA) and paying taxes. The firm contributed to the local business community; its CEO was president of the Geneva Chamber of Commerce. The office was located in an iconic building designed by a famous architect and the whole local community was very proud of that.

Figure 3 – Stable network of stakeholders in 2011



Legend:

Thin arrows represent routine interactions between GA Swiss top management and the stakeholders

Double lines materialize stakeholder's interest related to the boundary object

2.3. SYSTEMIC SHOCK AND DYNAMIC PROCESS OF INTERACTIONS IN THE NETWORK OF STAKEHOLDERS

Bracket 1: From mid-2011 to April 24, 2012: the preannouncement period. At the beginning of 2011, due to the poor profitability of its biopharmaceutical division, Gamma disclosed its declining financial situation. Its stock price went down. However, the company remained profitable. Its operating profits represented 12% of its revenues, and shareholders

received 538 million euros (a 20% increase). In January 2011, a new CEO and CFO were appointed at the head of GA. In April 2011, the new CEO informed financial analysts in London that he would focus on improving the profitability of the division.

By mid-2011, the German headquarters started a strategic review of its activities. It mandated two prestigious consulting groups, BCG and McKinsey. They came up with several arguments to legitimize the closure of the Geneva office. The Swiss GA CEO enumerated them:

“Gamma is a pharmaceutical company that bought Alpha to acquire biotech competencies and develop new products. Unfortunately, that didn’t work. The intellectual property over its major drug ends in 2011 in Europe and 2013 in the US, and cheaper generic drugs may be commercialized by competitors. The GA pipeline for new promising products was poor. Moreover, some administrative and research functions were duplicated in Geneva and in Germany. They could be rationalized. In Switzerland, labour costs are higher than anywhere in Europe. In addition, the Swiss franc continued to increase in comparison with the euro. It hurts the costs structure. Just the building in Geneva costs 30 million francs every year.”

At the end of 2011, the German headquarters decided to close the Geneva office.

In January 2012, the Swiss GA CEO brought together a confidential group, “*the insider group*”, made up of the GA board of directors, members of the Gamma family, some top executives and, from GA Switzerland, the HR director with two of his HR experts, the head of communication and the CFO. A code name was given to the project, and members secretly gathered in the evening or during weekends.

According to the Swiss GA CEO, the mission of “the insider group” was:

“To prepare everything before the public announcement. The plan included for each employee a potential transfer or layoff. It also included a communication plan to inform stakeholders, clients, suppliers, local politicians, and the media. Everything was planned, even the sale of the building and remaining equipment. We preventively transferred technologies, know-how, and databases from Geneva to save critical competencies.”

Bringing in HR people to the internal alliance was a critical issue. The HR director emphasized:

“On April 24, I would need my HR team. For them that would be a shock and they would have to deal with all the employees to execute the decision. My challenge was to keep them on

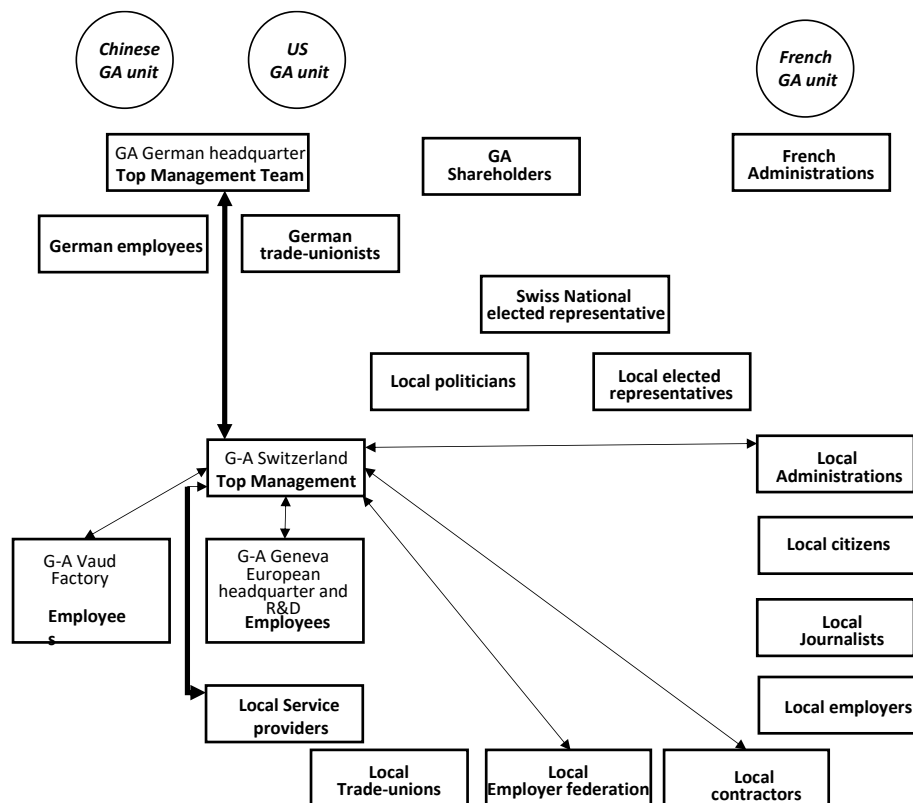
board. I would have been in trouble if all of them resigned. We decided to keep everybody from the HR department until the end on June 2013 and to offer a retention bonus for that.”

The insider group also identified employees who should remain in the company to finalize critical projects and implement the closure. Retention bonuses were included in the budget to retain them.

External actors joined the insider group: a law firm and three outplacement firms. A critical concern was to be sure the redundancy plan followed the law. Any mistake in the legal procedure could give employees, unions or governmental entities ammunition to take GA to court.

A communication group was involved to prepare the communication strategy. Finally, a consulting firm, specialized in change management, and psychologists joined the group to prepare the support to employees and managers in the post-announcement period (Figure 4).

Figure 4 – Network of stakeholders before April 24th



Legend:

Large plain arrows represent the alliance of stakeholders with GA

Thin arrows represent routine interactions with GA stakeholders

GA top management did its best to prevent a coalition. In an internal GA document labelled “main actors,” the insider group explicitly identified internal and external stakeholders affected by the downsizing and determined a political strategy to deal with them.

The CEO of the GA Swiss entity explained:

“Managing such a closure means simultaneously facing different actors with different interests: German headquarters, shareholders, employees, unions, local government, journalists... All of them want conflicting concessions. One has to resist. I couldn't promise something that was not planned or that I couldn't deliver. Sometimes, I was the “go between” between the German headquarters and unions or local government. It's difficult to be in the middle”.

To prevent internal coalition among employees, the HR director refused to organize elections for a works council. Such council would have been a legal resource for employees. By Swiss law, a downsizing announcement opened a four-week period of consultation of employees and works council. Without such council, negotiations would only be individual with each employee. A middle-manager explained:

“In 2011, we suspected that something was going on. Several consultants came to Geneva, and rumours started to spread about restructuring. We realized that we didn't have a legal works council. With a local trade union, we officially asked the HR director to organize elections. It was before the announcement of the downsizing. The HR director did not organize the election, he did not reply to our request. We suspect he did that on purpose. He did not want to face a works council to implement the redundancy plan”.

GA also defined a communication strategy to avoid the mobilization of external stakeholders.

The HR director explained:

“Until April 24, we could not make any public announcement on the closure. We could only say that the Geneva office would be affected by the whole company restructuring announced by the CEO. At the end of February, I met the local government in Geneva and in the Vaud canton to inform them about the downsizing, but I remained vague, and I didn't mention the full closure of the Geneva office”.

Bracket 2: From April 24, 2012 to June 19, 2012: the shock and the coalition. On Friday

April 20, before the weekend, the CEO of the Swiss entity asked all employees to be in the Geneva building on the 24th. On that day, at 10:00 am, approximately a thousand employees gathered in the main lobby. The GA CEO came from Germany to announce the closure and

the cut of the 1250 positions. He mentioned that 750 could be reallocated to other Swiss cantons, to Germany or to the USA and that 500 would be definitely cut.

This announcement was a shock for several stakeholders. A middle-manager testified:

“I was aware that something was coming but I didn’t consider the closure as an option. On the 24th, when they announced the closure, it was a big shock for everybody. I had been working for GA for 12 years. For me, that means lot of change. First, I thought about all the advantages of the building that would disappeared: concierge service, fitness, nursery. It was a great place to work.”

A member of the Geneva government confirmed:

“There were rumours of downsizing the week before, but we didn’t anticipate the closure. A couple of months before we had talked to GA top management. They didn’t mention the closure, just cutting some positions. The CEO informed me officially 48 hours before. It was a shock for us. Such an event doesn’t happen very often in Geneva”.

Similarly, the regional secretary of Unia, a trade-union, said:

“On Friday, April 20, a consultant mandated by GA, called to tell us that on Tuesday, the company would make a big announcement. We didn’t know which one. We considered a downsizing, but we didn’t expect the closure at all. It was a big surprise”.

Employees were the primary stakeholder affected by the decision. The vast majority decided to fight the closure. In an interview with *Le Temps*,⁴ an employee said:

“We will do everything possible to keep our jobs”.

Employees realized they were poorly organized and sparsely connected with one another.

They did not have an official works council and they were not unionized.

The Unia regional secretary acknowledged:

“When we got the call from GA, we checked our files. Five GA employees were registered. In fact, our files were wrong. Three of them were not working for the company anymore, and out of the remaining two, one was on leave for sickness. Actually, we didn’t get any real union representative in the company”.

Employees faced two issue in connecting with unions. First, legally, without members inside the company, external Unia representatives could not even enter the GA building to meet with employees. For this reason, the Unia regional secretary decided:

⁴ Le Temps, April 30, 2012

“To be present in front of the GA building on April 24, to distribute tracts to inform the employees of their rights and to propose a general assembly to organize a collective action”.

Second, there was no union culture at GA. The Unia regional secretary explained:

“On April 24, employees were not ready to talk to us. They didn’t want to connect with us. They are scientists and administrative people. They don’t consider themselves as being in an industrial sector. We came back the day after, we put a tent in front of the building to share information. We received a much better welcome. Small groups of employees gathered to talk and consider potential actions. They took our tracts, and copies of them to send to people who were not around. We felt that something was changing. We booked a small room for the general assembly on April 27, but we had to change three times for a bigger one with 500 seats. More than 500 people showed up to the meeting, and more than 800 officially mandated Unia to represent them in negotiations with GA.”

The mobilization gave legitimacy (but not legality) to Unia to be involved in the negotiation.

During the general assembly, people voted for a works council. It was not legal. It was not organized by the HR department. However, it was legitimate, and GA could not ignore that

Unia and the works councils became salient stakeholders. The HR director acknowledged:

“On the 27th, I sent somebody to the meeting. If more than 50 people were there, we could not ignore them. Even if the mandate given to Unia was not legal, we would have to accept Unia as part of the negotiation. When my man called me to tell me there were more than 400 at the meeting, I was surprised and I had to concede Unia’s representativeness and that a vast majority of employees had united against the closure. I did not anticipate the strong mobilization and the role of Unia.”

However, several categories of employees did not mobilize against the closure. GA acted strategically to secure their individual interests. The 40 people of the HR department got a bonus to implement the redundancy plan. The Unia regional secretary explained for other employees:

“The 450 employees who didn’t join the movement were middle managers and scientists who knew they would be transferred to a GA unit or could easily find another job.”

GA also strategically prevented the mobilization of other Swiss employees, especially those of the factory in the Vaud canton. The Swiss GA CEO explained:

“We didn’t want the mobilization in Geneva to spread to our factory in the Vaud canton. It’s not a big deal when administrative and research people stop working. It’s much more costly when a factory goes on strike. We made stocks of products from the factory in Vaud and the HR director went there the day of the public announcement to tell the workers that the Vaud

factory was not affected by the downsizing. On top of that, we planned to move 170 jobs from Geneva to Vaud. Employees, unions and local government in the Vaud canton didn't have any interest in fighting the closure."

At the end of May, 150 GA employees went to Germany to protest and to mobilize their German colleagues. This attempt failed. The staff representative explained:

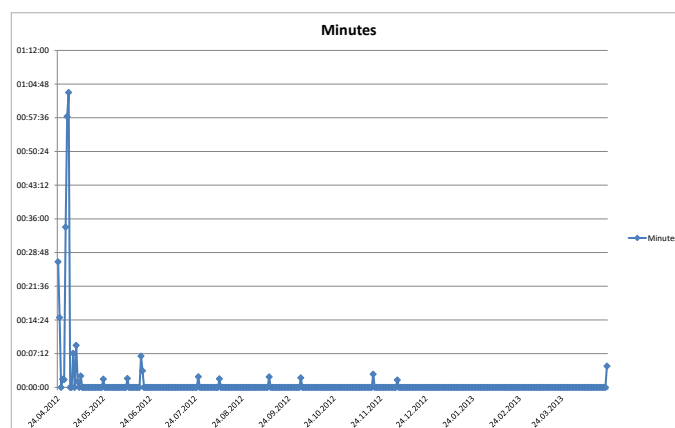
"We also contacted the GA European Works Council to get their support. They weren't very supportive. They didn't know us, and they focused on saving jobs in Germany. It was worse with German unionists. They only cared about German jobs, and they did not help us at all."

Employees and unionists were aware they needed to involve external stakeholders. The staff representative explained:

"Some members of the works council were in charge of activities to improve societal visibility of the movement. They organized breakfast in front of the office or demonstrations in the streets of Geneva. The purpose was clearly to mobilize the media and to involve politicians".

Unia representatives informed journalists of the downsizing. On April 24, journalists were outside the GA building to interview employees. In the following days, the closure saturated local media (TV, radio, etc.). The time dedicated by RTS (the main TV channel in the region) illustrates the involvement of the media (Figure 5). On April 24, the channel featured reports about the closure for 26 minutes, 14 minutes the following day, then after a quieter period, 34 minutes on April 29 (after the first general assembly), 57 minutes on April 30, and 63 minutes on May 1 (after a massive protest in the city of Geneva on Labour Day).

Figure 5 – GA on RTS TV



At the beginning, local media supported employees and criticized GA. An article in *La Tribune de Genève* on April 24 entitled “*Gamma K-O*” illustrates its position:

“This has never happened in the history of the canton, even during the worst time of industrial decline the region hasn’t faced such a brutal and massive cut. The shock is especially strong because this company, at least its Alpha part, belongs to the Geneva ADN. The dream is over. The story ends there. However, how to accept that a firm that makes 745 million in profit and has tremendously increased its dividends in 2011 cuts more than 1000 employees? Without any qualms, without any warning! Goodbye sweet Switzerland!”

Due to strong media coverage and also because the closure harmed its interests, local government publicly supported GA employees. The government estimated a loss of between 30 and 60 million francs in tax revenues⁵ and collateral losses related to insurance, housing, schooling, airport tax and contracting at 345 million francs.⁶ Moreover, 2012 was an election year in Geneva, and such an event had the potential to weaken elected representatives, especially if it increased the rate of unemployment.

The works council and Unia also successfully enlarged the coalition by involving local citizens. By mid-June, they collected more than 15000 signatures for a petition and delivered it to the federal government and organized a protest in Bern (federal capital).

Some local employers also joined the coalition. At the end of April, they forced the Swiss GA CEO to resign from his position as president of the Geneva Chamber of Commerce.

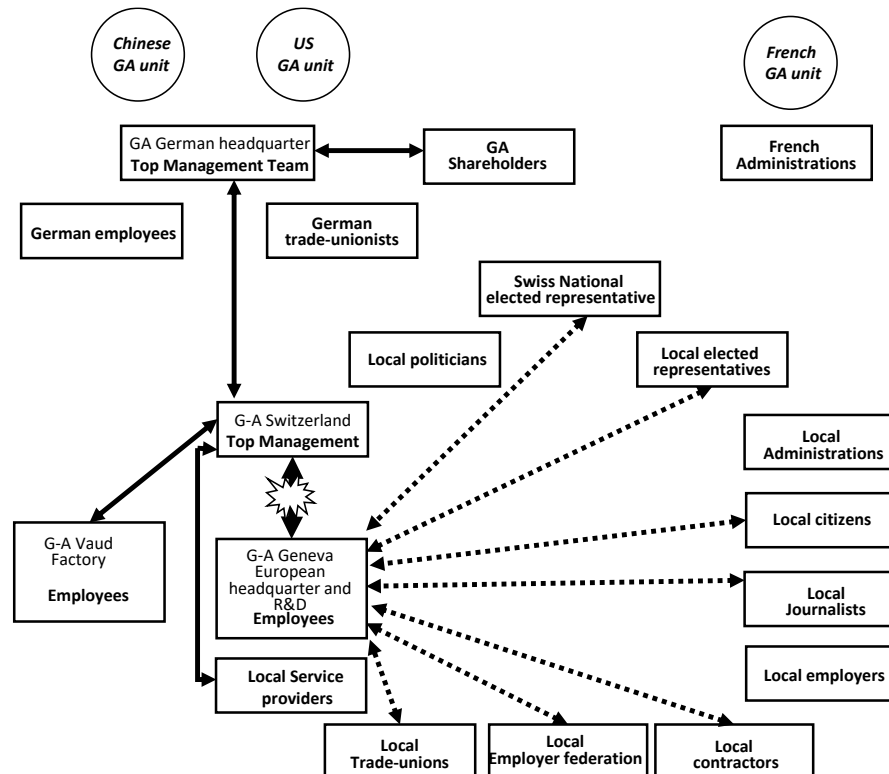
At the beginning of May, the coalition mobilized numerous stakeholders (Figure 6) and the social pressure was so high on GA that some shareholders discussed the decision. The Swiss GA CEO explained:

“We were under pressure from the German headquarters when the mobilization became massive and the news all over the media. They wanted to know if we were in control of the situation. Some directors of the board criticized the strategy to close the Geneva office.”

⁵ La Tribune de Genève, April 25, 2012

⁶ Le Temps, April 26, 2012

Figure 6 – stakeholder network at the beginning of May 2012



Legend:

Very large dash arrow represents the initial shock

Large dash arrows represent the coalition

Large plain arrows represent the alliance

At the end of May, the coalition started to decline. First, the employees demobilized for several reasons. Before the public announcement, GA had prepared a professional project for each employee. The HR director explained:

“The day of the announcement, we sent a letter to each employee to say that GA was intending to close the Geneva office and to offer an individual solution to each of them (transfer or layoff). Between the end of April and June 19, HR people met each of the 1250 employees to tell them whether their job was terminated or transferred. They could accept transfer or refuse and be dismissed. Some people were ready to leave. They just wanted to

know the severance package. They already had external plans, and it was a 5 minutes discussion. For others, the discussion was longer.”

The severance package offered one month of salary per year of seniority (the norm in Switzerland was one week per year of seniority). Several conditions aimed to incentivize people to transfer to Germany or to the US. They could visit the place with their family for free and, they would have two years of support on tax, schooling for children, housing and language classes. If a transferred employee resigned in the following 6-months, GA would cover the cost of return, and the employee would obtain the severance package offered to dismissed employees.

For those who did not find a job by themselves, GA organized on-site meetings to connect employees with the Public Employment Center in Geneva (*Office Cantonal de l'Emploi*) and the French Public Employment Center (*Pole Emploi*). Moreover, GA mandated outplacement firms to help employees to find jobs. The company organized job fairs to connect employees with local employers. GA also helped 50 employees create 9 start-ups.

Progressively fewer employees participated in meetings and protests. Eight general assemblies were organized by Unia and the works council. On April 27, more than 500 employees came; on May 4, the number was approximately 400, 300 on May 10, approximately 200 on May 16 and May 24 and less than 100 on May 31, 2012. Acknowledging the demobilization of employees, the works council and Unia shifted their aim from saving the Geneva office to obtaining a better severance package for employees.

Following the legal procedure, on June 4, GA collected propositions from 700 employees, Unia and the works council. On June 19, GA rejected almost all these propositions. Only three propositions were accepted: anticipated retirement for 56 years-old employees instead of 58, special support for couples employed by GA and access to the severance package for employees leaving the company before schedule.

On June 19, the HR department started to send final letters to dismissed employees.

The local and federal government also demobilized. At the beginning, local and federal governments publicly supported GA employees. However, the demobilization of employees and the switch in the aim of Unia and the works council lead the governments to pull back their support and change their attitude toward GA. Moreover, they realized they did not have real power to reverse the decision. GA is a foreign company, over which, Swiss authority has little control. In addition, GA had kept a production unit in another Swiss canton (Vaud) employing more than one thousand people. Placing too much pressure on the company might encourage more delocalization and job cuts. For this reason, the Federal Minister of Economy quickly withdrew from discussions with GA.⁷ The Swiss CEO was well aware of the situation:

“After the announcement, I was frequently in touch with the president of the Geneva canton. The local and federal governments could not prevent the closure. They could only force us to discuss with unions and the works council, but they couldn’t force us to reach an agreement. They could not even use a tax incentive. GA was not interested.”

Local politicians also realized there was no political interest in supporting GA employees.

When government officials were working to help GA maintain its activities in Geneva, a local Socialist congresswoman from the political opposition said in an interview⁸ that:

“GA employees were privileged workers and they didn’t need any help from the local government.”

Moreover, migrant workers are a major political issue in Switzerland. Some Swiss citizens believe foreign workers “steal” their jobs and drive down salaries. At that time, the major Swiss political party, UDC, mobilized its supporters by fighting immigration. A majority of GA employees were foreigners (only 350 Swiss citizens). A large part of them were daily commuters living in France (750 out of 1250) and, therefore, did not vote in Geneva. Moreover, according to an agreement between the two countries, workers dismissed in

⁷ La Tribune de Genève, April 30, 2012

⁸ La Tribune de Genève, April 27, 2012

Geneva but living in France register as unemployed in France (and not in Switzerland) and receive benefits from the French administration. Therefore, the rate and costs of unemployment in Geneva would not increase as much as initially expected by local politicians. The Director of the public employment centre in Geneva explained:

“Out of the 1250 employees a majority did not live in Geneva. They came from France or from another canton. On average, we register 1500 new unemployed persons every month. The GA closure didn’t affect this figure. Only 237 GA employees registered to our agency and, at the end of 2013, less than 100 were still unemployed.”

Bracket 3: After June 19. The end of the coalition and the closure. On June 19, the HR department started to implement the redundancy plan. On June 20, the HR director sent an email to all employees announcing that strike hours would not be paid anymore and that employees would have to declare on the HR IT system when they are on strike. Such a decision was legal, but for the Unia general secretary:

“GA tried to intimidate employees with this announcement.”

GA also took advantage of the demobilization to adopt a more conflictual stance with the remaining opponents. It refused to participate in any discussions with the works council and Unia. It also forbade protest inside the building. A German security company was recruited to secure the building and intimidate employees. A photographer was also recruited to take pictures of strikers.

At the end of June, the negotiation reached a status quo. The works council and Unia representatives were isolated (Figure 7). Many employees were no longer involved in the coalition. The local and federal governments did not provide any support. Media no longer mentioned the closure. The works council and Unia representatives had to find a way to force GA and the local government back into discussions. The staff representative explained his strategy:

“On June 27, we decided to organize a hunger strike in front of the building. We called several journalists. It was well dramatized. We didn’t shave for a couple of days before and

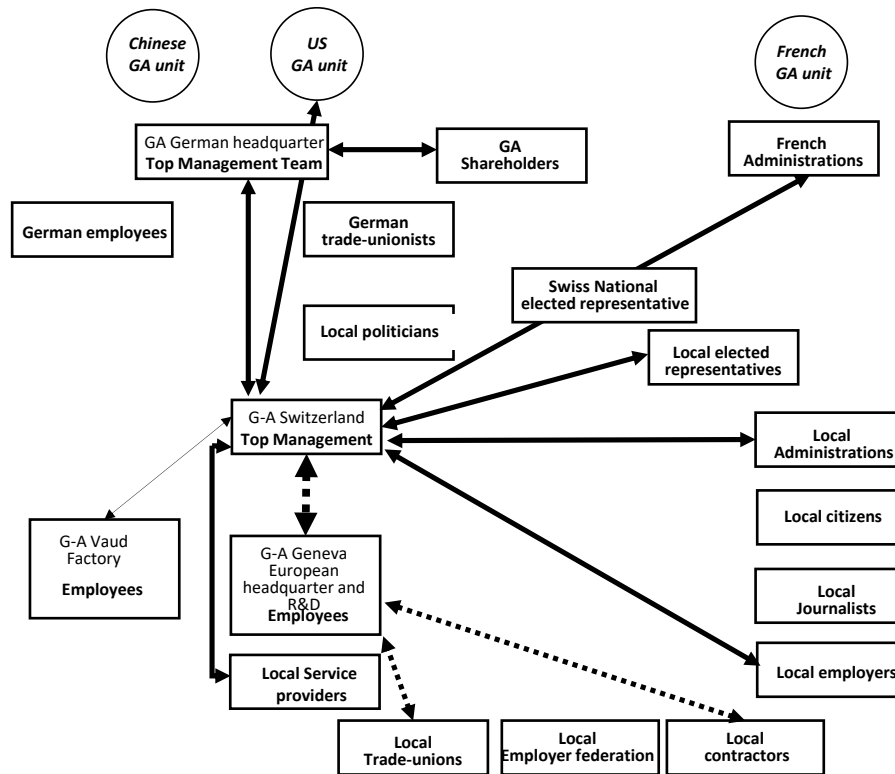
put a couple of tents in front of the office. The event was all over the media.⁹ It was a success, and local government got involved in the situation. The works council, Unia and GA were summoned to a meeting at the Chambre des Relations Collective de Travail (CRCT). The CRCT is a public body in charge of keeping peaceful labour relations in Geneva and to ease negotiations in case of labour conflicts.”

GA could not escape the legal obligation to hold discussions. However, the court did not have any mandatory power over GA. It could only give recommendations. On July 26, the CRCT suggested giving 1.25 months per year of seniority. GA refused that but made a few concessions by giving more money to employees older than 50 and 2 million francs was given to train dismissed employees. It also conceded a 2 million francs indemnity for contractors and temporary workers. However, the main result of the meeting was that the GA Geneva office closure was officially accepted by the local government.

On August 9, a final agreement was reached on the redundancy plan, which ended the conflict between GA, the works council and Unia. In August, the last general assembly gathered 330 employees and 277 of them accepted the agreement.

⁹ On June 27, RTS covered during for 30 minutes the strike and the negotiations (Figure 5)

Figure 7 – stakeholder network on June 19th 2012



Legend:

Very large dash arrow represents the initial shock caused by GA to employees

Large dash arrows represent the coalition with employees

Large plain arrows represent the alliance with GA

Thin arrows represent routine interactions

Moreover, an alternative solution appeared with the support of the local government. In June, the Geneva government created a “*task force*” to manage the consequences of the closure and to save jobs related to life sciences in the canton. It brought together prior and new stakeholders. It was chaired by the minister in charge of regional affairs and economy and gathered representatives from the GA Works Council, Unia, The Public Employment Center, the rector of the University of Geneva and the director of a local incubator. Bio Alps, a professional association gathering 750 companies and 20 institutes related to life sciences in the region, was also associated. At the end of June, GA top management joined the group.

During the summer of 2012, the Bari family, which founded Alpha, became associated with the project along with another wealthy family, the Zyss family. Together, they proposed

buying the GA building to create a biotech research institute. A condition to implementing the project was that GA sell its building to the two families. In December 2012, media mentioned that GA had received six offers, though the Bari-Zyss one was far from the best.¹⁰ However, the Geneva government clearly gave its support to the project and successfully pressured GA to sell the building to the Bari-Zyss families.

In May 2013, Campus Biotech was officially created. A biotech research institute was founded with a 100 million francs endowment from the Zyss family. The University of Geneva (part of the Geneva Canton) and the Swiss Federal Institute of Technology in Lausanne (part of the Swiss confederation) rented half of the building to locate scientists. Campus Biotech also included an incubator for biotech start-ups, some of them founded by former GA employees. Novartis, the Swiss pharmaceutical company, brought its corporate venture capital branch to invest in local start-ups. Between 120 and 150 jobs were created. The head of Campus Biotech planned to create approximately 1200 jobs related to life sciences by 2017-2018.¹¹

On June 28, 2013, the GA office was officially closed and the real estate property transferred to Campus Biotech. The GA Swiss CEO summarized the new situation:

“The German headquarters is satisfied with the result. We reached the target. The Geneva office is closed, the timing and budget were respected, social conflict didn’t last too long, and the building has been sold. The local government was also happy. Under their supervision, we signed an agreement with Unia and the works council. They could publicly pretend they stopped the protest and preserved social peace. Even Unia could pretend they obtained a great severance package even if it failed to prevent the closure and that we didn’t give more than planned in the budget. Today, fewer than 100 employees are unemployed. One year later, GA is finished in Geneva. Nobody talks about it anymore.”

¹⁰ La Tribune de Genève, December 15, 2012

¹¹ La Tribune de Genève, February 13, 2014

3. FINDINGS

3.1. THE CONTRIBUTION OF BOUNDARY OBJECT TO IDENTIFY STAKEHOLDERS

My proposition is that isolating a boundary object contributes to the identification of relevant stakeholders for managers to consider when taking managerial decisions. When GA decided to downsize its Geneva office, its top management defined the relevant stakeholders that would be affected or could affect the decision in order to design a corporate political strategy to deal with them. The fact that GA (“The insider group”) explicitly identified stakeholders illustrates how ST has infused managerial practices.

As a result, the use of boundary objects also contributes to the exclusion of stakeholders that are irrelevant to the managerial decision and therefore have no stake in it. For example, customers, who are usually identified as relevant stakeholders (Clarkson, 1995) never appear in the GA case. Similarly, German workers, German unions and even Swiss employees from the Vaud canton did not show any support to their colleagues because the closure of the Geneva office did not negatively affect their interests. This illustrates that rational choice and self-interest remain a major factor driving stakeholder involvement.

Part of the GA corporate political strategy was to secure interests of powerful stakeholders to avoid engagement in a coalition. The meeting with the workers of the GA factory in the Vaud canton the day of the public announcement aimed explicitly to avoid their engagement. Similarly, the deal with the German workers and unions to cut less jobs in Germany when closing the office in Geneva was a way to prevent involvement of German stakeholders. After the public announcement, GA satisfied several employees’ interests by providing alternative professional opportunities and valuable severance packages. GA satisfied the local government by reimbursing part of the tax cut, by contributing to create jobs in life sciences in the canton and by selling its building to the Bari-Zyss families.

The boundary object also contributes to identifying the relevant network of stakeholders to manage and the importance of embeddedness. Before the public announcement, the stakeholders related to the GA Geneva office formed a stable network of actors. GA was weakly embedded in the domestic social network. The firm was a foreign one, the vast majority of its employees were foreigners without any specific attachment to Geneva. Moreover, Switzerland was not a major market for GA and, after 2012, the canton could not provide tax incentive or financial support that would compensate the costs of the GA Geneva office. This low degree of embeddedness explains the instrumental relationships nurtured by GA top management with its stakeholders in Geneva. Despite the initial major coalition, the opponent stakeholders failed to prevent the closure because of the weak economic and social embeddedness of GA. Local stakeholders realized they didn't have enough power to influence the firm and that GA had little interest in its illegitimacy. The GA case demonstrates that even the convergence of contention, publicization and contagion (Adut, 2005) of a firm's alleged misconduct by the media does not necessarily change a firm's plan of action.

3.2. THE CONTRIBUTION OF SYSTEMIC SHOCK TO IDENTIFY SALIENT STAKEHOLDERS

The second research question aims at exploring why an actor becomes a salient stakeholder and what leads to the evolution of its attributes over time. In a stable situation, before 2011, GA and its network of stakeholders in Geneva nurtured routine interactions. Some stakeholders with a stake in this boundary object did not have any real interactions with each other. Even the majority of GA employees did not have interactions amongst themselves. The bracketing methodology highlights that before the shock, no stakeholders faced urgency. Following the Mitchell et al. (1997) categories, some qualified as Dominant (GA shareholders, GA German top management, Geneva government, GA employees), some were Discretionary (the media, trade-unions, politicians), and others Dormant (service providers, the Swiss Federal government). Several local actors were non-stakeholders.

The systemic shock caused by the closure induced urgency for several of them. It also created a new context that redefines interests, power and legitimacy. GA employees were the first affected by the closure and they strongly mobilized to fight the decision. More stakeholders also became Definitive stakeholders such as GA shareholders, GA German top management or the Geneva government. Moreover, the shock also explains the creation or involvement of new stakeholders. For example, the works council at the beginning and, at the end, the Bari and Zyss families.

The case also highlights that stakeholders move from one category to another due to change in their attributes. For instance, the trade-union Unia was a discretionary stakeholder before the shock, in the sense that established unions are by definition legitimate actors meant to defend workers. However, without representatives at GA, it did not have any power or legitimacy in the firm. The massive mobilization of GA employees brought urgency and legitimacy to Unia and made it a Definitive stakeholder. Later, Unia lost its legitimacy when employees demobilized but remained a Dangerous one by staying involved in the negotiations with the Geneva government. The behaviour of GA Swiss top management suggests that from the beginning it considered unions as critical stakeholders to manage. By refusing to organize elections for a works council and by individually proposing valuable professional opportunities to dismissed employees and then by refusing to discuss with Unia, GA Swiss top management clearly acted to deprive the union of power and legitimacy. At the end, Unia even collaborated with GA to create the Campus Biotech.

The case also demonstrates that, on top of their attributes (power, legitimacy and urgency), stakeholders might adopt three different positions toward the firm: opposing, supporting or neutral. For instance, a law firm is a powerful supporting stakeholder when it aligns with the firm but a powerful opposing one if it aligns with the employees. Moreover, their position might evolve over time. For instance, before 2011, the Geneva government was a Definitive

supporting stakeholder that attracted Alpha in Geneva and gave a tax incentive to Gamma to remain in the city when it acquired Alpha in 2007. In the stable situation until 2011, the government was a Dominant supporting stakeholder nurturing routine interactions with GA. The public announcement, then made it a Definitive opposing stakeholder trying to reverse the managerial decision. However, for several reasons (demobilization of employees, change in aims by Unia and the works council, lack of real power to reverse the decision, critiques from political opponents and local citizens, localization in France and citizenship of numerous GA employees) the Geneva government became more supportive of GA top management and therefore mobilized its power and legitimacy to find valuable alternatives to keep life sciences jobs in the region and allow GA to leave Geneva in a smooth manner.

The following table summarizes the evolution of attributes and positions of stakeholders related to the Geneva office between the different brackets of the downsizing process (Table 1).

Table 1 – Evolution of stakeholders' attributes and positions

Evolution of Stakeholder Category	From January 2011	Between January 2012 to April 24th 2012	Between April 24th 2012 to June 19th 2012	Between June 19th 2012 to June 28th 2013	After July 2013
GA shareholders	Dominant Supporting	Definitive Supporting	Definitive Supporting	Definitive Supporting	Dormant Neutral
GA German top management	Dominant Supporting	Definitive Supporting	Definitive Supporting	Definitive Supporting	Dormant Neutral
Geneva government	Dominant Supporting	Dominant Opposing	Definitive Opposing	Definitive Supporting	Dominant Supporting
Swiss Federal government	Dormant Neutral	Dominant Neutral	Definitive Opposing	Definitive Supporting	Dominant Supporting
GA Geneva employees	Dominant Supporting	Dominant Opposing	Definitive Opposing	Dependent Supporting	Nonstakeholder
GA works council	Nonstakeholder	Discretionary Opposing	Definitive Opposing	Dangerous Opposing	Nonstakeholder

Unia	Discretionary Opposing	Discretionary Opposing	Definitive Opposing	Dangerous Opposing	Discretionary Opposing
Local media	Discretionary Neutral	Discretionary Neutral	Definitive Opposing	Discretionary Supporting	Discretionary Neutral
Local citizens	Discretionary Neutral	Discretionary Neutral	Discretionary Supporting	Discretionary Opposing	Discretionary Neutral
Service providers	Dormant Neutral	Dangerous Supporting	Dangerous Supporting	Dangerous Supporting	Nonstakeholder
Local contractors	Discretionary Supporting	Dangerous Supporting	Dependent Opposing	Dependent Opposing	Discretionary Neutral
Local politicians	Discretionary Neutral	Discretionary Neutral	Discretionary Opposing	Discretionary Opposing	Discretionary Neutral
Geneva administration	Dormant Neutral	Definitive Neutral	Definitive Supporting	Definitive Supporting	Dominant Neutral
Bari and Zyss families	Nonstakeholder	Nonstakeholder	Discretionary Opposing	Definitive Supporting	Dominant Supporting

The GA case also highlights that stakeholders engage in multilateral strategies of direct or indirect involvement with other stakeholders in a coalition. GA employees started to interact with the union only when their interests were threatened. The goal was to use the power and legitimacy of Unia to influence GA top management. Similarly, informing journalists and creating events (protests in the streets of Geneva, starting a hunger strike) aimed to directly mobilize media, and indirectly, local and federal government, politicians, and citizens. GA employees did not have a direct interest in mobilizing media but an indirect one by involving powerful stakeholders to influence their employer.

Finally, the case demonstrates that GA did not “walk alone” when facing stakeholders. It strategically built alliances with different actors (consulting firms, law firms, etc) to face the coalition and was able to reverse the position of several other stakeholders.

4. DISCUSSION

4.1. THEORETICAL CONTRIBUTIONS

From a theoretical perspective, identification of salient stakeholders remains an issue for ST (Wood et al., 2021). This article contributes to this issue by articulating boundary object and ST. A boundary object brings together actors sharing common interests, who compromise depending on their power resources and legitimacy.

Combining boundary object with ST provides the opportunity to pragmatically identify salient stakeholders who are affected by or can affect a managerial decision. Stakeholder's attributes depend on the boundary object and managerial decisions that impact it. Such an approach switches the focus of ST from the firm to the boundary object that involves the firm and aggregates a network of stakeholders.

The research also supports a dynamic approach to stakeholder management that includes the identification of what triggers interactions and the mechanisms that contribute to the evolution of the stakeholder network. A systemic shock impacting a boundary object destabilizes compromise between stakeholders and redefines attributes (i.e. power and legitimacy), inducing urgency for some of them. Stakeholders interact to reach a new equilibrium by cooperating or fighting with the firm.

4.2. MANAGERIAL IMPLICATIONS

From a managerial perspective, bringing boundary object to the field of stakeholder management is a practical contribution for managers by making a very valuable concept (i.e. stakeholder) instrumental in managing a concrete situation. Managerial decisions impact boundary objects and consequently affect stakeholders that in return try to influence the firm. Incorporating boundary object into ST contributes to pragmatically identifying the relevant network of stakeholders in need of management when a decision is implemented. Stakeholder

management means anticipating the dealignment of interests due to the shock and the multilateral interactions that will shape coalitions and alliances.

My analysis is grounded within a single case, but it opens perspectives to manage major projects such as the implementation of a disruptive innovation, an acquisition, and the building of a new facility that brings together stakeholders with common interests. Each project is a boundary object that defines specific salient stakeholders to manage.

4.3. LIMITS

The specific institutional setting in Switzerland and the degree of the embeddedness of GA in the Geneva network of stakeholders limits the generalization of the findings to other national contexts, other companies, other boundary objects, or other types of systemic shocks. However, the purpose of this study is to propose a different approach to identifying stakeholders and analysing the dynamics of stakeholder networks. Such an approach paves the way for exploring different kinds of systemic shocks on boundary objects and the way they disrupt stakeholder networks.

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