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**THE BEHAVIOUR OF FOREIGN
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AFTER THE LAUNCH OF ‘A
SPECIAL MILITARY
OPERATION’ OF RUSSIA IN
UKRAINE**

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THE BEHAVIOUR OF FOREIGN MANUFACTURING CORPORATIONS IN RUSSIA AFTER THE LAUNCH OF ‘A SPECIAL MILITARY OPERATION’ OF RUSSIA IN UKRAINE

This study examines the behaviour of foreign manufacturing corporations in Russia in the first months after the launch of ‘a special military operation’ of Russia in Ukraine. While service companies and most of the largest industrial corporations operating in Russia announced different types of changes in their operations (e.g., self-restriction of investments, shortening the range of products, intentions to exit from Russian assets, etc.) as well as the temporary cessation of operations due mostly to logistical problems and the deficit of components, the operations of smaller industrial corporations were less affected by the political pressure and economic factors. Notably, less than 17% of the corporations that opened new factories between 2012 and 2019 in Russia announced self-restrictions on operations or intentions to exit from Russian assets. In this study, we reveal the factors that stipulate or impede the intentions to exit from Russian assets and indicate several factors that are missing in the extant literature on foreign subsidiary divestment.

Keywords: manufacturing subsidiaries; international crisis; foreign divestments; Russia

Jel classification codes: M11, M16

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Introduction

On the 21st of February, 2022, Russia officially recognized two regions in the East of Ukraine (Donetsk People's Republic and Lugansk People's Republic) as independent states and promised them military support, which came true on February 24, under the official name of 'a special military operation'. Such actions met strong opposition from several countries, including the USA, the United Kingdom, Canada, Australia, Japan, Germany, and the European Union, as well as several other countries (e.g., Singapore, Taiwan, South Korea, New Zealand, Norway, and Switzerland). These countries introduced new sanctions against the largest Russian banks, in addition to several Russian officials and entrepreneurs; among other measures were the prohibition of exporting several types of industrial products and components to Russia, as well as restrictions on the importation of some products from Russia. This international crisis provoked massive changes in the operations of foreign companies in Russia. Between February 24 and July 6, 2022, approximately 700 foreign companies announced radical changes in their operations in Russia, including the 1) intention to completely cease their operations in Russia or their contacts with Russian firms; 2) restriction of particular aspects of operations in Russia (e.g., termination of existing and abolition of further investment projects, withdrawal of particular trademarks from the Russian markets, overall reduction of the assortment offered to Russian customers, etc.); and 3) temporary cessation of operations.

The phenomenon of massive international sanctions against particular countries is not new; we may recall the international economic boycott against South Africa and sanctions against Burma that led to divestments of foreign companies from those countries (see, Soule et al., 2014; Weinstein et al., 1991). However, the change in the

operations of foreign companies in Russia is unique in terms of the number of affected companies and the total volume of affected business operations. The revenues of the 50 largest foreign companies operating in Russia totalled approximately US\$ 120 billion in 2021 (Forbes, 2022). Still recovering after the COVID-19 outbreak, most of these companies demonstrated a two-digit revenue growth in 2021. Hundreds of other foreign companies played a dominant role in the automotive industry (see, Gurkov & Morley, 2021) and information technology sector, while occupying strong positions in food processing, retail, production of construction materials, and several other industries and sectors.

This study aims to explore the behaviour of Russian manufacturing subsidiaries of foreign companies in the first months after the escalation of the Russian–Ukrainian conflict and worsening relations between Russia and the West. We outline the antecedents of the initial reaction of manufacturing subsidiaries of foreign companies to the changes in the political and business environments and highlight the specific barriers to the most radical change in operations—the divestment of industrial assets.

The remainder of this paper is organised as follows: first, we present the research methodology and data sources. The next section presents the overall magnitude of the topical phenomenon. The following section presents specific management actions and their antecedents. We also outline several country-specific barriers to the divestment of industrial assets in Russia. This is followed by a broader discussion of some of the identifiable behavioural patterns of multinational enterprises (MNEs) affected by an international disruptive event wherein a large transition economy is involved.

The approach

To study a known phenomenon of unseen magnitude, we applied phenomenon-based research (PBR). Several researchers have attempted to define and delineate PBR from other forms of scholarship. For example, Von Krogh et al. (2012, p. 278) argue that this type of research is designed to capture, describe, document, and conceptualize a phenomenon so that the appropriate theorisation and development of research designs can proceed. While Von Krogh et al. (2012) state that PBR is inherently proto-theoretic, Doh (2015, p. 609) argues that PBR is any research that takes the ability to accurately and insightfully inform a real-world phenomenon or phenomena as a principal focus. Reiterating Doh, Schwarz and Stensaker (2016, p. 245) state that ‘phenomenon-driven research (PDR) is problem-oriented research that focusses on capturing, documenting, and conceptualising an observed phenomenon of interest in order to facilitate knowledge creation and advancement’. Gurkov et al. (2020) also stress that PDR is interdisciplinary research.

Methods and data

The abovementioned considerations vis-à-vis a PBR on MNE subsidiaries during the international crisis had a direct impact on the methods used in this study. We combined quantitative and qualitative methods and used constructs and variables adopted from political studies, economics, international management, and industrial anthropology to describe the ongoing and possible future actions of Russian manufacturing subsidiaries of foreign companies.

As sources of information, we used the following:

- 1) The database of all foreign companies that made public announcements between February and June 2022 about the future of their operations in Russia.
- 2) A handcrafted database of 280 industrial objects (mostly factories but also a few large warehouses) that were opened between January 2012 and December 2019 in Russia by foreign corporations. This database was gradually assembled for the 2016–2022 period, and its earlier versions were used in Gurkov (2016), Gurkov and Filinov (2022), Gurkov et al. (2018), and Gurkov and Saidov (2021). The last version of the aforementioned database includes: 1) detailed reports on revenues and balance sheets of 280 companies for 2019 to 2021; 2) additional information about those industrial objects (the ranks of corporate executives of the parents who participated in plant-opening ceremonies; the industry; the share of an enterprise in the global revenues of its corporate parent; and the content of the initial announcement about the changes of operations in Russia) and some other variables; for example, the assessment of the attitudes of governments of home countries of corporate parents towards the ‘special military operation’ of Russia in Ukraine on a four-point scale ranged from ‘extremely negative’ to ‘hidden support’. We also added some items of information about corporate parents, including their participation in the United Nations Global Compact (UNGC) as a proxy measure of political activism thereof.
- 3) The transcripts of 15 public interviews of senior managers of the 280 enterprises and managers of their corporate parents, given between March and June 2022. In these interviews, the managers assessed the current situation of their companies and outlined further plans regarding operations in Russia. Such interviews were

especially valuable as a source of information about companies that did not announce radical changes in their operations in Russia.

- 4) A collection of several short cases about the divestments of manufacturing subsidiaries of foreign companies, compiled between March and June 2022.

In general, we assembled and triangulated sufficient information about the behaviour of Russian manufacturing subsidiaries of foreign companies in the first half of 2022.

Regarding the methods used, we applied different types of statistical techniques, including the t-test and discriminant analysis, as well as the analysis of narratives.

The magnitude of the phenomenon

The overall number of companies that have announced radical changes regarding their ways in doing business Russia is 700 (всезапомним.рф). Unfortunately, this website selects only companies involved in the manufacturing of consumer goods as a separate category, and companies in other manufacturing industries are hidden in other categories. A detailed analysis of the website revealed that approximately 100 companies that owned manufacturing subsidiaries in Russia announced radical changes in their business operations in Russia. These companies include leading global food and kindred products manufacturing companies (e.g., PepsiCo, Coca-Cola, Kraft Food, Nestle, P&G, Unilever, and Mondalez International), companies into car assembly and automotive component production, several companies in consumer and professional electronics (e.g., Siemens, LG, and Samsung), a few companies in the road-building equipment industry, and a few companies that produce machine tools.

Announcements can be easily divided into three categories: 1) announcements about the intentions to completely cease their operations in Russia or their contacts with Russian firms; 2) announcements on the restriction of particular aspects of operations in Russia (e.g., termination of existing and abolition of further investment projects, withdrawal of particular trademarks from the Russian markets, overall reduction of the assortment offered to Russian customers, etc.); and 3) announcements about the temporary cessation of operations. While the first two categories of announcements presented the escalation of the Russian–Ukrainian conflict as the pretext for the radical changes in the operations of the Russian subsidiaries of multinational companies, most announcements about the temporary cessation of operations presented such actions as involuntary consequences of sanctions (the shortage of spare parts, especially electronic components; difficulties in logistics due to termination of passenger and cargo air flights to and from Russia; and other types of difficulties in running their Russian businesses normally).

For a more precise analysis of the changes in the operations of manufacturing subsidiaries, we used our database of 280 industrial plants built between 2012 and 2020. The data on the frequency of specific types of initial announcements are presented in Tables 1 and 2.

Table 1. Announcements made in March- July 2022 on planned changes in operations by the industrial companies which established new or significantly expanded their Russian production facilities in 2012-2019 (280 companies).

Type of announcement	Voluntary self-restrictions of activities in the Russian market	Cessation of work of Russian facilities	Intentions to complete exits from Russia	Total number of companies which made announcements
Number of announcements	17	49	29	78

Percent of companies	6,1	17,5	10,4	27,9
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Note: the number of announcements exceeds the number of companies which made those announcements as 16 companies issued in March-June 2022 more than one announcement about the changes of their operations in Russia

Table 2. Announcements made in March-June 2022 by industrial companies which established new factories in Russia in 2021-2019 (280 companies)

Industry	Voluntary self-restrictions of activities in the Russian market	Cessation of work of Russian facilities	Intentions to complete exits from Russia	Total number of companies
Chemicals and pharmaceuticals	5	3	5	40
Industrial machinery	4	11	3	42
Food and kindred products	3	5	2	35
Transportation equipment	7	15	4	33
Electronic and electric	1	4	4	23
Stone and glass	0	1	2	23
Fabricated metals	0	2	0	14
Limber and wood	0	1	1	11
Paper and allied products	0	1	5	16

Other sectors (industries)	2	6	3	43
Total	17	49	29	280

Seemingly, the suspension of work in Russian facilities mostly affected companies in the transportation equipment and industrial machinery sectors. Conversely, however, most companies in the stone and glass, lumber and wood, and fabricated metals industries continue their businesses as usual, as they have low dependency on imports. In general, self-restrictions on operations and the intention to divest Russian operations were announced by merely 16.5% of the companies that were installed new factories between 2012 and 2019 in Russia. Two executives of Danish companies explained their unwillingness to divest Russian assets. Jens Birgersen, President and Chief Executive Officer (CEO) of Rockwool, a Danish company that produces insulation materials explained thus:

If we give up our business in Russia, it will be transferred to the hands of the Russian government. This concerns everything, including factories, equipment, our knowledge, and our qualified employees... The exit of Rockwool from the Russian market will be a good present to the Russian government—an effective business worth billions of US dollars, with a strong brand, advanced technologies, and valuable knowledge. Moreover, the market exit of Rockwool will not hasten the end of hostilities in Ukraine (Rossaprimavera, 2022).

Torben Rozencrantz-Teil, CEO of Brødrene Hartmann A/S, a company that produces packaging materials for fruits, similarly confirmed: ‘The biggest financial present to the Russian government will be the transfer of our Russian factory to Russian hands. So [] we prefer to control our business in Russia’ (Rossaprimavera, 2022).

Upon further examining the significant actions executed by 280 companies between March and July 2022, we may indicate that six companies *have expanded* their production facilities in Russia, while three companies (the Finnish dairy producer Valio; the Finnish bakery Fazer; and the German–Japanese producer of machine tools, DMG Mori Seiki) have already divested their production facilities in Russia. While Valio and Fazer just sold their assets to Russian businessmen involved in similar lines of business (and the purchaser of Valio retained the rights to use the brand “VALIO” for its products for the next five years), the story of DMG Mori Seiki is more dramatic. The factory was opened in September 2015. The opening ceremony was attended by the local governor, the CEO of DMG MORI Seiki, and over 700 Japanese and German investor partners (Gurkov et al., 2018). The factory was one of the ten most advanced factories in the machine tool industry worldwide. The foreign investor organised a special technical college to bring the knowledge and skills of technicians and shop-floor workers up to the necessary levels. In June 2022, the factory was closed, and all the 200 employees of the factory in addition to 70 staff members of a sales and service base in Moscow were fired. To close the factory, the foreign investor had to terminate a special investment contract that stipulated tax benefits to the factory.

We should also indicate the special barriers imposed by the Russian government to prevent the divestment of assets in particular industries and enterprises of strategic importance. For example, a special Decree of the President of Russia (No.520) prohibited, until the 31st of December, all deals with the shares of ‘strategic companies’, including companies producing electricity and power. That decree did not allow several foreign companies, including the Finnish Fortum and the Italian Enel, to exit from Russian assets.

As companies that made announcements about restrictions on activities or divestments made half-year financial reports and calculated losses from those actions (for example, McDonald's wrote off US\$ 1.2 billion of net loss from the termination of operations in Russia), the wave of announcements declined. In June 2022, 11 companies made announcements about changes in their operations in Russia, including Coca-Cola and the Finnish paint producer, Tikkurila. In July, there were only four announcements. In addition, several companies, such as Herbalife Nutrition, have made foretelling announcements, indicating changes in their business that will be implemented on or before November 2022.

Looking for specific factors affecting exits from industrial assets in Russia

The traditional literature on the divestment of foreign subsidiaries (see, Berry, 2013) relates the divestment of foreign subsidiaries mostly to poor performance of the firm and/or subsidiary, as well as to uncertainty in industry. While uncertainty in most manufacturing industries radically increased with the intensification of sanctions, the performance of the companies that proposed for divestment varied substantially.

We compared some performance indicators of companies that announced the divestment of their Russian assets to those of other companies in our sample of 280 enterprises built between 2012 and 2019. Considering that most industrial subsidiaries in Russia hold the status of 'revenue centres', with revenue growth and gross margin of sales as key performance indicators, we compared these parameters for companies that announced their divestment and market exit with other companies in our sample of 280 companies. To compare these parameters, we used t-tests. The revenues of companies

that proposed for divestments, on average, increased by 32% in 2021, while the revenues of other companies increased by 36%, and the gross margin of companies that proposed for divestments in 2021 was 23% versus 21% for other companies. However, such subtle differences were not statistically significant. The differences in the coefficients of financial stability (four-factor Altman's Z, five-factor Altman's Z, Tuffler's Z scores) were also not significant for companies that planned to divest and for other companies. We hypothesised that sensibility to political pressure from the governments of home countries could be manifested by the participation of the parent company in the UNGC and could have a greater influence on divestment decisions than pure economic indicators (72% of companies that announced the divestment of their Russian assets were members of the UNGC, while the rate of participation of other companies in UNGC was merely 40%, representing a significance of the uncertainty coefficient of 0.000).

We also examine country-specific factors that may affect the decision to divest foreign subsidiaries. For this, we appraised the public opening ceremonies of new plants of foreign investors. Such ceremonies are mandatory in Russia, during which representatives of foreign investors deliver speeches in which, among other topics, they provide assurances of the long-term character of their investments (see, Gurkov et al., 2018; Gurkov et al., 2021). Here, we found statistically significant differences: *none of the factories to be divested were opened in the presence of their managing owners* (the average frequency of the presence of a managing owner at public opening ceremonies for other companies is 17%). Furthermore, for companies to be divested, the frequency of the presence of CEOs at public opening ceremonies is much lower than for other companies (16% and 35% of public opening ceremonies, respectively) (see Table 3).

Table 3. Participation of representatives of foreign investors of different ranks in plant-opening ceremonies of industrial companies which established new factories in Russia in 2021-2019 (280 companies)

		The highest rank of participants of a plant-opening ceremony						Total
		Owner	CEO	Member of the Executive Committee	Regional manager	Country manager	Other	
Divestment was not announced	Number of companies	38	79	22	24	14	28	205
	% of companies	18,5%	38,5%	10,7%	11,7%	6,8%	13,7%	100,0%
Divestment was announced	Number of companies	0	4	5	7	4	3	23
	% of companies	,0%	17,4%	21,7%	30,4%	17,4%	13,0%	100,0%
Total	Number of companies	38	83	27	31	18	31	228
	% of companies	16,7%	36,4%	11,8%	13,6%	7,9%	13,6%	100,0%

Notes: the significance of Uncertainty Coefficient is 0.002; the significance of Contingency Coefficient is 0.0004

This meant that the factories selected for divestments were those where the managing owners were absent at the plant opening ceremonies and did not make public promises, such as ‘We came here to stay’ (see, Gurkov et al., 2021). Although the subjective element in foreign divestment decisions has been a part of the theory of foreign divestment since Boddewyn (1983a), the role of the presence of top managers, especially managing owners at plant opening ceremonies, as a barrier to divestment, is missing in the literature on foreign divestments.

Integrated analysis of predictors for divestments

To complete the picture of the factors that affect the divestment of Russian industrial assets of foreign corporations, we apply discriminant analysis in a specific form by calculating the product of the discriminant function coefficient and the structure coefficient. This product is called the discriminant ratio coefficient (DRC). The DRC, whose values sum to one, is a technique that controls for multicollinearity. The DRC was proposed by Thomas (1992) and was subsequently used successfully in several studies (Fey, 1996; Gurkov, 2013; Gurkov & Kokorina, 2017). In our analysis, we make the announcement about further divestment of Russian industrial assets made between March and July 2022 a dependent variable and use the following predictors of an announcement about divestment:

- 1) the membership of the corporate parent in the UNGC;
- 2) the participation of representatives of investors of the highest rank (managing owner or CEO) at the plant opening ceremony;
- 3) the attitudes of the government of the home country of the corporate parents to

- the ‘special military operation’ of Russia in Ukraine;
- 4) the impact of foreign sanctions on the Russian industry the subsidiary operates;
 - 5) the total assets of a subsidiary in 2021;
 - 6) the net profit of a subsidiary in 2021;
 - 7) the gross margin of sales in 2021;
 - 8) the popularity of the corporate parent among the general public in its home country (which is higher for companies producing customer goods for their home markets and lower for companies producing specialised equipment or components for foreign markets).

Using these eight variables, we were able to properly classify 71% of the cases, including 72% of cases of non-divestment and 71% of cases when a subsidiary is designated as a ‘sacrifice’ to the global politics, that is, a candidate for divestment. The quality of the discriminant analysis was satisfactory (Wilks’ lambda = 0.895; significance = 0.001). The DRC values are listed in Table 4.

Table 4. DRC value of discriminant analysis

Variable	DRC values
Membership in UNGC of the corporate parents	0.582
Attendance of public opening ceremonies by investors’ top representatives (managing owner or a CEO)	0.156
Total assets	0.134

Attitudes of the government of the home country of the corporate parents to the “special military operation” of Russian in Ukraine	0.097
Net profit in 2021	0.070
The impact of foreign sanctions on the Russian industry the subsidiary operates	0.006
Gross margin of sales in 2021	-0.002
Popularity of the corporation	-0.043
SUM	1.000

We may see that country-specific factors (participation of the corporate parent in the UNGC and attendance of public opening ceremonies by investors’ top representatives (managing owner or a CEO) together account for more than 70% of discriminating power, while subsidiary-specific factors (total assets, net profits, and gross margin of sales) together account for approximately 20% of discriminating power, and the impact of foreign sanctions on the Russian industry in which the subsidiary operates has a very low DRC score. This means that sanctions themselves do not determine the attitudes of foreign investors towards the divestment of Russian industrial assets.

Discussion

We made a snapshot of actions of foreign corporations in Russia after the beginning of the ‘special military operation’ of Russia in Ukraine and the consequent strengthening of the sanctions of the West against Russia, thereby putting a special attention on the

behaviour of ‘ordinary’ manufacturing corporations that own production assets in Russia. We must admit that we portrayed just the immediate reaction of corporate parents to a rapidly developing escalation of hostilities between Russia and the West. Moreover, some of the declared measures might not have been caused by the worsening relations between Russia and the West. Some self-restriction measures, especially the narrowing of the assortment of products offered in the Russian market, might be a measure planned long before the sanctions. For example, Nestle radically streamlined the range of products offered in the Russian market between 2011 and 2012, concentrating on the most profitable segments—kindred products and pet food.

Similarly, the temporary cessation of production cannot last indefinitely; the factory either resumes operations or opts for divestments. In August 2022, several large factories resumed work, hence solving logistical problems. Among them, we can mention Continental tire manufacturer in the Kaluga Region, which declared its resumption of operations in August 2022.

Regarding divestment, because of the predominantly political nature of divestments (or at least, divestment declarations) and their use as pressure on Russian policy, we may expect that the Russian side would undertake certain political actions, thus counterbalancing the pressure. We have already mentioned Presidential Decree No. 520 that prohibits selling assets of companies included in the list of so-called strategically important goods and service until the end of the year 2022. This is the case of a political barrier that balances the external political pressure of foreign companies to exit from Russian assets.

Moreover, although the majority of industrial companies that announced their intentions to exit Russia indicated political motives for this step, not all of them did.

Some of them preferred to use more cautious wordings referring to the disrupted supply chains and declared the temporary stop of production, but most of them continued their business as usual, postponing the final decision and acting depending on how the situation evolved. We have seen that while 29 of the 280 industrial companies in our database announced their intention to divest between March and July, only 3 companies really divested their Russian production facilities.

As the current performance of candidates for divestment does not differ significantly from that of other industrial companies owned by foreign corporations, it is worth considering another type of economic influence on exit intention. Several economic factors act as exit (divestment) inhibitors or barriers. Most of these factors make selling the subsidiary to a new (local) owner considerably unattractive, and thus, less probable for a foreign owner.

Among the most evident factors are those that reflect subsidiary–HQ ties and the embeddedness of the subsidiary into the multinational corporation (MNC)’s structure. Some of these factors are HQ-specific, some are subsidiary-specific, and some are relational in nature: they reflect the type of ties between the HQ and a specific subsidiary.

If the subsidiary is an intermediate product manufacturer and an important supplier for sister subsidiaries (especially abroad), a suspension of its operations will disrupt the supply chain of the MNC and, thus, is quite undesirable. In this case, the divestment/exit decision becomes costly and faces an economic barrier, even if politically motivated.

If the MNC has invested a lot in the intangible assets of the subsidiary, for

example, in the training and development of the local staff, it makes it difficult to account for these investments in the selling price of the company; thus, divestment will mean a sunk cost. This is an example of a past-oriented economic factor that is determined by what has been taking place in the past. Meanwhile, there are future-oriented factors because they depend on the assessment of future developments following owner change by the participants of the deal. The first is the absence of support from the former parent and sister subsidiaries, which has used to be one of the pillars of the subsidiary's success in the local market (see, Gurkov, 2015). By such support, we mean the inflow of new ideas, designs, and technologies that the subsidiary enjoys as being a part of the international network. It is important to underline the value of the ongoing innovation process wherein the sold-out former subsidiary will be deprived onward. This makes the assets and current technologies of the subsidiary less valuable for the prospective local owner than they used to be for an MNC, which has been created some time ago and continued to upgrade and develop.

Finally, the discussion of the asset's attractiveness to a potential local buyer assumes that such a buyer does exist, which should not be taken for granted. This point was first demonstrated by Boddewyn (1983b). We have a qualified buyer in mind, possessing both financial resources for the purchase and expertise to utilise the asset. The combination of these two conditions may be difficult to determine. The competence of the local managerial team of the subsidiary appears to be a low-hanging fruit, although depending on how important and pivotal the role of expatriates is, that in most cases follow the MNC, leaving the country. However, the financial ability of a local team to purchase assets is not guaranteed. Meanwhile, the involvement of a third party creates issues of corporate governance and changing organisational culture.

These considerations force us to predict that the mass divestment of industrial assets of ‘ordinary’ foreign corporations, especially privately own and privately managed, may be lower than the number of announcements about divestments.

Conclusions and suggestions for further studies

This research contributes to two main discussions. The first is the application of the international relations perspective in multinational subsidiarity research (Meyer & Li, 2022), and the other is the application and extension of subsidiary research in times of disruption (Coombs & Laufer, 2018; Dai et al. 2017). We have demonstrated that the combined pressure of home country governments and some international activist groups heavily impact the intentions to divest the assets of even ‘heavy’ manufacturing subsidiaries. We also revealed some subjective barriers to divestments that had been overlooked in the current literature on foreign divestments, such as the participation of a managing owner or a CEO in a public plant opening ceremony. In this respect, we can identify avenues for further research. First, as the current conflict between Russia and Ukraine is likely to become a longer-lasting disruption (Markus, 2022), the development of particular industries will be and are quite diverse and dynamic. For example, in the tire industry on 1st of August resumed operation the plant of Continental in Kaluga oblast; on the 11th of August resumed production the tire factory of Yokogama, located in Lipetsk oblast. At the same time, another global producer of tires -- Nokian -- is now actively looking for a local buyer for its factory new St.Petersburg that was the largest factory of Nokian and exported in 2021 60% of its production (auto.mail.ru., 2022). Thereby, merely observing the transformation of initial declarations into real actions presents a significant research interest. In this respect, we

may outline three especially promising research avenues: 1) the possible mutation of self-restriction measures imposed by foreign corporations on their Russian subsidiaries; 2) the destiny of industrial assets that are currently under temporary cessation of operations; and 3) the specific forms of divestments to be used in Russia for foreign assets, considering the open and hidden barriers for divestment in a large transitional economy.

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