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# Navigating Turbulent Political Waters: From Corporate Political Advocacy to Scansis in the Case of NBA-China Crisis

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## ABSTRACT

Drawing on insights from both rhetorical arena theory and contingency theory of conflict management, this study examines the role of political factors in shaping stakeholder groups' perceptions and organizational responses and stances in a scansis of a multinational corporation. This study combined qualitative content analysis and semantic network analysis to analyze organizational responses, news coverage, and social media posts regarding the National Basketball Association (NBA)–China crisis in 2019, triggered by an online comment from a team executive supporting the Hong Kong protesters. The findings show (1) the presence of diverse and rich political-laden and politically divided discussions in news coverage and social media posts, (2) a subsequent change in the NBA's stance, from accommodative toward defensive, in response to those discussions, and (3) the great role of geopolitics/international politics and political values as political contingency factors in steering organizational, media, and digital public discourses. Theoretical and practical implications are discussed.

## 中文摘要

基于修辞领域理论(rhetorical arena theory)与冲突管理的权变理论(contingency theory of conflict management),本研究考察了政治因素如何形塑跨国企业道德危机(Scansis)中的企业利益相关者的感知以及组织的危机回应与立场。本研究综合运用了定性内容分析和语义网络分析两种研究方法,对2019年美国篮球协会(NBA)涉港言论争议事件中的组织回应,新闻报道以及社交网络帖子进行了分析。研究结果表明:一,新闻媒体报道与社交网络帖子呈现出明显的政治化与两极化;二,鉴于大众舆论,NBA的组织立场在危机过程发生了由附和(accommodation)转向防御(defense)的转变;三,地缘与国际政治以及政治价值观作为两个政治权变因素对组织,媒体以及数字大众的话语具有显著影响。本研究还就结果对于公关理论与实践的启示展开了讨论。

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传播; 企业道德危机; 修辞  
领域理论; 冲突管理的权  
变理论

More than ever, international crises have significantly increased the complexity of crisis communication practices (Coombs & Laufer, 2018; Schwarz et al., 2016). Crises related to multinational corporations (MNCs) that occur in the home country and in one or more host countries (Coombs, 2008) can heavily affect not just the corporate reputation of MNCs but also market dynamics and international relations (Mendes, 2021).

Existing research regarding international crisis communication mainly focuses on the impact of divergent culture values, media systems, and governmental regulations on strategizing responses and public opinions (e.g., Coombs, 2012; Dhanesh & Sriramesh, 2018; Kepplinger & Lemke, 2016; Taylor, 2000). More recent research on international crisis communication draws attention to international crises that emerged from an existing political conflict, tension, or debate (Mak & Song, 2019). Existing studies (e.g., Frandsen & Johansen, 2012; Juan et al., 2017) have shown that geopolitical or

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international tensions or conflict can create spillover effects for organizations. In particular, when organizations choose to speak out about political issues in the context of complex international relations, they may upset certain stakeholders who perceived the political involvement of the organization as inappropriate (Van der Meer & Jonkman, 2021). These critical situations can be transformed into organizational crises as stakeholders' dissatisfaction and anger may manifest by targeting MNCs with public demonstrations, destroying foreign products, or even damaging foreign stores (e.g., Coombs, 2012; Wang, 2006).

Given the increasing role of political factors in the development of international crises, some scholars (e.g., Boin, 2019; Culbertson & Chen, 2013; Zhao, 2021) suggested scrutinizing the influence of political systems, structures, and ideologies on crisis situations. To this end, this study sets up two main research goals: First, it aims at examining how an MNC's stance on a political issue triggered and exacerbated a critical situation for the organization in question. Second, it explores what kind of political factors shaped organizational responses and stances as well as subsequent key stakeholders' perceptions of the MNC's role in an international political crisis.

To meet these two goals, a case study approach was employed. The chosen case involves the National Basketball Association (NBA), an American MNC, and its conflict with China in 2019 (henceforth, the NBA–China crisis). This case was chosen because of its predominant political characters as it was triggered by the NBA's speaking out in support of the Hong Kong protests that took place in 2019. Furthermore, due to the NBA's stance on the conflict between Hong Kong and mainland China, the situation sparked vivid discussions fueled by political discourses across two nations with significant political differences.

This study advances our understanding of how political factors influence stakeholders' opinions and organizational behaviors in the context of international crises in the following two ways: First, it advances the understanding of corporate political advocacy by showing the relations between corporate political advocacy initiatives and stakeholders' outrage; second, it explores the challenges of communicatively managing politically divided stakeholders in both host and home countries.

In the following sections, we start by reviewing the main literature and our theoretical premises for investigating the chosen case. Next, we present our research approach and methodology. Findings are presented next, followed by a discussion of these findings. Our conclusions reflect on the theoretical and practical implications of this study.

## Literature review

### *Politically spurred international crises*

Previous research on the political dimension of international crises has investigated a wide range of critical situations, including political tensions and debates around policies, global issues, political decisions, and power struggles (Boin et al., 2005). Among this research, some studies have focused on international conflict situations that prevented stakeholders' engagement and generated organizational crises for MNCs (e.g., Heilmann, 2016; Mak & Song 2019). The cases range from the boycott of Danish Arla food during the Muhammad Comic Crisis to the South Korea Lotte group's withdrawal from China after U.S. anti-missile system tension (Juan et al., 2017; Lindholm & Olsson, 2011). Other research examined how the political disposition of a host country affected an organization's public relations during international crises (e.g., Choi & Cameron, 2005; Chon, 2019). For example, political ideology was found to be the cause of conflicts between foreign companies and local communities (Dhanesh & Sriramesh, 2018) or could lead to inappropriate evaluations of crisis situations (Choi & Cameron, 2005).

More recently, crisis scholars started to examine the way organizational political involvement evolves into organizational crisis (e.g., Kim et al., 2020; Van der Meer & Jonkman, 2021). Due to the increasing politicization of the organizational environment (Van der Meer & Jonkman, 2021), more and more organizations have increased their initiatives of corporate political advocacy (Hillman et al., 2004) to

meet their stakeholders' expectations. For example, some organizations have embraced specific values, such as diversity, gender equality, or other key social issues and have publicly communicated about them (Kim et al., 2020). However, corporate political advocacy can be risky, as various stakeholders may choose to either boycott or advocate for the organization's political involvement, depending on the stakeholders' preexisting beliefs (Chatterji & Toffel, 2019). In the context of international crises, corporate political advocacy can be highly challenging, especially for host countries with political instability, authoritarian regimes, or disputes between public groups (Shaffer & Hillman, 2000).

### Corporate political advocacy and scansis

When corporate political advocacy violates certain stakeholders' expectations, it evolves into an organizational crisis which spurs moral outrage (Mairescu-Murphy, 2021) and receives high media resonance (Vogler & Eisenegger, 2019). To address the critical situations that emerge from moral outrage, anger, and negative word-of-mouth among the public, Coombs and Tachkova (2019) have proposed "scansis" as a new type of crisis, when a crisis becomes a scandal. According to Coombs and Tachkova, scansis occurs when the public perceives an organization's behavior as "morally offensive; the offensive behaviors appear to be intentional; the behaviors are linked to highly controversial social issues; and there is public awareness of the behaviors" (Coombs & Tachkova, 2019, p. 76).

Research in sports crises, for instance, shows that sports have a moral component and that fans can moralize sports situations (Cottingham, 2012; Lewis & Hirt, 2019). When fans perceive that their sports team has violated norms that they believe in, the situation is moralized and negative emotions negatively impact fans' attitudes; behavioral intentions toward the organization may be triggered (Cottingham, 2012; Lewis & Hirt, 2019), leading to potential loss of reputation for the organization.

Research on the reputational impact of crisis has often focused on the effect of media coverage of the critical situations and the behaviors of the general public or stakeholder groups (Vogler & Eisenegger, 2019). In the case of scansis, by analyzing how news media portray the organization accused of wrong-doing and how they socially construct the critical event, researchers can draw conclusions about the reputational impact of corporate actions (Clemente & Gabbioneta, 2017). The increasing digitalization of the media environment offers an additional opportunity to directly study public reactions to a critical event (Lovari & Parisi, 2015). Therefore, an examination of scansis should focus on multiple arenas of discussion and look at the interplay between media content and public content to better understand the complexity of these situations.

### Rhetorical arena theory and hot issue debates

Exploring both public and media discourses to understand crisis dynamics implies a multivocal approach when studying organizational crises. Rhetorical arena theory (Frandsen & Johansen, 2017) applies a multivocal approach and defines a rhetorical arena as a social space that opens during a crisis which constitutes a multitude of voices. Within the rhetorical arena, multiple actors communicate to, with, past, or against each other (Frandsen & Johansen, 2017). The different voices in a crisis can include multiple actors; among them, the media and the public are two crucial actors.

Traditional news media – in particular, leading newspapers – can be considered an arena (Raupp, 2019) in which media actors take on the roles of transmitters and coordinators of vital crisis messages (Rodin et al., 2019). Applying rhetorical arena theory to media discourse draws attention to the content and format of media representations of crises (Van Aelst & Walgrave, 2016). However, an examination of this rhetorical arena should also include voices from the public (Coombs & Holladay, 2014; Iannacone, 2021). The increasingly online and digitized environment in which crisis communication occurs has ample opportunities for the public to intervene and to gain attention (Zhao, 2017). Therefore, social media users that comment on crisis-related topics become an alternative and vibrant rhetorical arena of crisis (Rodin et al., 2019).

Since rhetorical arena theory focuses on multivocality and the co-construction of a definition of crisis, this theory offers a valid theoretical approach to understand “patterns of interactions” (Frandsen & Johansen, 2017, p. 148) of various public voices during a scansis. It is particularly suitable for highlighting different perspectives that may be expected when addressing an international critical situation with publics from different countries. This study examines how news media and the digital public communicate their interpretations of and reactions to a corporation’s speaking out about an international political crisis (Desmarais & Wallace, 2018; Iannacone, 2021). Accordingly, this study investigates a composition of five rhetorical sub-arenas (Coombs & Holladay, 2014) that vary in relation to channels of communication and content producers across countries: the news media in the U.S., mainland China, and Hong Kong, together with public comments from Twitter and Weibo. Our research questions are the following:

RQ1.1: How did news media in the U.S., mainland China, and Hong Kong cover the NBA–China crisis?

RQ1.2: What were the opinions of the American and Chinese digital publics about the NBA–China crisis, as evidenced in social media posts?

## Organizational stances and crisis response strategies

To understand how an MNC’s crisis stance can trigger, respond to, and exacerbate moral outrage from the public, the contingency theory of conflict management (henceforth, contingency theory) is used. Contingency theory (Cancel et al., 1997) assumes that an organization’s response to a crisis is adaptive based on the evolution of the situation and fluctuating public opinions. The management of crisis and conflict can be divided into four general phases: the proactive phase, strategic phase, reactive phase, and recovery phase (Wilcox & Cameron, 2009). Thus, organizational behaviors and public opinions are not static but dynamic and contingent upon various internal and external factors affecting the organization. Central to contingency theory is the concept of the stances that organizations may adopt during crises. An organization’s public stance is chosen from a range of options across the advocacy–accommodation continuum (Cancel et al., 1997). *Pure advocacy* refers to an organization exclusively guarding its own interests, whereas *pure accommodation* refers to an organization’s concessions exclusively to other stakeholders.

According to Cancel et al. (1997), an organization changes its stance as a result of internal and external factors and accordingly employs different crisis response strategies during the different phases of crisis management (Coombs, 2018). Crisis response strategies are symbolic resources that organizations employ to protect or repair their images during crises (Coombs, 2018). These responses are broadly divided into defensive tactics – scapegoating, attacking the accuser, excusing, and denying – and accommodative tactics, such as ingratiating, correcting, cooperating, and fully apologizing (Coombs, 2007). Crisis response strategies can be linked to certain stances at a given time (Shin, 2008), but organizations often advocate rather than accommodate, especially when faced with conflict for the first time. Jin et al. (2007) integrated Coombs’s (2007) typology of crisis response strategies into contingency theory and arranged crisis response strategies on the advocacy–accommodation continuum to explain which strategies are most effective when organizations take specific stances. Figure 1 illustrates the range of crisis response strategies proposed by Jin et al. (2007) along the contingency theory’s continuum of possible stances.

Taking a departing point from Jin et al. (2007)’s work to investigate NBA’s stance and crisis response strategies, this study proposes the following research question:

RQ2: How did the NBA’s strategies and stances change during the NBA–China crisis?

## Political environment as external contingency factors

According to contingency theory, an organization’s stance and crisis response strategies are influenced by several variables known as contingency factors. Research on contingency factors identified 87 variables that can affect the stance of an organization on a continuum at any given time regarding a given stakeholder



**Figure 1.** The range of crisis response strategies in the advocacy-accommodation continuum. Source: Jin et al. (2007), p. 47

group (Cancel et al., 1997; Jin et al., 2020). These factors are divided into 11 categories for two dimensions: external and internal factors. Internal variables concern the organization's characteristics, PR department's characteristics, management's characteristics, and types of internal threats. External variables include external threats, the industry environment, the political-social-cultural environment, the characteristics of the external stakeholders, and the type, size, and complexity of the issue (Jin et al., 2020).

Among the external variables, the general sociopolitical environment and external culture are characterized as different contextual settings in which an organization operates (Cameron et al., 2008). Some scholars have conducted research that examines both domestic and international political environments (e.g., Bae & Park, 2011; Cheng, 2016; Choi & Cameron, 2005; Hwang, 2012) and found that nationalism, central political control, and political participation could affect an organization's stance.

On the one hand, the political environment shapes stakeholders' emotions and perceptions of the organizations' stances (Jin et al., 2007). The political environment, such as the people's level of trust in the political system, could have an impact on public emotions and perceptions toward governmental organizations. In addition, greater exposure to the global environment can leave the organization vulnerable to formidable political domains. For instance, Choi and Cameron (2005) found that MNCs in Korea tended to take accommodative stances during crises out of fear of the nationalist sentiment from news media and the general public.

On the other hand, the general political environment impacts an organization's adoption of a stance during a crisis (Pang et al., 2010). As shown in Cheng (2016)'s study, the domestic political environment significantly contributes to the choice of organizations' stances during crises. Cheng (2016) demonstrated that the central government in China possesses the power to intervene in the affairs of non-governmental organizations (NGOs) due to the authoritarian political system. With the support of the government, state-sponsored NGOs, such as the Red Cross of China, may take aggressive stances in crises using defensive strategies (Cheng, 2016). The international political environment has been also shown to significantly affect a governmental organization's stance during a global health crisis. For example, considering the political realism and national and diplomatic interests of China in 2003, the Chinese government adopted an accommodative stance toward foreign countries and businesses during the severe acute respiratory syndrome (SARS) crisis (Jin et al., 2007).

Drawing on previous research about political environments in relation to crisis communication, the following questions are proposed:

RQ3.1: What political contingency factors could be deduced from the news media's coverage of the NBA-China crisis?

RQ3.2: What political contingency factors could be deduced from the online opinions of the American and Chinese publics about the NBA-China crisis?

RQ3.3: What political contingency factors could explain changes in the NBA's strategies and stances during the crisis?

## Methods

This study uses a single case as an illustrative example and combines qualitative content analysis and semantic network analysis to answer the above research questions. Case studies have been conceptualized as research strategies (Yin, 2009, p. 198) and are suitable when the researcher wants to examine a particular



phenomenon in its real-life context (Yin, 2009), as case studies allow an in-depth understanding of a complex issue that would otherwise be difficult to capture using quantitative variables. Case studies cannot offer generalizable findings; however, they can offer important learnings for further theorizing.

The following sections present the chosen case, the NBA–China crisis in 2019. This case was chosen because it illustrates an international scansis sparked by a business organization’s stance in geopolitical tension. Given the political nature of this scan is, this case was considered relevant to explore public perceptions of the NBA’s political stance, the organization’s responses to the crisis, and how the whole critical situation was discursively constructed in light of its political nature. In what follows, we briefly describe the background context that set the scene for the MNC speaking out and the subsequent public reaction that led to the scansis.

## **Background: The conflict between Hong Kong and Mainland China**

Hong Kong, the former British colony, returned to the People’s Republic of China in 1997. Under the doctrine of “one country, two systems,” China allowed the former colony to continue to govern itself and maintain many independent systems for 50 years. However, relations between Hong Kong and mainland China have been tense since the early 2000s (Fong, 2017). Various factors have contributed to the tension between Hong Kong and mainland China, including different interpretations of the “one country, two systems” principle, democratic reforms, and cultural identities (Veg, 2017). As a result, some protests in Hong Kong have occurred in the past two decades, including the 2003 protest against a controversial security bill and the 2014 Umbrella movement which demanded that Hongkongers be given the right to elect their own leader. In June 2019, a new protest in Hong Kong, known as the Anti-Extradition Law Amendment Bill Movement, began in response to proposed legislation by the Chinese government that would allow China to extradite criminal suspects in Hong Kong to mainland China (BBC, 2019).

## **The conflict: The NBA’s speaking out about geopolitical tension**

Against the backdrop of the conflict between Hong Kong and mainland China, the NBA’s scansis began when one of its senior managers voiced his view on the 2019 Hong Kong protests. On October 4, 2019, the general manager of the Houston Rockets, Daryl Morey, shared an image on Twitter that supported the anti-government protesters in Hong Kong (Deb & Stein, 2019). The public in China, and the digital public in particular, strongly opposed the NBA addressing politics outside its core business. The strong negative reaction of NBA Chinese stakeholders set the beginning of the strategic phase in the conflict management life cycle (Wilcox & Cameron, 2009) requiring concerted action. Morey quickly deleted the tweet and posted a clarification whereby he insisted that he had not intended to offend anyone in China. However, on October 6, 2019, many of the NBA’s key Chinese partners, including the Chinese Basketball Association, CCTV 5 (the sports channel of China’s top state broadcaster), and Tencent Sports (the biggest online streaming platform for NBA games in China) suspended their ties with the NBA (Aredy & Gale, 2019). Furthermore, the Chinese government and public called for an official apology (Sheng & Keyue, 2019). While Chinese stakeholders were angered when their expectations were violated when the NBA publicly supported Hong Kong protesters, American stakeholders criticized the NBA for abandoning its values by revoking its criticism of China. Consequently, the NBA was caught between two fires and tried to navigate stormy political waters by mixing different response strategies with the hope of mitigating public outrage.

## **Data collection**

The main goal of this study is to examine shifts in an organization’s stance and how they are influenced by both stakeholder perceptions and political factors during the critical situation in question. To achieve this main goal, the data collection period was limited to the triggering event



when Daryl Morey tweeted the “outraged” image (October 4, 2019) till the last day the NBA officially commented on the issue (October 18, 2019). Within the chosen two-week time period, the case was researched using different datasets from a wide range of sources such as newspaper articles, press releases from the NBA’s official website and social media accounts, and social media posts on both Sina Weibo (hereafter, Weibo) and Twitter. We ran multiple searches and collected the data that meet the criteria.

First, to study the NBA’s stances and responses, we systematically searched the NBA website and its official social media accounts and collected all press releases (3 items both in Chinese and in English) and all social media posts (three items) related to the NBA–China crisis. We also included three video interview clips in which Adam Silver addressed the NBA–China crisis in front of news media. The three interview clips were the interview conducted during TIME 100 Health Summit (length: 6 min 13 sec), the interview where Adam Silver answered questions from TMZ Sports (length: 5 min 15 sec), and the answering to questions in a news conference in Japan (length: 1 min 27 sec). These videos were collected, scripted, and coded.

Second, to study the media’s discourse, three newspapers from the U.S., mainland China, and Hong Kong were included. For the U.S., *USA Today*, *The Wall Street Journal*, and *The New York Times* were selected. For mainland China, the three newspapers were *People’s Daily*, *Yangcheng Evening News*, and *21<sup>st</sup> Century Business Herald*. For Hong Kong, *Oriental Daily News*, *Hong Kong Economic Times*, and *Ming Pao* were chosen. The chosen newspapers represent daily, market-orientated newspapers and elite-orientated newspapers, they have wide circulation and readership, and include diverse perspectives (see Appendix A for a full list of sample newspapers and their main characteristics); therefore, they represented newspapers for these countries and territories’ news media arenas.

News articles from U.S. newspapers were retrieved from LexisNexis, and other news articles from mainland China and Hong Kong were searched via WiseNews. Keyword searches for “NBA” and “China” (中国) were conducted for these nine newspapers during the chosen time period, resulting in 121 news articles. News articles that discussed the case topic for less than 33% of their length (according to the number of rows) were removed from the sample. In total, after removing irrelevant and duplicate articles, the news sample comprised 47 items from American newspapers, 48 items from Hong Kong-based newspapers, and four items from mainland China newspapers. While the Chinese news article sample is rather small, no additional relevant news articles were found on the topic. This may be explained by the fact that the Chinese government elicits strong and strict media control on the dissemination of news about politically sensitive topics such as the Hong Kong protest (Chan, 2017).

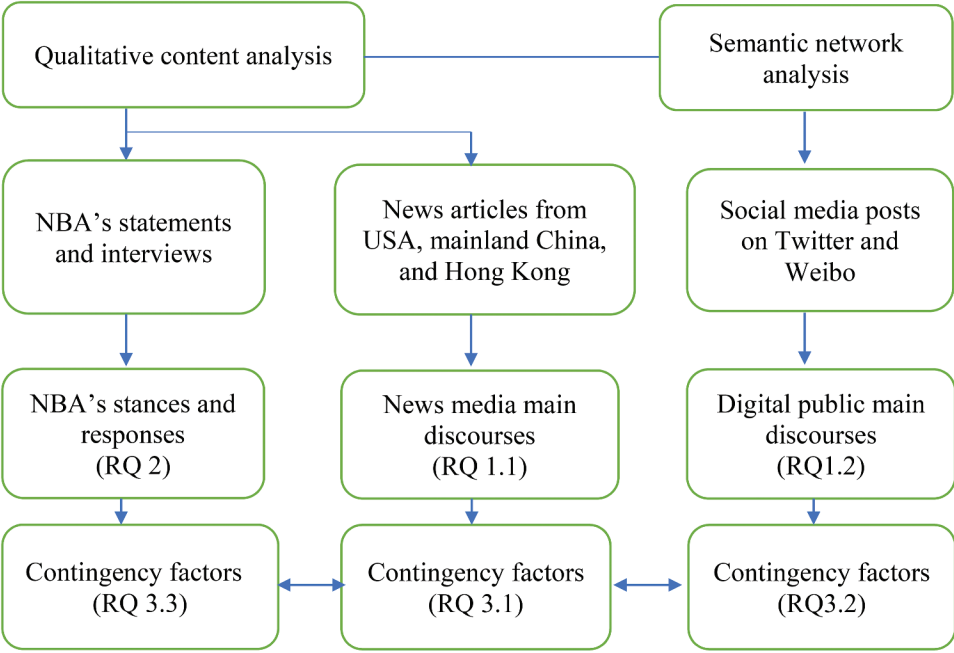
Finally, to study digital public opinions, social media posts discussing the NBA–China crisis were collected from both Weibo and Twitter using the keywords “NBA” and “China” (中国) during the chosen time period. These two social media platforms are the leading social network platforms in China and the U.S. (Degenhard, 2020; Thomala, 2019). Hence, they both serve as digital public arenas where the public can express opinions and communicate. We used Data Miner and extracted top 1,000 public posts from each social media platform. In total, 2,000 posts were sampled to study digital public arenas.

## Data analysis procedures

To analyze the different sets of data, this study combined both qualitative content analysis and semantic network analysis to answer the three sets of research questions (see, Figure 2).

### Qualitative content analysis

There were three main goals of qualitative content analysis in the current work: first, to identify the NBA’s response strategies and stances; second, to study news media’s discourse regarding the crisis; and third, to unfold possible political factors that influenced the NBA’s responses and stances as well as stakeholders’ perceptions.



**Figure 2.** The analytical framework and research design.

The qualitative content analysis was conducted within the constructionist paradigm. Both deductive and inductive approaches were used (Drisko & Maschi, 2015; Schreier, 2012). To establish intercoder reliability, two coders were trained and independently coded ten news articles and two press releases. Findings were then compared and discrepancies were discussed to consolidate the common coding book for the rest of the data set. Sufficient reliability scores were achieved with Krippendorff's alpha, ranging from .72 to 1.0.

For the media data set, each article was coded for publication date, news media outlet, newspaper location, main topic, and public opinions as reported by the media. With no existing codes for topics and public opinions, as these are case sensitive, the coders generated a list of codes after a close reading of all news articles following a grounded theory approach. The list was subsequently refined and an agreement was reached between the two coders (Strauss & Corbin, 1990). Next, to study the NBA's stance and response, we deductively coded for the presence of stances and crisis responses following Jin et al. (2007)'s advocacy-accommodation continuum and corresponding crisis response strategies (Figure 1). Finally, to explore the presence of political factors in the way news media discussed the issue and the MNC's responses to the critical comments, we based our political factor coding from previous literature. Specifically, we deductively coded 15 micro-political contingency factors, such as freedom, democracy, and sovereignty when addressing the NBA-China crisis (see Appendix B for the full coding scheme), and latter grouped them into categories.

### **Semantic network analysis**

To investigate the digital public's main discourses on Twitter and Weibo, we employed semantic network analysis. Semantic network analysis focuses on the frequency, co-occurrence, and distances among words and concepts, which allow researchers to explore a text's embedded meaning (Danowski, 1993). This study adopted the word association (concept co-occurrence) method to map out the relationships among words by indexing pairs of concepts (Danowski,

1993; Doerfel & Barnett, 1999). Network clusters that emerge organically from the large network are further identified to illustrate the important dimensions of the discourse surrounding the NBA during the crisis on social media (i.e., Weibo and Twitter). Semantic network analysis was conducted in the following three steps:

First, the corpus of 2,000 social media posts was processed and cleaned. We used Chinese lexical analyzer Jieba to segment raw texts into words and then we filtered punctuation, numbers, common Chinese stop words, and non-words. Second, we submitted the corpus consisting of space-spliced words into WORDij 3.0, a WordLink program, to identify concepts that co-occurred with the term “NBA” in the corpus during the NBA–China crisis. A semantic network was then generated by linking words based on the frequency that they co-occurred. Word pairs with a raw co-occurrence frequency higher than five were retained for further analysis (Church & Hanks, 1990). Third, we used Gephi to visualize the semantic network. An average degree was run to calculate the node strength for each word. Only words higher than one degree on Twitter and higher than four degrees on Weibo were collected for further analysis. Modularity partition algorithm (Newman, 2006) was then employed to detect concept communities for semantic networks.

## Results

### *Rhetorical arena: news media*

This section presents findings from the qualitative content analysis of the news articles from the selected newspapers in the U.S., mainland China, and Hong Kong answering RQ1.1. The analysis shows that newspapers mainly covered the NBA case as a business issue (32%) and as an issue resulting from the political conflict between mainland China and Hong Kong (26%).

### *Main discourses on the business issue*

News media coverage emphasized the business implications of the situation and the financial outcomes resulting from the NBA’s speaking out about international political matters. Newspapers from the U.S., mainland China, and Hong Kong all emphasized that China is a country of great market magnitude, where basketball is the most popular sport; consequently, it is a market that has tremendous value for an MNC such as the NBA. However, newspapers from U.S., mainland China, and Hong Kong discussed different aspects related to the business issue. American newspapers focused more on the NBA’s dependence on the Chinese market and how this influenced its response to the Chinese public (13%). For example, *The Wall Street Journal* underlined this dependency when commenting on the NBA’s behavior: “The delicate nature of the Rockets’ damage-control efforts reflects one of the biggest challenges for companies as they become more dependent on the Chinese market” (Areddy & Wernau,). Similarly, *USA Today* underlined this dependency when commenting about the need for the NBA’s manager to resign: “Morey should resign to preserve the NBA’s billions of dollars of revenue, investments and goodwill” (Chao, 2019, October 08).

Conversely, Chinese newspapers focused on how the NBA’s speaking out harmed business relationships between the NBA and its Chinese partners (2%). For example, *Yang Cheng Evening News* reported that both Chinese Central Television and Tencent Sports had suspended their collaborations with the NBA and officially criticized Morey’s “inappropriate” expression. The news article from *21<sup>st</sup> Century Business Herald* included a long list of Chinese partners of the Rockets, pointing out that if the NBA did not understand the public opinion in China, then it would not be able to profit from the Chinese market. Chinese media also emphasized how the situation harmed the Chinese partners of the Rockets, as they had already invested much in the team.

Although Hong Kong newspapers also discussed the implications of the NBA speaking out about the MNC's Chinese partners, they focused more on the financial cost from partners pausing their collaborations with the NBA (16%). For example, *Ming Pao* discussed the financial costs of losing the Chinese broadcasting partnership, as streaming constituted a large portion of the NBA's annual income: "Tencent Sports is a streaming platform that recently extended its deal with the league for more than \$1.5 billion over five years" (Ming Pao, 2019).<sup>1</sup>

### **Main discourses on the political tension between Mainland China and Hong Kong**

The second most-covered topic was the political tension between mainland China and Hong Kong, which was the focus of both American and Hong Kong newspapers. American newspapers (11%) delved more into the cause of the critical situation and discussed the reasons for as well as the impact of the NBA manager commenting on the political tension between mainland China and Hong Kong. An illustration of this perspective is provided in *The New York Times*: "The general manager of the Houston Rockets sought to quell an outcry in China on Sunday night after the support he expressed on Twitter for pro-democracy protesters in Hong Kong upset sponsors, media outlets and basketball officials in a country that invests billions in the NBA" (Deb & Stein, 2019).

Newspapers from Hong Kong often discussed the topic with reference to the long-time political tension between Hong Kong and mainland China (14%). For instance, *Ming Pao* discussed the topic by linking it to Hong Kong's disappointment concerning the political arrangements: "The mainland has tried various ways to replace Hong Kong and Hong Kongers with other mainland cities and Mainlanders since the handover" (Li, 2019, October 10).

Interestingly, the topic of political tension between mainland China and Hong Kong was discussed obscurely, as if it was not possible to explicitly refer to it. For example, all newspaper articles in mainland China only used the term "Hong Kong issue" (涉港问题) without mentioning the protest or conflict in Hong Kong at all. Furthermore, none of the sample articles explained or discussed the "Hong Kong issue" or the tension between Hong Kong and mainland China in detail. In addition, although the political tension was implicitly reported, all newspaper articles made a very clear and consensual judgment of Morey's personal expression as "inappropriate" (不当) and "wrong" (错误).

### **Rhetorical arenas: The digital public**

This section presents the findings of the semantic network analysis conducted in the Twitter and Weibo arenas that highlighted the main topics and concerns expressed by digital publics through their social media posts, thus responding to RQ1.2.

The findings show that semantic network sizes vary in two different social media platforms: There are 636 words and 343 edges in the Twitter semantic network and 1,703 words and 3,693 edges in the Weibo semantic network. The average degree determined 154 words on Twitter and 322 words on Weibo with the highest node strengths, which are displayed in Figures 3 and 4.

In addition, both platforms have formed diverse word communities in relation to the discussion of the NBA-China crisis. The modularity partition algorithm in Gephi divided networks into modules by comparing their structures against random networks conditioned to have the same number of nodes, edges, and degree distribution (Newman, 2006). The modularity partition algorithm suggested that the Twitter network could be divided into 26 communities, with a modularity score of .154; the Weibo network was divided into 30 communities, with a modularity score of .376. For both semantic networks, the topics of each word community were identified by their top words, and those topics were inductively summarized into themes. Tables 1 and 2 present the themes according to the top words of the two semantic networks.

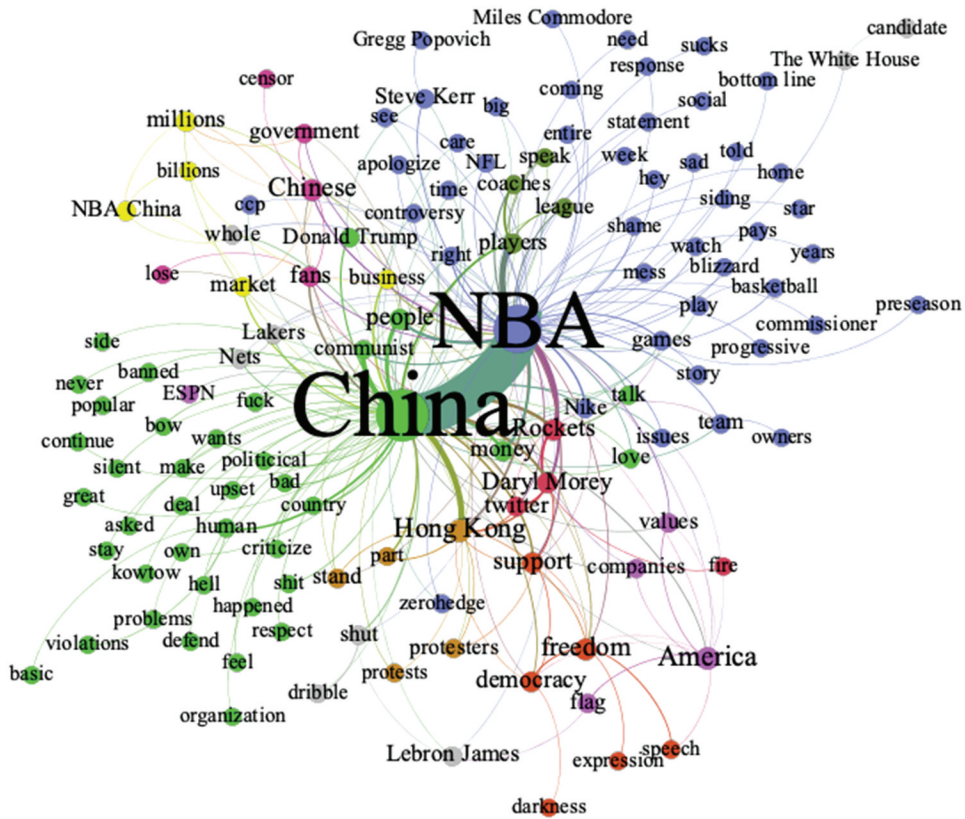


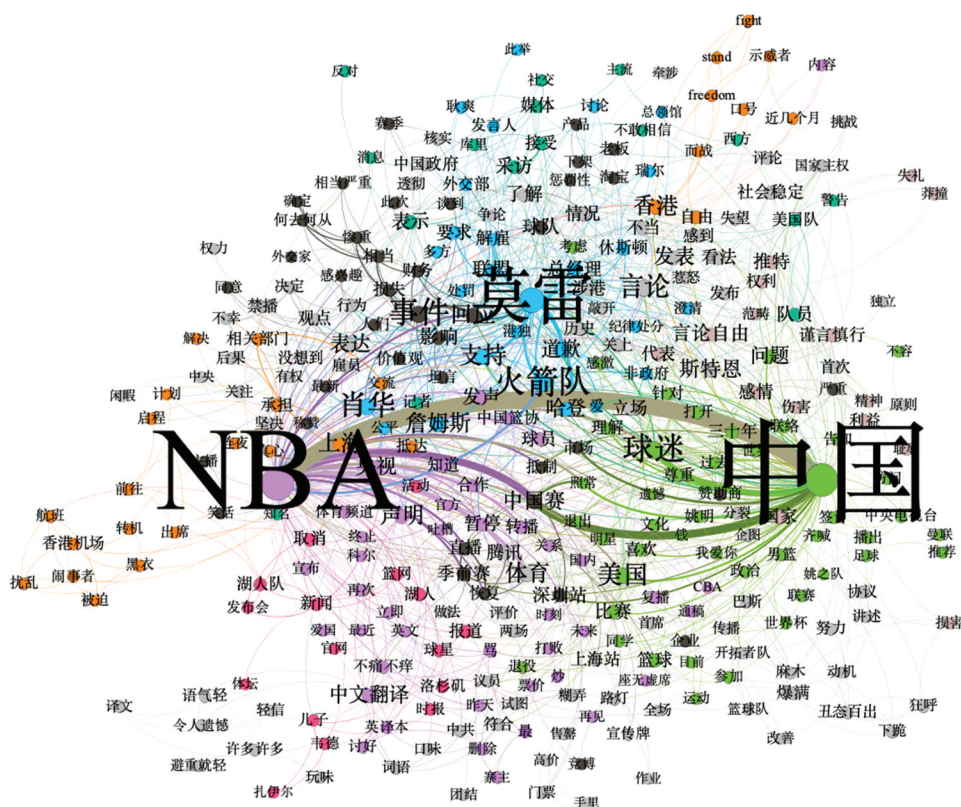
Figure 3. Semantic network of “NBA” on Twitter.

The semantic networks of “NBA and China” for both Twitter and Weibo demonstrate macro similarities and micro differences in how the digital publics discussed the critical situation. As Tables 1 and 2 show, the three main topics in both arenas associated with the words “NBA” and “China” were (1) the NBA’s adversity (Community 16, 2.68% in Twitter; Community 0, 8.16% in Weibo), (2) business and operation (Community 15, 6.12% in Twitter; Community 9, 12.08% in Weibo), and (3) political tension between mainland China and Hong Kong (Communities 7 and 11, 7.39% in Twitter; Community 11, 8.47% in Weibo). Yet the priority of the three topics differed across platforms: While Twitter’s semantic network mostly revolved around the topic of “political tension between mainland China and Hong Kong” (7.39%), Weibo’s semantic network emphasized the preference to discuss the matter under the “business and operations” (12.08%) label.

The words that formed the cluster of topics were also different between Twitter and Weibo. Take the topic of the NBA’s adversity as an example: When discussing the topic of the NBA’s adversity, the semantic networks for both social media platforms addressed the NBA crisis by referring to key parties such as “Daryl Morey” and “Rocket.” However, the words in the Weibo cluster (Community 0) such as “道歉” (apology) and “解雇” (fire) illustrated that the Chinese digital public was mostly interested in discussing the NBA’s response to the crisis and expected a full apology from the NBA.

Similarly, the words used in the business topic also show the different perspectives taken by the two digital public groups in discussing the critical event on these two platforms. The top words in the Twitter cluster (Community 15) were “billions,” “dollars,” “market,” and “millions” and denoted a conversational interest among the American digital public to discuss the NBA’s speaking out in terms of financial opportunities related to the size of the Chinese market. On the contrary, the Weibo cluster (Community 9) for the same topic focused more on the financial





**Figure 4.** Semantic network of “NBA” on Weibo. Note. The translations of the top words: 中国(China), 火箭队(Rockets), 莫雷(Morey), 支持(support), 港独(Hong Kong independence), 道歉(apology), 解雇(fire), 财务(finance), 损失(loss), 惨重(dramatically), 钱(money), 影响(impact), 何去何从(loss), 中国赛(NBA China), 球迷(fans), 暂定转播(streaming), 取消(canceled), 香港(Hong Kong), 自由(freedom), 言论(expression), 示威者(protesters), 问题(issue), 香港机场(Hong Kong airport), 闹事者(troubler), 国家主权(sovereignty), 社会稳定(stability), 挑战(challenge), 分裂(separation), 言论自由(Freedom of speech), 言论 (expression), 自由(free), speech(言论), 谨言慎行(speak and act cautiously), 权利(right), 范畴(domain).

**Table 1.** Top words, word clusters, topics, and themes on Twitter platform.

Table 11. Top words, word clusters, topics, and themes on Twitter platform				
Themes		Clusters	Word%	Top words
Topics	Political conflict between Hong Kong and mainland China	7,11	7.39%	part, support, Hong Kong, stand, protesters, backlash, protest, freedom, democracy
	Business	15	6.12%	NBA China, billions, dollars, market, business, millions, fans,
Political-societal-cultural environment contingency factor	NBA adversity	16	2.68%	Rockets, Daryl Morey, Hong Kong, tweet value, America, freedom, democracy,
	American identity & values	7,9	4.58%	expression, free, speech
	Communist values	1	2.27%	communist, China, Chinese government, censor

threat and the high cost for the NBA to lose the Chinese market due to its political comments. This cluster showed connecting words with negative meanings such as “dramatically” (惨重), “lost” (损失), and “loss” (何去何从).

Finally, when discussing the topic of political tension between mainland China and Hong Kong, the Twitter cluster (Communities 7 and 11) shows prominent words such as “freedom” and “stand,” which were used in the slogans of Hong Kong protesters. However, the words associated with the same topic in the Weibo cluster (Community 11) included negative words such as “闹事者” (troubler) and “扰乱” (disturb).

**Table 2.** Top words, word clusters, topics, and themes on the Weibo platform.

Themes		Clusters	Word%	Top words
Topics	Business	9	12.08%	财务(finance), 损失(lost), 惨重(dramatically), 钱(money), 影响(impact), 何去何从(loss), 中国赛(NBA China), 球迷(fans), 暂定转播(streaming) 取消(canceled)
	Political conflict between Hong Kong and mainland China	11	8.46%	香港(Hong Kong), 自由(freedom), 言论(expression), 示威者(protestors), 问题(issue), 香港机场(Hong Kong airport), 闹事者(troubler)
	NBA adversity	0	8.16%	火箭队(Rockets), 莫雷(Morey), 支持(support), 港独(Hong Kong independence), 道歉(apology), 解雇(fire)
Political-societal-cultural environment	Sovereignty	20	5.14%	国家主权(sovereignty), 社会稳定(stability), 挑战(challenge), 分裂(separation)
contingency factor	Freedom	17	4.52%	言论自由(Freedom of speech), 言论(expression), 自由(free), speech(言论), 谨言慎行(speak and act cautiously), 权利(right), 范畴(domain)

## The changes of the NBA's crisis response strategy and stance

The following section focuses on the reactive phases (Wilcox & Cameron, 2009) of the NBA's management of its scansis. We divide the reactive phase into two main phases and summarize the main findings from analyzing the development of the NBA's strategies and stances.

### *Phase 1: The initial accommodating response from the NBA*

As shown in Table 3, the MNC officially responded two days after the incriminating tweet. The NBA's initial stance regarding Chinese stakeholders was accommodating. Mike Bass (NBA, 2019c) stated that Morey's tweet offended Chinese fans, which was "regrettable." In the Chinese version of this statement (NBA, 2019d), "regrettable" was replaced with "极其失望" (extremely disappointed). These words do not equate to a full apology, but "regrettable" and "extremely disappointed" imply a clear accommodative stance. The accommodative stance of the NBA was also demonstrated through scapegoating strategies, blaming the offense on a single individual and not the corporation. Bass underscored that Morey did not represent the view of The Rockets or the NBA. He further stated that an individual employee is responsible for their education and opinions rather than those of the whole organization (NBA, 2019c).

### *Phase 2: The NBA's shift to a defensive posture*

The NBA's initial stance on October 8 noticeably shifted toward a more defensive stance (see, Table 3). Adam Silver, chief executive of the NBA, issued a second official statement on October 8 and emphasized the core values and viewpoints of the MNC: equality, respect, freedom of expression, and diversity (NBA, 2019a). The NBA used these organizational values to justify its adoption of justification and excusing crisis response strategy. This focus on organizational values in official statements became more obvious in an October 17 interview where Silver stated that "we wanted to make an absolutely clear statement that the values of the NBA, these American values – we are an American business – travel with us wherever we go. And one of those values is freedom of expression." Aside from justification and excuses, the NBA's responses also incorporated denial strategy. Denial strategy is evident in Silver's statement that "it is not the role of the NBA to adjudicate people's different viewpoints around the worlds" (NBA, 2019a). This corresponds to a defensive stance that aims to shift the blame from the NBA to cultural and political differences between the U.S. and China as countries.

It is worth noting that the NBA balanced its defensive stance by combining strategies involving defense, justification, corrections, and reminders. For example, in both the October 8 statement and the October 17 interview, Silver underscored the NBA's involvement in deepening relations between





Table 3. The NBA's stances and crisis response strategies.

Phase	Date	Person	Type	Stance	Response strategy	Response	Examples	
Phase 1	October 6, 2019	Mike Bass (Chief communication officer)	Statement	Accommodation	Apology	Recognize Daryl Morey's twitter have "deeply offended Chinese friends and fans, which is regrettable."	"We recognize that the views expressed by Houston Rockets General Manager Daryl Morey have deeply offended many of our friends and fans in China, which is regrettable. “我们对休斯顿火箭队总经理达瑞尔-莫雷发表的不当言论感到极其失望。” (We are extremely disappointed by the inappropriate expressed by Houston Rockets General Manager Daryl)	
					Scapegoating	Emphasize that Daryl Morey's tweet does not represent the Rockets or the NBA.	"... Daryl has made it clear that his tweet does not represent the Rockets or the NBA ..."	
					Cooperation	A committee for bridging cultural divides and bringing people together.	"... hope that sports and the NBA can be used as a unifying force to bridge cultural divides and bring people together."	
Phase 2	October 8, 2019	Adam Silver (Chief executive)	Statement	Accommodation	Correction	Adopt spots as a unifying force that focuses on what we have in common rather than differences.	"... we believe sports can be a unifying force that focuses on what we have in common as human beings rather than our differences."	
					Bolstering	Underscore that the NBA have deepened the ties between USA and China.	"We have seen how basketball can be an important form of people-to-people exchange that deepens ties between the United States and China."	
				Advocacy	Excusing	USA and China have different cultural and political system and beliefs.	"At the same time, we recognize that our two countries have different political systems and beliefs."	
					Justification	Highlight the core value, principle of the NBA.	"Values of equality, respect and freedom of expression have long defined the NBA ..."	
					Denial	The NBA is not responsible for adjudicate people's different viewpoints around the worlds.	"It is not the role of the NBA to adjudicate those differences."	
	October 9, 2019 October 17, 2019		Interview	Advocacy	Justification	Highlight the core value and principle of the NBA.	"... the value of the NBA is to support freedom of expression ..."	
			Interview	Accommodation	Bolstering	Underscore that the NBA have deepened the ties between USA and China.	"We have made enormous progress in term of building cultural exchanges with the Chinese people."	
					Correction	Adopt spots as a unifying force that focuses on what we have in common rather than differences.	"... it (sports) brings people together often the way governments don't ..."	
				Advocacy	Excusing	Elaborate the notion of "regrettable."	"The 'regrettable' notion was we upset our Chinese fans."	
					Justification	Highlight the core value and principle of the NBA.	"We wanted to make an absolutely clear statement that the values of the NBA, these American values – we are an American business – travel with us wherever we go."	

the U.S. and China in recent decades. Silver also expressed that the NBA would continue to adopt sports as a unifying force that focuses on commonality and bringing people together (NBA, 2019a). In sum, the analysis of the NBA's official statements showed that between October 6, 2019, and October 8, 2019, the stance of the organization changed from an accommodating to a defensive posture.

## The identification of political contingency factors

This section presents findings related to the third set of research questions, RQ 3.1, RQ 3.2, and RQ 3.3, which intend to explore the role of political factors in shaping the NBA's response and public perceptions. The analysis of three data sets (i.e., news media, digital publics, and the NBA's official responses) show the presence of two micro-level political contingency factors identified as geopolitics and international politics as well as political values.

### *Geopolitics and international politics*

Most discourses around the scansis refers to the political contingency factor, we named, "geopolitics and international politics." The analysis indicates that 64% of American newspapers agreed that the geopolitics between mainland China and Hong Kong dragged the NBA into a scansis. Although geopolitics is a central factor in both Hong Kong newspapers and social media in China, the two rhetorical arenas discussed geopolitics differently. For example, while 12% of Hong Kong newspapers considered Morey's tweet supporting Hong Kong as a gesture that was pro-freedom, social media users from China perceived the tweet as advocating the Hong Kong independence movement.

In addition, international politics also included references to different political debates and issues between the U.S. and China. In the news media arenas, 7.2% of newspapers addressed the context of the NBA-China crisis by referencing the increasingly tense international relations between the U.S. and China. In fact, some newspapers discussed the widening split between the U.S. and China regarding trade wars, national security, human rights, and so on (Ip, 2019; Victor, 2019). Both *The Wall Street Journal* and the *Hong Kong Economic Times* covered the crisis as symbolizing that the two economic superpowers (i.e., the U.S. and China) are drifting toward a new Cold War (Pan, 2019). Others addressed the long-standing debate regarding human rights in China. For example, *The Wall Street Journal* suggested abandoning any collaboration with China due to human rights issues: "A company (the NBA) that takes a progressive stance on transgender bathrooms but acquiesces to a totalitarian regime that denies its 1.4 billion citizens fundamental human rights either has a twisted worldview or the backbone of a jellyfish" (Zillgitt, 2019b).

### *Political values*

The second most important micro-level contingency factor was political values. The analysis revealed significant references to political values in all discussions across the different rhetorical arenas. News media arenas and social media arenas equally focused intensively on discussing organizational behaviors through the lenses of political values. Political value is understood as the expression of basic personal values in the domain of politics (Schwartz et al., 2010). It includes people's core values and whether they agree with prescriptions for society and government's functioning.

News articles focused on the conflict between political values can also be referred to as an "ideology conflict" between the U.S. and China; 22.4% of newspapers mentioned political values such as democracy (4.9%) and freedom (17.5%) when discussing the U.S., and American values were often contrasted with the authoritarian values of China (4%) or the Chinese government and politicians (7.2%). Some news articles attributed the NBA's critical situation in China to the incompatibility of the U.S. and Chinese political systems (Ip, 2019; Victor, 2019). Others discussed the tension between MNC's values and the host country's political values and criticized the NBA's crisis response. For

example, *USA Today* stated “pro-democracy supporters are disappointed the NBA didn’t offer stronger support for Morey and essentially kowtowed to communist and authoritarian China in the name of profit” (Zillgitt, 2019a).

While most news articles from the U.S. and Hong Kong discussed the protests in Hong Kong in relation to political values emphasizing freedom and democracy, newspapers from mainland China provided opposing interpretations that emphasized the political value of sovereignty. For example, *The New York Times* referred to comments made by the new owner of the Brooklyn Nets, Joe Tsai, who said that mainstream media in China and the majority of the Chinese public interpreted protests in Hong Kong as “separatist movement,” which is a matter of “territorial integrity of China” (Deb & Yuan, 2019). *Yangcheng Evening News* also underscored their opinion about freedom of speech: “Any opinions that challenge state sovereignty and social stability are not part of the freedom of speech” (Yangcheng Evening News, 2019).

As for the digital publics, the semantic network analysis of social media posts on Twitter and Weibo also shows the presence of wordings referring to contrasting political values. On Twitter, as demonstrated in Table 1, two opposite discourse clusters stand out from the semantic network. One cluster (Communities 7 and 9) advocated American identity that constituted top words including “values,” “freedom,” “democracy,” and “expression.” The other cluster (Community 1) on Twitter discussed communist values, which connected “communist” with “China” and “censor” with “Chinese government.” In the Weibo semantic network, illustrated in Table 2, freedom is also discussed. However, the Weibo cluster dealing with freedom involves words such as “谨言慎行” (speak and act cautiously) and “范畴” (domain) to emphasize the boundary of freedom of speech. Associated with freedom is a cluster around the keyword “主权” (sovereignty) in the Weibo semantic network. The sovereignty cluster includes words such as “挑战” (challenge), “稳定” (stability), and “分裂” (separation). In sum, the semantic network analysis indicates parallel yet different discussions of political values among the two digital rhetorical arenas. What these different clusters of words and their semantic relations tell us in a nutshell is that digital publics discussed the scansis in light of different political standards (communist vs. liberal values) and in terms of differences in democratic principles (freedom of speech vs. controlled freedom).

The reference to political values is also explicitly visible in the NBA’s justifications of its own manager’s voicing on the international political tensions between China and Hong Kong. The MNC referred to the consistency between corporate values and American political values to explain its public position toward the conflict and used political values as justification for moving toward a defensive stance. For example, when Adam Silver explicitly stated that “values of equality, respect and freedom of expression have long defined the NBA – and will continue to do so,” he essentially linked corporate values with American core political values. He further ascribed the values of the NBA to the American identity and emphasized that the NBA is an “American-based basketball league operating globally.” In the October 17 interview, he explained that “the values of the NBA, these American values – we are an American business – travel with us wherever we go,” justifying the NBA’s shifted stance using political values.

Besides advocating American values, Adam Silver also mentioned distinct political systems in the U.S. and China twice in his October 8 statement. He attributed the cause of the scansis is to the different political systems that have constructed different political viewpoints and beliefs in the people of these two countries. He adopted a denial strategy by claiming that “it is not the role of the NBA to adjudicate those differences” (NBA, 2019b).

## Discussion

### *Politicized and polarized multiple rhetorical arenas*

This analysis of the NBA–China crisis illustrates how organizations’ external environments have become increasingly politicized and how MNCs are today embedded in complex and conflicting geopolitics and international politics. As these findings have shown, the NBA was forced to

engage in the contested geopolitical issue after its employee addressed it. Furthermore, the NBA was forced to choose a side for the political issue as societies expect organizations to prove their social and political values by taking specific stances on matters of great importance. Therefore, the development of the NBA–China crisis indicates that it is hard for organizations not to be involved in discussions of political issues when the rest of society is heavily engaged in such discussions. In this regard, organizations should become involved more proactively in the initial phase of conflict management (Wilcox & Cameron, 2009) and better prepared to engage in social and political discussions.

This study case shows how MNCs are increasingly affected by and contextually involved in political environments characterized by politically divided stakeholders. As revealed by the findings, stakeholders' expectations of an organization's stance on geopolitical issues such as freedom of speech are highly polarized in the U.S. and China. The divergent political views evoke fierce emotional debate across multiple rhetorical arenas. Given that the world has become politically fragmented (Cerny & Prichard, 2017), MNCs are often caught in a dilemma when facing competing interests of multiple stakeholders from both host and home countries. In this case when the NBA tried to soothe the outrage of mainland China's key stakeholders, its accommodating stance and apparent apologetic response sparked outrage on the U.S. side. Since political viewpoints in the U.S. and China are polarized, no matter what stance the NBA took, it would have been perceived as morally offensive in either the host or the home arena. Therefore, after receiving backlash from both host and home stakeholders, the NBA made a clear change in its organization's stance, from accommodating to defensive, and highlighted freedom as its core value as an American company. In this regard, the NBA chose one side of the political divide, advocating its American core political values, and refused to apologize. In doing so, the NBA catered to its key stakeholders in its home country, since these share the organization's values and beliefs. This stance movement contrasts the normative stakeholder perspective in public relations literature suggesting to find a balance between all stakeholders with competing views.

## Two micro-level political contingency factors

This case analysis identified two micro-level political factors in the political environment – namely, geopolitics and international politics and political values – having played important roles in explaining both the changes in the NBA's stance and the divergent stakeholders' perceptions.

### *Geopolitics and international politics*

Geopolitics and international politics may turn into a transboundary crisis (Boin, 2009) for organizations; in this case, the conflict between Hong Kong and mainland China turned into a scansis for the NBA. Organizations operate in complex political environments and, therefore it is easier to get caught or get involved in difficult political situations. In the analyzed case, the MNC took a great risk in communicating its stance on a controversial political issue, such as supporting protesters in Hong Kong. By entering into turbulent political waters, the NBA exposed itself to a moral evaluation. While through voicing controversial political issues, NBA made a clear statement reinforcing its corporate identity and reputation by highlighting organizational commitment to implement values shared with Western democracies. It has also triggered a scansis, as its act of political advocacy violated the expectations of stakeholders with different viewpoints. As shown in the empirical data, while Daryl Morey considered the Hong Kong protest as a pro-democracy event, the news media in mainland China discussed the Hong Kong protest as a “separatist movement” and the digital public in China perceived the Hong Kong issue as a matter of China's “territorial integrity.”

## Political Values

The empirical analysis shows substantial differences in core political values among stakeholders across countries and subsequently presents a complex critical scenario to be managed by the NBA. Not only did polarized political values transform a corporate political advocacy initiative into a scansis for the MNC, but they also fueled negative stakeholder engagement and moral outrage from both the U.S. and Chinese sides due to their preexisting, contrasting political values. While the U.S. stakeholders expected the NBA to operate as an American company that supports democracy and freedom in Hong Kong, the Chinese stakeholders expected the NBA to stand aside from political issues, which are considered domestic and not business affairs.

Furthermore, the divide caused by divergent political values among stakeholders made it difficult for the MNC to meet the expectations from both sides of the debate when choosing the organization's stance and crisis response strategy. As demonstrated in the findings, the NBA's initial accommodating response aimed to soothe Chinese stakeholders but increased strife among American stakeholders. Then as a counter-response, the NBA's defensive response reiterating its American origins by carrying American values such as freedom of expression, resulted in alienating stakeholders in China, where sovereignty is a political value superior to freedom.

## Conclusions

This case study examined an MNC's corporate political advocacy and scrutinized the influence of political factors on public perceptions as well as the MNC's stance and response to the situation. More specifically, this study examined how an MNC's stance on a political issue triggered and exacerbated a scansis. This study also investigated how the MNC's stance and response during the scansis were perceived by key stakeholders in both home and host countries, largely characterized by moral outrage on both sides. More importantly, greater details were provided in this study about the ways that political factors were discursively embedded in communications by the public, media, and organization during the scansis.

Within the limit of a single case study, this research contributes to the management of public relations during international crisis communication in the following three ways. First, by drawing on existing research concerning corporate political advocacy, this study shows how corporate political advocacy initiatives (e.g., taking stances on political issues) reinforcing corporate values can turn into an MNC's scansis in the international setting. Second, this study applied rhetorical arena theory in an international setting and empirically validated the importance of a multivocal approach to study crisis situations. By showing that two stakeholder groups interpreted the crisis differently and often referred to contrasting perspectives in otherwise similar political factors, these findings unveil the complexity of managing politically divided public perceptions in an international setting. Third, this study advances contingency theory by underscoring the relevance of political environments in an international setting. The research on scansis in this study showed that geopolitics and international politics as well as political values can hamper moral outrage. This an important preliminary finding that suggests an important connection between morality and politics in corporate political advocacy, which deserves further research attention.

This study also offers practical implications to professionals having to manage international crises. These findings indicate the importance of planning in the proactive phase of conflict management (Wilcox & Cameron, 2009) since organizations and their environments are becoming increasingly polarized. An organization's political sensitivity and awareness significantly affect both the management of public relations during an international crisis and the planning of symbolic actions, such as advocating for specific causes or issues. Furthermore, in an increasingly politicized and polarized environment, any political stance an MNC takes should also be mindfully decided and remain consistent. An organization's stance must be determined by thoughtfully considering stakeholders' interpretations not only from its home country but also from any other country in which it operates.

More importantly, in a highly polarized political environment, MNCs are unlikely to satisfy all stakeholders. Hence, organizations must thoughtfully decide their political viewpoints, explicitly communicate these viewpoints to the public, and bring closer the stakeholders whose political values and beliefs are compatible with the organization's ones.

## Limitations and suggestions for future studies

Although this research offers valuable insights, some limitations must be noted here. First, this research is an exploratory study with one case study that examines the impact of political factors on organizational stances in a scansis situation. Hence, generalizations to other types of crises and contexts are not possible. Second, this study compares stakeholder opinions in different arenas as aggregated communicative expressions presented in each sub-arena without including other arenas or segmenting each stakeholder group in each arena. As stakeholder opinions are likely to vary across groups and countries, further examination of the political factors beyond the U.S. and China, and other than news media and digital publics, is warranted. Third, the digital opinions collected from social media are limited, as they may not adequately represent the general public's opinion both in the U.S. and in China. The connection between digital opinions and public opinions regarding organizational crises needs further investigation. Fourth, due to the main goals of the study, this study focused on the reactive phase of conflict management rather than the recovery stage. Future studies could also collect data from post-crisis periods to investigate possible long-term effects of political factors on an MNC's communications and reputation management.

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## Note

1. Both simple and traditional Chinese in the samples are translated by one of the authors.

## Disclosure statement

No potential conflict of interest was reported by the author(s).

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**Appendix A.** Full List of Sample Newspapers and Their Main Characteristics.

Country/ Regions	Newspaper	Main Characteristics
U.S.	<i>USA Today</i>	Highest readership in U.S. with 1.6 million circulations
	<i>The Wall Street Journal</i>	English-language international daily newspaper with a business focus
	<i>The New York Times</i>	Major American elite-oriented newspaper with 483,000 circulations
China	<i>People's Daily</i>	Official newspaper of the Central Committee of the Communist Party of China with 3 million nationwide circulations
	<i>Yangcheng Evening News</i>	One of the largest market-oriented newspapers at the local level with 1.88 million circulations
	<i>21<sup>st</sup> Century Business Herald</i>	One of the largest professional news media in business and finance with 750,000 circulations
Hong Kong	<i>Oriental Daily News</i>	Most popular entertainment-oriented newspaper in Hong Kong with 530,000 circulations
	<i>Hong Kong Economic Times</i>	Chinese-language newspaper with business and financial news in Hong Kong with 73,330 circulations
	<i>Ming Pao</i>	Elite-oriented newspaper in Hong Kong with 80,000 circulations

Appendix B. Coding Schema for Newspaper Articles.

Country/region by code	Journal by code	Main topic by code	Media tone by code	External macro contingency factors by code	Micro political contingency factors by code <sup>a</sup>	Organizational crisis response strategies by code
1.U.S.	1 = USA Today	1 = business/market	1 = neutral	1 = threat	1 = Authoritarian system	1 = attack
2.mainland China	2 = Wall Street Journal	2 = political tension between Hong Kong and mainland China	2 = positive	2 = industry environment	2 = Liberalism	2 = denial
3. Hong Kong	3 = New York Times	3 = international relations (e.g., USA and China relationship)	3 = negative	3 = political-socio-cultural environment	3 = Capitalism	3 = excuse
	4 = Yangcheng Evening News	4 = culture (e.g., cultural differences)		4 = external stakeholders characteristics	4 = Socialism	4 = justification
	5 = 21st Century Business Herald	5 = history		5 = issue complexity	5 = Democracy	5 = corrective actions
	6 = People's daily	6 = other topics		6 = other external factors	6 = Equality	6 = ingratiation
	7 = Oriental Daily News				7 = Freedom	7 = cooperation
	8 = Hong Kong Economic Times				8 = Collectivism	8. = full apology
	9 = Ming Pao				9 = Harmony	9 = N/A
					10 = Chinese national identity	
					11 = Hong Kong identity	
					12 = American national identity	
					13.territorial integrity	
					14. human rights	
					15. N/A	

<sup>a</sup>To be coded only if external macro factor is 3 or 5.