Taking a stand while abroad? Towards a theory of MNCs' sociopolitical activism in host countries

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Abstract

With multinational corporations (MNCs) increasingly taking public stances on sociopolitical issues such as immigration, LGBTQ+ rights, and racism, it is imperative that international business (IB) research keeps pace with normative societal debates. In this paper, we introduce the concept of corporate sociopolitical activism (SPA) to the IB literature and develop a theory on why MNCs consistently or inconsistently engage in SPA in response to the same issue in their home country and a host country. We theorize that institutional complexity at three levels of analysis – within a host country, between home and host countries, and beyond the home and host countries – shapes MNCs' decisions. This paper contributes to the IB literature by situating SPA as a new area within international nonmarket strategy research. In addition, we extend IB research on institutional complexity by theorizing how heterogeneity within a host country influences MNCs' behaviors. We also expand the focus of the literature on corporate SPA from domestic firms to MNCs. Overall, this paper represents a call to action for IB researchers to examine MNCs' responses to sociopolitical issues in an increasingly polarized world.

Keywords Sociopolitical activism · Organizational values · Institutional complexity · (In)consistency · International nonmarket strategy

Introduction

Following the murder of George Floyd by a police officer in Minneapolis, MN, in the summer of 2020, numerous multinational corporations (MNCs) such as Google and PricewaterhouseCoopers (PwC) made statements and financial commitments supporting racial justice and the Black Lives Matter (BLM) movement. Yet, though many of these MNCs also had business operations in Brazil, they remained largely silent about the murder of João Alberto Silveira Freitas, a Black male killed by security guards in Porto Alegre, Brazil in November 2020, and the ensuing protests across that country (NPR, 2020). Conversely, Google, PwC, and others have been signatories to recent collective business statements that take a stance against anti-LGBTQ+ bills and laws not only in the United States but also in countries such as Uganda (Open for Business, 2023).

These examples show that MNCs may be consistent or inconsistent when engaging in sociopolitical activism (SPA) to address the same sociopolitical issue across countries. We define SPA as a public demonstration of support for or opposition to a sociopolitical issue. While many sociopolitical issues are unique to a particular country, some issues (e.g., racism, LGBTQ+ rights, and climate change) are global in scope. This reality has led journalists and social movement activists to criticize MNCs for "systemic corporate hypocrisy" when they engage in corporate SPA on a sociopolitical issue in their home country, but do not respond similarly to the same issue in a host country (e.g., Geraghty, 2023). It has also led to a call for research on whether and why MNCs' responses to the same sociopolitical issue may vary across countries (Zhou, 2021). We respond to this call by posing the following research question:

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Why do multinational corporations that have already engaged in sociopolitical activism regarding a sociopolitical issue in their home country respond consistently or inconsistently to the same sociopolitical issue in a host country?

In this paper, we develop a theory of MNC (in)consistency in SPA that integrates perspectives on organizational values (e.g., Ambos, Kunisch, Leicht-Deobald, & Steinberg, 2019) and institutional complexity in international settings (e.g., Kostova & Beugelsdijk, 2021; Kostova & Zaheer, 1999). With regard to SPA, we define consistency as an actor's identical or similar response to the same sociopolitical issue across countries. For example, Coca-Cola committed $2.5 million to social justice organizations following Floyd's murder in the United States (Livingston, 2020). It also joined a collective corporate initiative to "combat structural racism" in Brazil following the murder of Silveira Freitas (Noticias Financieras, 2020). Coca-Cola was deemed "consistent" because it took a stance against racism in both countries.

Although SPA is related to traditional topics such as corporate social responsibility (CSR) and corporate political activity (CPA), scholars contend that it stands out as a distinctly *new* phenomenon for corporations (Nalick, Josefy, Zardkoohi, & Bierman, 2016; Sun et al., 2024). Reflecting broader changes in society, the economy, and the role of corporations in public life, large corporations like MNCs face increasing scrutiny of their roles in sociopolitical issues and are expected by their consumers and employees to take public stands on these issues. Moreover, MNCs have an advantage when serving as agents of change in their host countries as they have an easier time breaking away from local institutional norms (Pinkse & Kolk, 2012; Siegel et al., 2019). Once MNCs have engaged in SPA in response to an issue in their home countries, they should be more likely to respond in an identical or similar manner to the same issue in a host country. Therefore, it is puzzling why they demonstrate inconsistency between their SPA at home and in host countries. While we recognize that several theoretical perspectives (e.g., resource dependence) may influence MNCs' SPA (in)consistency, we follow researchers who argue that when it comes to MNCs' response to sociopolitical issues, institutional factors often matter more than economic ones (e.g., Kolk & Levy, 2003; Yue et al., forthcoming). Thus, we use the institutional complexity framework to explain the (in)consistency in MNCs' SPA across countries.

Our baseline argument is that MNCs will engage in SPA in an identical or similar manner in a host country if they have done so in response to the same sociopolitical issue in their home country. This argument stems from our belief that when MNCs engage in sociopolitical issues, they are expressing their inherent values because such issues are often deeply rooted in their moral, ethical, and cultural beliefs and systems. We expect MNCs to behave consistently because values are relatively stable and those embedded in sociopolitical issues are often directly tied to MNCs' organizational identity and culture, shareholders' values, leadership beliefs, and even market positioning and differentiation.

Our baseline argument, however, hinges on the level of complexity in an MNC's institutional environment. Institutional complexity refers to the challenges that arise when MNCs operate across multiple countries, each with its own set of cultural norms and political environments (Kostova & Zaheer, 1999). We argue that institutional complexity may moderate MNCs' consistency in engaging in SPA at three levels of analysis. *Within a host country*, the level of consensus on a sociopolitical issue among local citizens or between them and the host government can reinforce or reduce an MNC's tendency to engage in the same or a similar response to that issue in the host country. *Between the home country and a host country*, there is often an institutional distance, meaning that what is perceived as legitimate or legal in the home country may be perceived as illegitimate or illegal in a host country (Kostova et al., 2020). We assume that when there is more institutional distance between the countries, then an MNC is less likely to engage in the same or a similar response to a sociopolitical issue in the host country. Additionally, we argue that MNCs consider the stances of institutional actors *beyond the home and host countries.* Specifically, other countries in MNCs' operational networks as well as intergovernmental organizations (IGOs) and international nongovernmental organizations (INGOs) often adopt stances regarding sociopolitical issues and can shape MNCs' SPA (Pinkse & Kolk, 2012).

This paper makes the following contributions to the academic literature. First, we situate SPA as a new, complementary area of nonmarket strategy in the international business (IB) literature, one relative to CSR and CPA. Indeed, this paper represents one of the first attempts in the IB literature to explicitly theorize MNCs' engagement in activism. Thus far, the IB field has generally focused on MNCs as targets, rather than initiators, of activism (Sun et al., 2021). Second, we extend IB research on institutional complexity within host countries. Specifically, we theorize how the potential misalignment between regulatory and normative institutions influences MNCs' (in)consistency in SPA. Third, we show the usefulness of adopting the institutional complexity framework in IB research to expand the SPA literature from its focus on domestic firms to MNCs.

Overall, our theoretical framework aims at defining the fundamental influential forces behind MNCs' SPA (in)consistency and delineating basic relationships so that future empirical research can develop more testable hypotheses on this important phenomenon. The remainder of the paper is organized as follows. First, we provide an overview of the literature on corporate engagement in SPA. Then, we develop our theory and propositions. To conclude, we

Table 1 Comparison of SPA, CSR, and CPA

	SPA	CSR	CPA
Definition	Public demonstration of support for or opposition to a sociopolitical issue (Nalick et al., 2016)	Corporate actions that go beyond obeying the law and result in social goods or benefits for one or more stakeholder groups (McWilliams & Siegel, 2001)	Attempts to influence political outcomes in ways that are favorable to the corporation (Hillman & Hitt, 1999)
Source of Controversy	Different moralities, values, and principles that guide people's vision regarding how the world should operate	Mostly uncontroversial as corporations often perceived as "doing good"; controversy may stem from tensions in the business vs. normative case for social initiatives	Covert action for corporate self-interest at the expense of other stakeholders
Target(s) of Influence	Multiple stakeholders (e.g., consumers, employees, governments)	Multiple stakeholders (e.g., consumers, employees, governments)	Governments
Visibility	High	High	Low to medium

discuss the theoretical implications of this research as well as future research directions.

Corporate engagement in SPA

The concept of corporate SPA

Corporate engagement in SPA stems from the prevalence of sociopolitical issues within and across countries. As Nalick and colleagues (2016: 386) write, "sociopolitical issues are salient unresolved social matters on which societal and institutional opinion is split, thus potentially engendering acrimonious debate across groups." Sociopolitical issues involve moral values that prompt strong emotional sentiments in individuals and organizations. Stakeholders often form competing coalitions labeled as being "for" or "against" a sociopolitical issue. Immigration, gun control, and LGBTQ+ rights are examples of sociopolitical issues that politicians, NGOs, and other stakeholders continue to debate. We note that the salience of a sociopolitical issue and the level of divisiveness it causes can shift over time (Clark et al., 2017). Thus, our focus is on *current* sociopolitical issues that exist in both host and home countries.

Sociopolitical issues can be geographically bound within a country (e.g., the debate on abortion rights in the United States) or span national borders (e.g., the Russia–Ukraine war). Some issues, like climate change, are global in nature. Others, like racism, are a global problem that societies continuously seek to address, as evidenced by the global Black Lives Matter protests in 2020 and the subsequent passage of legislation to reduce racial inequities on a global level (OHCHR, 2022). Additionally, governments across the globe continue to pass laws advocating for or restricting rights of individuals who identify as members of the LGBTQ+ community (Konotey-Ahulu, 2023).[1] These types of sociopolitical issues increase MNCs' SPA, since MNCs must confront these issues not only in their home country, but across their global portfolio of operations.

Corporate SPA may entail making rhetorical statements as well as engaging in behaviors that represent a corporation's stance on a sociopolitical issue (Nalick et al., 2016). Behaviors include financial donations that support a sociopolitical issue, divestiture from countries experiencing a controversial violent conflict, a revision of internal hiring practices to express support for a cause, and the removal of controversial products from the corporate product portfolio (e.g., Bhagwat et al., 2020). In addition, MNCs can engage in SPA of their own accord or as part of a collective effort.

SPA, CSR, and CPA

SPA is often compared to corporate social responsibility (CSR) and corporate political activity (CPA). We summarize the major differences between these concepts in Table 1.

SPA differs from CSR in its level and sources of tension. CSR entails corporate actions that contribute to the well-being of communities or society (McWilliams & Siegel, 2001). It is generally uncontroversial. When CSR is controversial and contested by certain stakeholder groups (e.g., shareholders), this is usually due to the difficulty of reconciling the business and normative case. As Margolis and Walsh (2003: 272) note, "[when] companies engage

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[1] While we refer to the LGBTQ+ community as a whole for the sake of simplicity, we acknowledge and recognize that there are distinct sub-categories and laws pertaining to individual groups (e.g., many countries have separate and specific laws for individuals who identify as transgender). Nonetheless, we write about the LGBTQ+ community collectively, as MNCs often refer to this community in a collective manner (Open for Business, 2023).

in social initiatives, the first concern is that managers will misappropriate corporate resources by diverting them from their rightful claimants, whether these be the firm's owners or, sometimes, employees." However, with SPA, the controversy is often solely normative and caused by the different moralities, values, and principles that guide a particular vision of how the world should operate. When comparing SPA and CSR, two issues are worth noting: first, the perception of corporate responses to a sociopolitical issue can evolve from SPA to CSR within a country; second, a corporation's response to an issue can be considered CSR in one country, but SPA in another, depending on the level of the issue's normative acceptance in each location. Our paper focuses on corporate responses that would be considered SPA in the home and host countries at the same moment in time.

Corporate SPA also differs from CPA in two ways. First, CPA focuses on influencing a government's way of making decisions or changing its policies in order to create a favorable business environment in both domestic and international settings (Hillman & Hitt, 1999). Whereas corporate SPA too can focus on governments, it is not limited to this stakeholder. Second, CPA is often covert, or concealed from the public eye (Jia et al., 2023). Stakeholders criticize covert CPA because they view it as corporations' attempt to subvert the standard political process or obtain favorable regulations or policies at the expense of other social groups (Minefee et al., 2021). By contrast, corporate SPA is intentionally visible, as corporations desire to signal to stakeholders where they stand on a sociopolitical issue and influence public opinion.

Research on corporate SPA

To date, research on corporate SPA has looked predominantly at its antecedents and consequences in domestic contexts. We highlight key studies in this line of research in Table 2. Antecedents of corporate SPA include employees' and consumers' pressures, top executives' and middle managers' political ideologies, and competitors' stances on a sociopolitical issue (e.g., Foss & Klein, 2023; McKean & King, 2024; Mohliver et al., 2023). Conversely, the consequences include (financial) support or backlash from stakeholders, such as investors, employees, customers, and local governments (e.g., Bhagwat et al., 2020; Burbano, 2021; Yue et al., 2024). We note that most of the empirical research on corporate SPA is conducted in the US context and centers primarily on issues such as racism and LGBTQ+ rights.

Some empirical IB research alludes implicitly to MNCs' engagement in SPA in host countries. MNCs' decision to divest from countries such as Russia given the country's ongoing war with Ukraine or Myanmar during a period of governmental repression of local citizens are particularly good examples of SPA (e.g., Meyer & Thein, 2014; Thams & Dau, 2023). MNCs take a sociopolitical stance when they end business operations in locations like these. IB scholars have also argued that MNCs are in a unique position to leverage their "foreignness" when advocating for change in host countries (Pinkse & Kolk, 2012). For example, by hiring women in South Korea – a controversial decision in that context – MNCs "exploited the social divide" and developed competitive advantages over domestic corporations (Siegel et al., 2019).

We add to this line of research by developing theory on MNCs' (in)consistency in SPA across countries. Previous SPA research has focused solely on domestic corporations' actions, but ignored how MNCs behave when confronting the same sociopolitical issue in their host countries. Previous IB research, in turn, has noted MNCs' advantages when serving as agents of change in host countries, but has been unable to explain why they refrain from engaging in an SPA issue in a host country after having already responded to that same issue in their home country. We thus need a theoretical framework regarding the (in)consistency of MNCs' SPA between home and host countries. In the following section, we accomplish this by integrating perspectives on consistency in values and institutional complexity to explain our phenomenon of interest.

MNCS' values and consistency in SPA

As SPA involves advocating for or opposing social and political change, it is inevitably tied to the values and principles that guide people's vision of how the world should operate. Political values provide a set of justifications for what can be perceived as just, equitable, and desirable in a society (Jost et al., 2009). They inform opinion on how policies should be designed and implemented and how power should be distributed and exercised. They thus affect people's stance on various sociopolitical issues.

Like individuals, corporations have been shown to embrace core principles and beliefs that guide their behaviors. Some corporations are extremely liberal-leaning or conservative-leaning (and often employ individuals whose values align accordingly), while others fall towards the middle of the spectrum (Gupta et al., 2017). Much like an individual's political values, which are stable and enduring (Jost et al., 2009), corporate values tend to be consistent. Values serve as the foundation of an organization's culture. Once established, they become deeply ingrained in all aspects of the organization. Internally, a corporation's political values can sustain it through the attraction-selection-attrition (ASA) model (Schneider et al., 2000). Corporations with clear, strong, and appealing values are

Table 2 Exemplary research on corporate SPA

Geographic Scope	Category	Paper	Article type	Sociopolitical issue(s) addressed	Key insights
Domestic	*Antecedents*	Nalick et al. (2016), Corporate sociopolitical involvement: A reflection of whose preferences?, *AMP*.*	Theoretical	Multiple	Stakeholders' pressures, corporations' desires for future benefits from stakeholders (e.g., legitimacy), and top executives' ideologies (e.g., values) are salient drivers of corporate SPA. Additionally, the institutional environment enables or constrains corporate SPA.
		Eilert & Cherup (2020), The activist company: Examining a company's pursuit of societal change through corporate activism using an institutional theoretical lens, *JPPM*.	Theoretical	Multiple	Corporations with a high relational or collective identity orientation are more likely to engage in SPA than are corporations with an individualistic orientation.
		Foss & Klein (2023), Why do companies go woke?, *AMP*.	Theoretical	Multiple	Middle managers' (e.g., Human Resource directors) ideologies and desires to increase their status and/or job security can lead to corporate SPA.
		Mohliver et al. (2023), Corporate social counterpositioning: How attributes of social issues influence competitive response, *SMJ*.	Theoretical	Multiple	Corporate SPA stems from "counterpositioning," or corporate alignment with consumers whose values on a sociopolitical issue differ from those of industry competitors. The intent behind SPA is to obtain financial benefits (e.g., profits, market share).
		Maks-Solomon & Drewry (2021), Why do corporations engage in LGBT rights activism? LGBT Employee groups as internal pressure groups, *BP*.	Empirical (Quantitative)	LGBTQ+ rights	The presence of an internal LGBT employee resource group is positively associated with a corporation's public support of LGBT rights.
		Edmonds et al. (2022), "They do not represent our gym": How CrossFit affiliates define community as they respond to racial controversy, *SSJ*.	Empirical (Qualitative)	Racism	Organizational affiliates of CrossFit, a corporation in the fitness industry, de-affiliated from the brand following the founder's perceived insensitive and racist remarks about George Floyd's death. These de-affiliations stemmed primarily from the misalignment of values between owners of the gyms and the founder.
		Purtell & Kang (2022), The corporate social responsibility of Fortune 500 companies to Black Lives Matter: Strategic responses on Instagram, *CR*.	Empirical (Qualitative)	Racism	Motives for corporate responses to the 2020 BLM protests included the desire to mitigate risks associated with remaining silent, the desire to connect with employees (especially Black employees), and the desire to highlight the organization's values.

Table 2 (continued)

Geographic Scope	Category	Paper	Article type	Sociopolitical issue(s) addressed	Key insights
		Hurst (2023), Countervailing claims: Pro-diversity responses to stigma by association following the Unite the Right rally, *ASQ*.	Empirical (Quantitative)	Racism	Following a white supremacy rally in the city, employers in Charlottesville, VA, were more likely to make pro-diversity statements in job advertisements to remove a "guilty by association" stigma.
		Kotiloglu & McDonald (2023), Is LGBT inclusion motivated by organizational performance? Exploring the relationships between performance feedback and LGBT inclusion in firms, *SO*.	Empirical (Quantitative)	LGBTQ+ rights	Financial performance below a corporation's aspirations (i.e., relative to industry peers) leads to a decrease in a corporation's enactment of LGBTQ inclusion initiatives.
		McKean & King (2024), When ideologies align: Progressive corporate activism and within-firm ideological alignment, *SMJ*.	Empirical (Quantitative)	Multiple	Corporate SPA stems from the alignment between a top management team's values and employees' values.
	Consequences	Logan (2016), The Starbucks Race Together Initiative: Analyzing a public relations campaign with critical race theory, *PRI*.	Empirical (Qualitative)	Racism	Starbucks created the Race Together initiative to promote dialogue on race between baristas and customers. This initiative prompted a primarily negative response from Twitter users.
		Ciszek & Logan (2018), Challenging the dialogic promise: how Ben & Jerry's support for Black Lives Matter fosters dissensus on social media, *JPRR*.	Empirical (Qualitative)	Racism	Ben & Jerry's announced support for the BLM movement on its Facebook page. This support resulted in a primarily negative response from social media users.
		Bhagwat et al. (2020), Corporate sociopolitical activism and firm value, *JM*.	Empirical (Quantitative)	Multiple	On average, investors react negatively to corporate SPA. This negative reaction is stronger when SPA deviates from the values of the corporation's customers, employees, and legislators based in its home state. Furthermore, the negative reaction is stronger when the CEO announces the SPA and a corporation engages in behavioral action (relative to making a rhetorical statement). Conversely, the negative reaction is weakened when SPA is tied to business interests and it is part of a collective corporate effort.
		Hossain et al. (2020), Do LGBT workplace diversity policies create value for firms?, *JBE*.	Empirical (Quantitative)	LGBTQ+ rights	Corporations that have implemented more LGBTQ-friendly policies are more likely to be innovative as well as financially perform better than their peers.

Table 2 (continued)

Geographic Scope	Category	Paper	Article type	Sociopolitical issue(s) addressed	Key insights
		Burbano (2021), The demotivating effects of communicating a social-political stance: Field experimental evidence from an online labor market platform, *MS*.	Empirical (Quantitative)	LGBTQ+ rights	Results from a field experiment show that 'gig' (e.g., virtual) employees who did not support gender-neutral bathrooms were demotivated to work upon learning that their employers supported gender-neutral bathrooms in the workplace.
		Villagra et al. (2021), Firm value impact of corporate activism: Facebook and the stop hate for profit campaign, *JBR*.	Empirical (Quantitative)	Racism	In the midst of the 2020 BLM protests, corporate advertisers boycotted Facebook following the corporation's decision not to remove violent and racist content from its platform. Corporate advertisers did not receive a positive or negative reaction from investors.
		Zhou (2021), Communicating corporate LGBTQ advocacy: A computational comparison of the global CSR discourse, *PRR*.**	Empirical (Quantitative)	LGBTQ+ rights	Corporations headquartered in more democratic countries (relative to autocratic countries) are more likely to communicate their support for LGBTQ rights.
		Parshakov et al. (2023), Do LGBTQ-supportive corporate policies affect consumer behavior? Evidence from the video game industry, *JBE*.	Empirical (Quantitative)	LGBTQ+ rights	Following a video game developer's announcement that one of its characters was gay, consumers were less likely to choose that character while playing. This effect was short-lived (i.e., only lasting 3 months).
		Pasirayi et al. (2023), #Activism: Investor reactions to corporate sociopolitical activism, *BS*.	Empirical (Quantitative)	Multiple	On average, investors react negatively to corporate SPA. This negative reaction is weakened when SPA aligns with a corporation's core values.
		Pajuste et al. (2024), Boardroom racial diversity: Evidence from the Black Lives Matter protests, *CGIR*.	Empirical (Quantitative)	Racism	During the 2020 BLM protests, investors responded positively to corporations with higher percentages of Black representation on their boards of directors. One year after the protests, approximately 10% of S&P 500 corporations had added a Black director to their board.
International	Antecedents	Kolk & Levy (2003), Multinationals and global climate change: Issue for the automotive and oil industries, *RGSM*.	Empirical (Qualitative)	Climate change	American and European MNCs' responses to climate change are influenced by a combination of home country, issue-specific, firm-specific, and industry-specific factors. Corporate responses have shifted and converged over time.

Table 2 (continued)

Geographic Scope	Category	Paper	Article type	Sociopolitical issue(s) addressed	Key insights
		Pinkse and Kolk (2012), Multinational enterprises and climate change: Exploring institutional failures and embeddedness, *JIBS*.	Perspective piece	Climate change	MNCs' responses to climate change stem from MNCs' embeddedness in their home country, the host countries they operate in, and supranational institutional environments.
		Meyer and Thein (2014), Business under adverse home-country institutions: The case of international sanctions against Myanmar, *JWB*.	Empirical (Qualitative)	Violent conflict	Pressures from institutional actors (e.g., NGOs, home governments, multilateral institutions) and concerns about reputational damage led MNCs to divest from or engage in "low-profile" strategies in Myanmar (Burma) during a violent conflict.
		Soule et al. (2014), The diffusion of divestment from Burma, *SMJ*.	Empirical (Quantitative)	Violent conflict	Protests in an MNC's home country led MNCs to divest from Myanmar (Burma) during a violent conflict.
		Thams and Dau (2023), Do liberal and conservative-leaning CEOs approach de-internationalization differently? Zooming in on the onset of the 2022 Russia/Ukraine crisis, *JWB*.	Empirical (Quantitative)	Violent conflict	MNCs led by liberal-leaning CEOs were more likely to divest from Russia during the country's war with Ukraine.
		Yue et al. (2024), Corporate endorsement of controversial nationalist movement: Influences of divergent customers and consequences, *JOM*.	Empirical (Quantitative)	Nationalism	Domestic customers and foreign customers from antagonistic countries exert opposing influences.
	Consequences	Stevens et al. (2016), Toward a legitimacy-based view of political risk: The case of Google and Yahoo in China, *SMJ*.	Empirical (Qualitative)	Internet censorship	Google publicly confronted the Chinese government regarding Internet censorship, resulting in a loss of legitimacy among stakeholders in China and the United States.
		Lubinski & Wadhwani (2019), Geopolitical jockeying: Economic nationalism and multinational strategy in historical perspective, *SMJ*.	Empirical (Qualitative - Historical)	Colonialism	German MNCs leveraged nationalistic (e.g., anti-colonial) sentiment in India to establish competitive advantages relative to British MNCs.
		Siegel et al. (2019), Multinational firms, labor market discrimination, and the capture of outsider's advantage by exploiting the social divide, *ASQ*.	Empirical (Quantitative)	Gender discrimination	MNCs' controversial decision to hire women in South Korea led to the development of competitive advantages over domestic corporations.
		Luiz and Spicer (2021), Global configurations in multinational enterprises, duality, and the challenge of LGBT inclusivity in unsympathetic host countries within Africa, *IJHRM*.	Empirical (Qualitative)	LGBTQ+ rights	MNCs headquartered in LGBT-friendly countries faced legitimacy and reputational concerns in LGBT-unfriendly countries in Africa when the MNCs appeared as supportive of LGBT policies.

Table 2 (continued)

Geographic Scope	Category	Paper	Article type	Sociopolitical issue(s) addressed	Key insights
		Fong & Kim (2023), Consumer rewarding mechanism in global corporate activism: An experiment using the Russia–Ukraine war, *PRR*.	Empirical (Quantitative)	Violent conflict	An experimental analysis finds that in the midst of the Russia–Ukraine war, consumers are more likely to purchase products from MNCs that divested from Russia (a) before their peers did and (b) in a complete manner.
		Yue et al. (2024), Corporate endorsement of controversial nationalist movement: Influences of divergent customers and consequences, *JOM*.***	Empirical (Quantitative)	Nationalism	Firms' endorsement of the home-country government in an international controversy results in higher short-term returns in stock prices and domestic sales.

*AMP Academy of Management Perspectives, *ASQ* Administrative Science Quarterly, *BS* Business & Society, *CR* Communication Reports, *CGIR* Corporate Governance An International Review, *IJHRM* International Journal of Human Resource Management, *JIBS* Journal of International Business Studies, *JBE* Journal of Business Ethics, *JBR* Journal of Business Research, *JOM* Journal of Management, *JPPM* Journal of Public Policy & Marketing, *JPRR* Journal of Public Relations Research, *JWB* Journal of World Business, *MS* Management Science, *PS* Politics & Society, *PRI* Public Relations Inquiry, *PRR* Public Relations Review, *RGSM* Research in Global Strategic Management, *SSJ* Sociology of Sport Journal, *SMJ* Strategic Management Journal, *SO* Strategic Organization.

**Denotes that the author discussed MNCs' engagement in SPA, but did not mention whether an MNC's SPA occurred in a cross-border setting. Hence, we consider this a domestic study.

***Denotes that this paper examines both antecedents and consequences of SPA.

Full references are available on request from the authors

more likely to attract and retain employees—in both home and host countries—whose personal values align with their own. Moreover, regular training and development initiatives often revolve around organizational values, ensuring that they are consistently communicated and understood across the organization. Since MNCs operate in a variety of cultural contexts, consistent values provide a common ground for their employees, in whom they generate a sense of unity and shared purpose (Nohria & Ghoshal, 1994).

Externally, a corporation's political values contribute to its brand identity, influencing how it is perceived by customers, clients, and the public. Political values can thus be used to differentiate corporations in the market (Mohliver et al., 2023). Consistency of values is crucial to maintaining brand integrity and customer trust. MNCs that operate across national boundaries may thus be especially motivated to achieve such consistency as in a world of global media and communication, inconsistencies can be quickly broadcast and amplified, potentially damaging a corporation's reputation not only in one market, but across all markets.

Building on this logic of internal and external influences, we argue that MNCs that engage in SPA in response to a sociopolitical issue in their home country are more likely to respond in an identical or similar manner to that same sociopolitical issue in a host country. We assume that, with a few rare exceptions (Kolk & Levy, 2003), subsidiaries will align with an MNC's headquarters on SPA directed at a sociopolitical issue. Indeed, MNCs actively adopt strategies such as supervision design (Zhou, 2015), personnel appointment (Michailova et al., 2016), and socialization processes (Ambos et al., 2019) to enhance value alignment between headquarters and subsidiaries. Tangible evidence of headquarters–subsidiary alignment is apparent across a number of MNCs and sociopolitical issues, including Amazon and American Express' support of the Black Lives Matter movement in the United States and the subsequent signing of the Race at Work charter to combat racism in the United Kingdom in 2020 (Business in the Community, 2024). We formally express our proposition as follows:

P1: Multinational corporations that engage in sociopolitical activism in response to a sociopolitical issue in their home country are more likely to respond in an identical or similar manner to the same sociopolitical issue in a host country.

MNCS and institutional complexity

Despite this baseline argument, there are instances in which MNCs behave inconsistently when confronting the same sociopolitical issue in a host country. We thus turn to the IB literature on institutional complexity to develop our theory of MNCs' SPA (in)consistency. IB researchers have long noted that MNCs confront a multitude of different and possibly conflicting institutional pressures. The complexity of their institutional environments derives from two sources: (1) their "institutional environments are fragmented and composed of different domains reflecting different types of institutions" (Kostova & Zaheer, 1999: 67), and (2) their global "meta-environment" extends to multiple countries with disparate institutional environments. With regard to the type of institution, an institutional environment rests on regulatory, normative, and cognitive "pillars" that govern business operations within a country (Scott, 1995). The regulatory pillar determines the policies and regulations that affect individual and organizational behaviors. The normative pillar pertains to the norms, values, and cultures that shape behavior. Finally, the cognitive pillar refers to the taken-for-granted assumptions within an environment.

IB research on MNCs' institutional complexity has focused predominantly on inter-home-host country complexity under the umbrella of "institutional distance" (see Kostova et al., 2020 for a review). This concept encompasses the differences between countries' regulatory, cognitive, and normative institutions. It affects a plethora of MNCs' nonmarket behaviors, including the implementation of social initiatives in host countries as well as MNCs' interactions with stakeholders such as governments and NGOs (Sun et al., 2021). Research concludes that the greater the "distance" between two institutional environments, the greater the liability of foreignness experienced by MNCs (Eden & Miller, 2004). Hence, scholars expect that MNCs will conform to local norms and abide by local regulations to reduce their liability of foreignness and increase their legitimacy in a host country.

Besides examining the institutional complexity between the home and host country, some recent IB studies have looked at institutional complexity within a host country. This diverges from most IB research, which typically regards host country institutions as relatively homogenous. However, actors associated with a particular type of institution may vary in their values. For example, national and subnational governments may disagree on the implementation of policies (Yue & Wang, 2024; Yue et al., 2019). Moreover, IB scholars note that citizens in a host country may differ in their values (Beugelsdijk et al., 2019; Kostova & Beugelsdijk, 2021). These types of misalignments affect MNCs' behaviors and ability to attain or maintain legitimacy in the host country.

Finally, institutional complexity also exists beyond an MNC's home country and the host country where a given issue is taking place. Marano and Kostova (2016), for example, have found that the institutions within an MNC's entire portfolio of host-country operations can influence its nonmarket strategy behaviors. Supranational organizations such

as IGOs and INGOs are also important institutional forces that can promote sociopolitical objectives on a global scale (Teegen et al., 2004). Since both can collaborate with MNCs and modify their behaviors (Liu & Heugens, 2024; Minefee & Bucheli, 2021), they can also affect MNCs' legitimacy outcomes.

Taken altogether, institutional complexity exists on three levels: within the host country, between the home and host countries, and beyond the home and host countries. Previous research concludes that institutional complexity at multiple levels is relevant to the examination of how MNCs respond to sociopolitical issues (Pinkse & Kolk, 2012). We therefore incorporate institutional complexity at the aforementioned levels to develop moderating propositions for the study of (in)consistency of MNCs' SPA.

Within host-country complexity

We begin developing our moderating propositions by examining institutional complexity within a host country. Specifically, we theorize how contestation among citizens or between them and a host-country government affects the consistency of MNCs' SPA. As MNCs will attempt to gauge the societal-level divisiveness caused by an SPA issue, we take all citizens into consideration and do not limit our focus to members of civil society such as NGOs, trade unions, and charitable or faith-based groups.

When MNCs take a stance on a highly contested issue in a host country, they enter a complex territory fraught with potential risks. Even if an MNC is heavily embedded in a host country, its liability of foreignness may suddenly increase due to changes in local stakeholders' perceptions (Zaheer, 2002). When it comes to SPA issues, what seems like a clear-cut stance in one country may carry different connotations and historical baggage in another. For example, in 2015, Coca-Cola faced backlash in Mexico for an ad showing young, fair-skinned people bringing Coke and a Christmas tree to an indigenous community. While the MNC meant to advocate for indigenous peoples' rights by calling for a reduction of "prejudice against those who speak indigenous languages in Mexico" (Wm. Moyer, 2015), it was criticized for perpetuating stereotypes and portraying a colonialist mindset. Sometimes a corporation's attempts at community engagement have different connotations for the different subcultures within a country (Theo et al., 2016).

Perceived insensitivity may be more apparent when there is a high level of contestation (i.e., low level of consensus) regarding a sociopolitical issue in a host country. Local citizens, especially those who do not support the MNC's stance, will view it as inappropriate or offensive. They may organize boycotts and protests, which will lead to a loss of market share. Homosexuality, for example, is still a contested issue in Poland, where only 47% of respondents expressed its

acceptance in a 2019 Pew Research Center survey (Poushter & Kent, 2020). Its contestation has intensified in recent years. A wave of homophobia, backed by a right-wing populist party and the hardline factions of the Catholic Church, has swept the country, portraying LGBTQ+ advocacy as a dangerous, alien ideology that threatens traditional Polish values (Hume, 2019). Citizens also supported the establishment of "LGBTQ-free zones" in approximately one-third of the country (Picheta & Kottasová, 2020). We note that many Western MNCs advocating for LGBTQ+ rights in their home countries have been silent on LGBTQ+ rights in Poland, due arguably to their fear that they might be perceived as illegitimate by a large percentage of the population (Omachel, 2020).[2]

A high level of contestation of a sociopolitical issue poses a high level of risk for an MNC. Sociopolitical issues evolve rapidly, and highly contested issues in a host country often have unforeseen consequences. If the side endorsed by an MNC ends up being unpopular, its engagement in SPA can damage its reputation and diminish its legitimacy. MNCs will thus weigh the benefits and costs of being perceived as legitimate and holding consistent values in a host country. Greater contestation of a sociopolitical issue by local citizens may make it more difficult for them to maintain legitimacy. Similarly, shareholders and investors may be concerned about a potential financial loss due to any of the aforementioned risks and thus put pressure on the MNC to avoid taking controversial stances. Together, these factors may reduce MNCs' willingness to be consistent in their SPA across home and host countries. We formalize our proposition as follows:

P2a: A high level of contestation of a sociopolitical issue among local citizens in the host country reduces the likelihood that a multinational corporation will respond to that issue in a manner similar or identical to the one it followed in the home country.

Even when the views of a host country's local citizens converge or are beginning to converge (i.e., the level of contestation is low), their views may differ from those of the host country's government. For example, during apartheid in the 1980s, the majority of South Africa's population (approximately 85%) disapproved of its government's policies on racial segregation (O'Malley, 2004). Throughout the

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[2] We searched Google and newspapers (via the NexisUni and Access World News platforms) for media mentions of well-known American MNCs that (a) have operations in Poland and (b) attained a perfect score of 100 on the Human Rights Campaign 'Equality Index' in 2024. We also searched these MNCs' websites for mentions of SPA in Poland. With few exceptions (e.g., IBM), most MNCs did not engage in any public support of LGBTQ+ rights in the country over the past 5 years.

world, we continue witnessing local protests against governmental policies on sociopolitical issues (e.g., Gyori, 2023). In such situations, MNCs must navigate the heterogeneity of these institutional actors' values.

Recent management research has shown that when the values of a corporation are misaligned with those of the government, political uncertainty increases as the corporation will not be able to control or predict how the government will respond to its decisions (Semadeni et al., 2022). One option in such a situation is for the corporation to maintain the status quo or simply avoid engaging in an endeavor that may result in backlash from the government. This concern may be even greater for MNCs since their liability of foreignness may increase if they become misaligned with the host country's government (Zaheer, 2002). However, we assume that when considering its response to a sociopolitical issue in a host country, an MNC will take the views of both the government and local citizens into consideration. We therefore posit that the (in)consistency of an MNC's SPA is contingent on the power of the host country's government (Mitchell et al., 1997a, b).

If the government is powerful and able to inflict harsh penalties on the MNC for taking a stance that is misaligned with its view, we expect that the MNC will avoid engaging in SPA (even if it has done so at home) in order to protect its legitimacy and social standing within the host-country government. A notable assumption here is that when the values of a civil society and its government are misaligned, the government, which has the authority to exercise force, usually holds a more powerful position. Disfavor can ultimately result in the MNC's expropriation or the loss of its license to operate in the country. In the 1960s, for example, MNCs such as Coca-Cola and PepsiCo adopted an anti-racist stance and supported the civil rights movement in the United States (e.g., Burress, 2015). Yet, during that same time period, these MNCs, among many others, responded with silence to the racism and segregation enacted by the South African government. They refused to challenge the apartheid system, partially due to fear of retaliation by the state (Seidman, 2003). In this historical example, we categorize the apartheid government as "powerful" because it had the authority and willingness to remove those MNCs that challenged it.

Conversely, a moderately strong government will not threaten to punish an MNC for engagement in SPA that is not aligned with the government's values. The MNC may thus opt to engage in SPA and maintain consistent corporate values across countries. In South Africa, for example, the apartheid government implemented reforms after the international community (e.g., media, other governments) criticized the police killing of a Black South African teenager in 1976 (Machaba, 2011). The government nonetheless maintained its belief that apartheid was appropriate. However,

the government's gradual shift in its hardline policies led MNCs to believe that they could begin improving working conditions for nonwhite employees without retaliation from the government (Sethi & Williams, 2000). Those MNCs that had responded to the civil rights movement in the United States were among early adopters of the Sullivan Principles in South Africa—a code of conduct aimed at addressing issues such as segregation in the workplace. This example suggests that MNCs will engage in SPA in response to the same issue in a host country if they anticipate that the legitimacy that they stand to lose among local citizens and the host country's government will be of a low level. Therefore, we propose that:

P2b: The high level of contestation of a sociopolitical issue between local citizens and a powerful government in the host country reduces the likelihood that a multinational corporation will respond to that issue in a manner similar or identical to the one it followed in the home country.

P2c: The high level of contestation of a sociopolitical issue between local citizens and a moderately strong government in the host country increases the likelihood that a multinational corporation will respond to that issue in a manner similar or identical to the one it followed in the home country.

Between home- and host-country complexity

Institutional distance between home and host countries can affect the (in)consistency of MNCs' SPA. Since we study the consistency of MNCs' engagement in the same sociopolitical issue across countries, we assume that these countries share a subset of similar sociopolitical problems. Therefore, we do not expect substantial differences in the cognitive awareness of these issues across countries. Consequently, our theorization of institutional distance focuses mainly on normative and regulatory differences.

Corporations engage in SPA to endorse a normative value pertaining to how the world should operate, or what can be perceived as right, desirable, and appropriate. When a value or practice upheld by an MNC's home-country clashes with the cultural norms of a host country, many MNCs that have already endorsed that value in their home country will be unlikely to endorse it in the host country. For example, gender roles and attitudes towards women in leadership vary significantly among cultures. Scandinavian countries, such as Norway, Sweden, and Denmark, are known for their progressive views on gender equality. However, MNCs from Scandinavian countries that support women in leadership roles in their own countries are less likely to do so in Japan—a country that upholds traditional gender roles (Kemper et al., 2019). Corporate silence on

a sociopolitical issue is likely to stem from the perceived illegitimacy associated with taking a stand on that issue. In these situations, we assume that the values of a host country's local citizens are relatively homogenous, but directly opposed to those of the MNC's values that stem from its home country.

Similarly, the regulatory distance between home and host countries places constraints on MNCs' SPA consistency. In order to operate in either the home or host country, MNCs need to adhere to laws and comply with government regulations. However, an MNC's engagement in SPA that is legal at home may violate a host country's laws and regulations. For example, BMW has been criticized for "pinkwashing" and supporting LGBTQ+ rights in Germany, the United States, and Canada, but remaining silent on this issue in Saudi Arabia and the Middle East in general (Bove, 2022). Likewise, though Google and Apple have supported gender equality in the United States, they have been criticized for maintaining the Absher app, which enables men to keep track of women's movements in Saudi Arabia. Critics argue that the maintenance of this app aligns with the host government's repression of women (Fox, 2019). In such situations, MNCs often worry about the legal consequences of misalignment with a host government despite the potential for backlash from stakeholders in their home countries (Luiz & Spicer, 2021).

The need for MNCs to take into account the institutional distance between home and host countries is clearly illustrated by Trent Henry, the Global Vice Chair of Talent at Ernst & Young, when he speaks about the MNC's SPA engagement in LGBTQ+ issues:

> We know that as a multinational organization, we need to be cognizant of the local legislation and social environments in which we operate, we can't simply set a global policy and walk away. We need to be consistently evaluating and tailoring our LGBT+ inclusion efforts and activating them based on the realities on the ground (Henry et al., 2019).

Both the normative and regulatory dimensions of institutional distance between home and host countries may create challenges for MNCs wishing to align their SPA engagements with social values across diverse cultures and legal frameworks. We propose that when there is a high level of institutional distance between home and host countries in these respects, MNCs are less likely to engage in SPA in the host country regardless of their behavior in the home country.

P3: The institutional distance between home and host countries regarding a specific sociopolitical issue in the host country reduces the likelihood that a multinational corporation will respond to that issue in a manner similar or identical to the one it followed in the home country.

Complexity beyond home and host countries

Operating in multiple countries exposes MNCs to a wide variety of policies and attitudes towards sociopolitical issues in host countries. For this reason, recent IB research on MNCs' institutional complexity has called for a comprehensive examination of the entire set of institutional forces that act on them in order to better capture the complexity of their cross-border activities (e.g., Pinkse & Kolk, 2012). Beyond home and host countries, an MNC generally faces three sources of complexity: other operational countries in the MNC's network, intergovernmental organizations (IGOs), and international NGOs (INGOs). Below, we discuss each of these sources and note how they may moderate MNCs' tendency to maintain consistency on SPA issues between home and host countries.

Other countries in the MNC's network

Marano and Kostova (2016) argue that the institutional influences on the environments of all the countries to which MNCs are linked through their portfolios of operation affect their institutional adoptions. They focus on MNCs' economic dependence on operational countries and find that the greater their dependence on countries with stringent CSR requirements, the likelier they are to adopt CSR practices. In an SPA setting, we similarly expect that MNCs will follow the stances of most countries in their portfolio of business operations so as to maintain legitimacy across the globe. However, as SPA issues tend to be "riskier" than CSR issues, we assume that economic dependence matters less for MNCs than does the sociopolitical risk of losing legitimacy in these countries (e.g., Kolk & Levy, 2003; Yue et al., 2024).

When they consider engaging in SPA in a host country, MNCs are likely to take into account other host countries' perspectives on the sociopolitical issue in that host country. For instance, the High Ambition Coalition to End Plastic Pollution (the HAC)—a coalition of about 50 countries, including France, Germany, and the United Kingdom—has called for global initiatives to clean up the environment. The coalition particularly seeks initiatives in island countries such as Seychelles, which experiences environmental degradation due to plastic waste washing ashore (HAC, 2023). Coca-Cola aligned with the goals of this coalition by donating $10 million in June 2024 to reduce plastic packaging waste in seven African island countries where its products are sold, including Seychelles (Coca-Cola, 2024). This donation parallels Coca-Cola's attempts to clean up the environment in the United States, where it has been actively

reducing plastic waste through initiatives such as its "Every Bottle Back" campaign. Although the United States has not joined this coalition, this example shows that if other operational countries in an MNC's network take a stance on a sociopolitical issue occurring in a focal host country, MNCs may align with the stance or values of those countries. In other words, the consistency of other operational countries' stance can strengthen the likelihood that MNCs will engage in SPA in the same or similar manner in a host country after previously responding to the same issue in their home country. We formalize our proposition as follows:

P4a: The consistent attitude that the majority of other countries in an MNC's network of global operations shows towards a sociopolitical issue in the host country increases the likelihood that a multinational corporation will respond to that issue in a manner similar or identical to the one it followed in the home country.

Intergovernmental organizations

IGOs are an important source of institutional norms at the supranational level. IGOs are associations of sovereign states established through international treaties or agreements. Prominent IGOs, such as the United Nations (UN), the European Union (EU), and the World Bank, play a crucial role in establishing norms and rules in the international community. The UN, for example, monitors and reports on human rights violations in member countries, advocating for the protection and promotion of human rights principles and international humanitarian law. The United Nations Framework Convention on Climate Change (UNFCCC) focuses on implementing the Paris Agreement, which aims to limit the rise of global temperatures. Similarly, the UN's developmental arm, the United Nations Development Program (UNDP), has worked with MNCs to align their business initiatives with its goals to promote gender equality (SDG 5) through investment in women's education and entrepreneurship in underdeveloped regions (UNDP, 2023).

IGOs can prompt MNCs to enact responsible corporate behaviors in the midst of global debates on sociopolitical issues. For example, the use of child labor (as a form of slavery) in MNCs' supply chains has been a hotly debated topic since the 1990s. After a scathing report media report regarding the use and exploitation of child labor in the Ivory Coast by MNCs in the chocolate industry (Blunt, 2000), the International Labor Organization – a branch of the UN – called for an end to this practice. This stance prompted the Hershey Company, which had adhered to child labor policies in the United States, to commit to ending its use of child labor on cocoa farms in the host country (International Labor Organization, 2001). Although the Hershey Company, like some other MNCs in the chocolate industry, continues to face challenges in adhering to these commitments, this example shows the power of IGOs in affecting MNCs' SPA. We thus propose that once IGOs have formulated a stance towards a sociopolitical issue in a host country, MNCs will tend to align with that stance, which, in turn, can significantly increase the consistency of MNCs' SPA behaviors across countries.

P4b: The stance that an intergovernmental organization takes towards a sociopolitical issue in the host country increases the likelihood that a multinational corporation will respond to that issue in a manner similar or identical to the one it followed in the home country.

International nongovernmental organizations

INGOs represent another institutional force that can play a crucial role in encouraging and facilitating consistent behavior by MNCs across countries (Minefee & Bucheli, 2021; Teegen et al., 2004). INGOs are non-state entities, usually nonprofit organizations, that aim at promoting social, environmental, humanitarian, cultural, or developmental objectives on a global scale. INGOs specializing in specific sociopolitical issues focus on raising public awareness of these issues and even advocate for uniform practices to address them. Examples of prominent INGOs are the Human Rights Watch, which aspires to push for and protect human rights worldwide, and Greenpeace, which is known for its advocacy campaigns and direct action on environmental issues. We expect that the pressure that INGOs put on MNCs regarding a sociopolitical issue in a host country will increase the consistency of the latter's SPA activities between home and host countries for two reasons.

First, INGOs can monitor the global operations of MNCs and systematically document and publicize their behaviors in various countries. INGOs can hold MNCs accountable for their actions and encourage them to maintain consistent standards. By mobilizing consumers to boycott, influencing investors and shareholders to divest, and lobbying governments to regulate, INGOs can exert pressure on MNCs to adhere consistently to their values. Greenpeace, for example, has initiated campaigns against MNCs with inconsistent environmental policies and practices across different countries. In a campaign against Lego, a Danish MNC in the toy industry, Greenpeace criticized it for partnering with Shell to drill for fossil fuel in the Alaskan Arctic (i.e., the United States), despite adopting renewable energy initiatives in its home country in the early 2010s (Vaughan, 2014). Greenpeace's campaign succeeded at garnering public attention and pressing Lego to end the partnership.
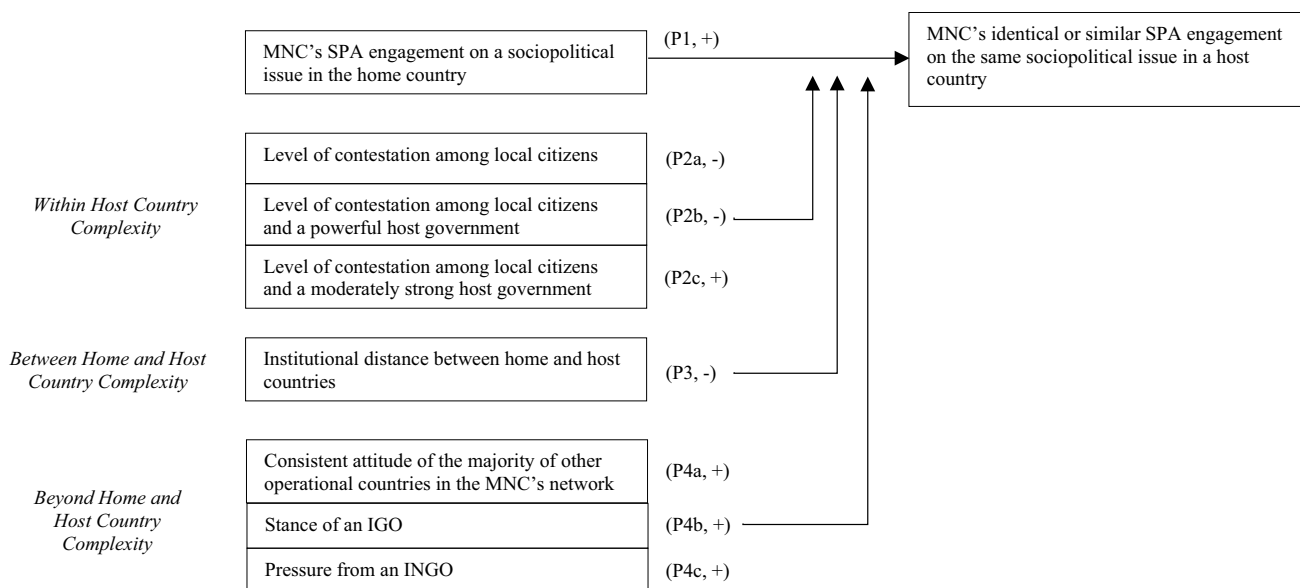
Fig. 1 Conceptual model

Second, INGOs can collaborate with MNCs and help them engage in SPA that aligns with their values on the global scale. INGOs often possess knowledge of a domain and can thus guide MNCs on how to engage in SPA in a host country. Some INGOs are willing to collaborate with MNCs on projects that conform to their standards as part of their effort to influence corporate policies and practices (Liu & Heugens, 2024). Through these partnerships, INGOs can provide resources and training to MNCs in areas affected by their SPA engagement. INGOs can facilitate dialogues between MNCs and a host country's stakeholders, including local citizens and the government. These dialogues can help MNCs understand the impact of their actions and the importance of maintaining consistent standards across their global operations. In addition, INGOs can facilitate knowledge exchange. By creating forums or platforms where best practices in SPA engagement are discussed and shared, they can help spread awareness of the benefits of consistent corporate behavior across different countries.

Worth noting is that divisions among INGOs are common and can reflect the diversity of perspectives on how to address a sociopolitical issue. Yet it is equally essential to recognize that though INGOs may advance opposing worldviews or approaches on certain issues, many find common ground and work together to address complex global challenges effectively. What we emphasize here is that the pressure placed by INGOs on MNCs – be it through monitoring or possible collaboration—can lead MNCs to act consistently. Collaboration and dialogue among INGOs can thus further increase the pressure on MNCs to act consistently on sociopolitical issues in the global context.

P4c: The pressure of international nongovernmental organizations regarding a sociopolitical issue in the host country increases the likelihood that a multinational corporation will respond to that issue in a manner similar or identical to the one it followed in the home country.

Discussion

Our paper aims to develop a theory explaining MNCs' SPA (in)consistency across home and host countries by integrating theoretical perspectives of value consistency and institutional complexity. We summarize our arguments in a framework depicted in Fig. 1. Specifically, we contend that institutional complexity within a host country, between home and host countries, and beyond the home and host countries moderates a baseline argument that MNCs will demonstrate consistency in their SPA due to their desire to express consistent organizational values across countries. In the remainder of this section, we highlight this study's contributions as well as opportunities for future research.

Contributions of this study

This paper contributes to the academic literature in the following ways. First, it explicitly calls for a focus on SPA as a third and complementary area of international nonmarket strategy, relative to CSR and CPA. Following others (Nalick et al., 2016; Sun et al., 2024), we believe that SPA captures not only the complex environments in which MNCs operate,

but also their responses to these environments. By focusing on SPA, we hope to encourage IB researchers interested in nonmarket strategy to examine understudied sociopolitical issues such as immigration, gender discrimination, racism, and LGBTQ+ rights. To date, most research on international nonmarket strategy on sociopolitical issues has focused on climate change or contexts in which MNCs opt to divest due to perceived human rights violations (Sun et al., 2021). Though extremely significant, these issues only represent some of the challenges confronted by MNCs when they operate in host countries (e.g., Fitzsimmons et al., 2023). Greater focus on SPA and other relevant issues would thus expand the scope of international nonmarket strategy research. Similarly, it would shift IB's focus on MNCs as targets to MNCs as initiators of activism.

Second, we extend IB research on institutional complexity. Over the past thirty years, IB research has focused predominantly on the institutional complexity between home and host countries under the concept of "institutional distance" (e.g., Kostova et al., 2020). While some studies do show the heterogeneity within particular types of institutions (e.g., regulatory), the assumption that inter-institutional alignment exists in host countries continues to prevail. Our paper challenges this assumption, and we seek to contribute to IB research on institutional complexity by theorizing how misalignment *among* local citizens and *between* local citizens and governments affects MNCs' nonmarket behaviors. We thus add to the emerging stream of research that recognizes that host countries are not homogenous entities (e.g., Andrews et al., 2024; Kostova & Beugelsdijk, 2021). Furthermore, while some papers on the "beyond home and host country" sphere have examined the influence of other countries within MNCs' networks (e.g., Marano & Kostova, 2016), others have focused on supranational actors (e.g., Pinkse & Kolk, 2012). Our paper, by contrast, offers a comprehensive examination of the influences of all these parties.

Third, we contribute to the corporate SPA literature by shifting its focus from domestic firms to MNCs. The topic of SPA (in)consistency is unique to MNCs and adds a new perspective to research on corporate SPA. The extant research tends to examine instances of corporate SPA independently of one another. MNCs are unique, however, in that the sociopolitical stances they assume at home affect stakeholders' perceptions and expectations regarding issues in international settings. Stakeholders such as social movement activists expect that once an MNC is receptive to a sociopolitical issue, it will continue to be receptive even under different circumstances (McDonnell et al., 2015). We apply this logic to theorizing about MNCs' SPA and present a novel perspective that focuses on (in)consistency.

Opportunities for future research

This theoretical exposition can push future research in several directions. Below, we discuss how our theoretical framework can be enriched, expanded, and empirically tested.

Enriching the theoretical framework

We encourage scholars to enrich the framework in four ways. First, since our framework focuses on *why* MNCs' engagement in SPA is (in)consistent, the next logical question is *how* MNCs respond to the same sociopolitical issue across countries. MNCs' SPA consists of rhetoric and action, with activists arguing that rhetoric coupled with action is more substantive and effective at addressing issues (Mohliver et al., 2023). Second, we recognize that an MNC can engage in SPA in a host country and subsequently engage in SPA on the same issue in its home country (e.g., Business in the Community, 2024). Given that MNCs and the media are less likely to publicize these instances, we focus our paper on the more common, reverse situation—an MNC engaging in SPA in its home country, then choosing whether it will respond to that same sociopolitical issue in a host country. However, future research should explore consistency in reverse, that is, from host to home countries. Third, and relatedly, we have assumed that headquarters and subsidiaries are aligned in their response to the same sociopolitical issue. While misalignment does occur on occasion (e.g., Kolk & Levy, 2003), more research is needed on the role of subsidiaries in MNCs' implementation of SPA. Subsidiaries arguably have more knowledge and cultural awareness when it comes to addressing a sociopolitical issue in a local institutional environment. This reality raises the following two questions: how do subsidiaries implement SPA, and what are the consequences of diverging from the headquarters' response and reaction to the same issue?

Fourth, our theoretical framework can be enriched through a consideration of the interactive effects of institutional complexity across multiple levels of analysis. Our current approach to theorizing these levels independently follows most research, which largely theorizes organizations' responses to complexity within a single environment or across two environments at the same level of analysis (see Greenwood et al., 2011 and Kostova et al., 2020 for reviews). This approach has enabled us to develop a general theoretical framework applicable to many sociopolitical issues. However, when dealing with specific sociopolitical issues, an MNC may confront simultaneous

challenges from multiple or all of the institutional environments discussed in this paper. We thus encourage scholars to examine why a particular institutional environment (relative to others) may have a greater effect on an MNC's (in)consistent SPA in response to a sociopolitical issue.

Expanding the theoretical framework

We encourage researchers to expand the theoretical focus of our framework as well as determine the applicability of this framework to related phenomena. First, though we have focused on the *antecedents* of MNCs' (in)consistency in engaging in SPA, it is equally important to examine the *consequences* of these decisions. How do stakeholders in an MNC's home country, the host country where a sociopolitical issue is occurring, and among other countries in the MNC's operational network, respectively, respond to the MNC's inconsistency? Additionally, extant research on the consequences of corporate SPA in domestic settings focuses largely on reputational and financial gains versus losses (Cammarota et al., 2023). How do the consequences confronted by MNCs differ from those of domestic firms?

Second, when explaining (in)consistency in SPA across countries, future research should also explore MNCs' dynamic capabilities. Studies on international nonmarket strategy have adopted the concept of "political capabilities," that is, firm-specific capabilities for assessing and managing political risk (Holburn & Zelner, 2010), and have investigated the transferability of such capabilities in cross-border settings (e.g., Oh & Oetzel, 2017). While the theoretical angle of experiential knowledge and the associated learning mechanisms may offer crucial theoretical insights into MNCs' management of sociopolitical risk, this is still an underdeveloped area of research (Sun et al., 2021). We believe that MNCs' SPA can be a particularly fertile ground for future research on how MNCs, when confronting institutional risks, engage differently due to their business models or political capabilities.

In addition, the sociological theory of strategic action fields can be useful for shedding light on MNCs' SPA. The theory, developed by Fligstein and McAdam (2012), provides a framework for explaining how actors within social systems engage in strategic behavior to pursue their interests and goals. While building on earlier sociological theories of fields and institutions, it differs in that it lays emphasis on the dynamic interactions between actors and fields in shaping social outcomes. In the context of MNCs' SPA, a country can be imagined as a field in which multiple civil society groups and the government interact to define local norms and rules. When MNCs that have already stood up in their home countries engage in the same type of SPA in a host country, their behavior resembles that of institutional entrepreneurs who borrow values and norms from nearby

fields (i.e., home countries). However, when they do so, MNCs must attend to the cultural frameworks and power relations not only within the existing field, but also in related fields; namely, home countries and other countries in their network. MNCs also have to engage in strategic maneuvers, coalitions, and conflicts to reshape the field's structure and norms over time. MNCs' ability to maintain consistency in cross-border SPA activities could thus be determined by the interplay of actors, institutions, and power dynamics within these social fields. Future researchers can explore whether a high-level theoretical synthesis would help develop a more generalized theoretical framework.

We acknowledge that the scope of this paper is limited to situations in which a home and host country confront the same sociopolitical issue. We have thus excluded situations in which the host country confronts a unique sociopolitical issue, and the MNC chooses to respond to that issue or remain silent. Other theoretical factors that are not captured in our framework may influence MNCs' decisions to respond to these issues. Furthermore, an MNC may meet with criticism for its inconsistency when a similar sociopolitical issue is present across two or more host countries, but not in the home country. For example, stakeholders have criticized Western MNCs for choosing to divest or suspend operations in Russia due to the ongoing conflict with Ukraine, but not responding similarly to the ongoing conflict between Israel and Palestine (Euronews, 2023). We encourage future research to (a) explore why MNCs may be (in)consistent in these situations and (b) determine similarities and differences relative to our framework.

Testing the theoretical framework

We encourage empirical research that aims to confirm or challenge the propositions advanced in this paper. From a quantitative perspective, MNCs' SPA can be operationalized by retrieving organizational statements from corporate websites, social media, and traditional media outlets. Numerous survey-based organizations, such as the Pew Research Center or Gallup, conduct global and national surveys on local citizens' perspectives on sociopolitical issues (Kostova & Beugelsdijk, 2021). Similarly, questions on the World Values Survey (e.g., "Would you like to have immigrants/foreign workers as neighbors?") can serve as proxies for determining the level of contestation of a sociopolitical issue in a country. Marano and Kostova (2016) capture variance in the strength of countries' values towards CSR. This empirical approach is transferrable to future studies on how other countries in MNCs' global operational networks perceive a sociopolitical issue in a host country. Additionally, organizations such as the United Nations and Human Rights Watch track changes in governments' policies on sociopolitical issues. Such tracking allows for quantitative comparisons

of governments' views towards similar sociopolitical issues across countries.

From a qualitative perspective, case studies may shed light on the nuances of one or several MNCs addressing sociopolitical issues in host countries. In particular, we encourage researchers to interview executives of MNCs in both the home and host countries to better understand the decision-making process associated with responding to a sociopolitical issue in a host country, particularly after an MNC has done so at home. Overall, we believe that an empirical exploration of our propositions will advance the IB field's theoretical understanding of MNCs' SPA in general, *and* their (in)consistency of behavior, in particular.

Conclusion

As we live in an increasingly polarized global society, it is imperative for IB researchers to examine MNCs' responses to this shift. Neutrality on polarizing issues is a tenuous option for MNCs, as stakeholders may consider them complicit in the controversy. Thus, IB researchers should not only attend to this reality, but also consider why MNCs' stances may shift from country to country. As Buckley and colleagues (2017: 1061) note, "The IB field has sometimes become beholden to a set of norms and practices that emphasize…an unwarranted fear of being drawn into normative debates." Our explicit focus on MNCs' (in)consistency in SPA is a response to this critique and hopes to compel IB researchers to wade into these debates due to MNCs' shifting roles in present-day society.

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