Politicization of corporations and their environment: Corporations’ social license to operate in a polarized and mediatized society

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A B S T R A C T
Societies are increasingly characterized by polarization and fragmentation on a variety of socio-political issues. With the heightened social visibility of corporations, as a result of processes of mediatization, firms are pressured to engage with such social issues that are part of broader political discourses. Against the backdrop of these broad socio-political shifts, this study conceptually addresses the contribution of public relations to understanding the politicization of corporations and their environment. We argue that corporations have become inherently intertwined with their mediatized and polarized socio-political surroundings. As a result, corporations are increasingly pressured to speak out and take a stance on social issues to engage with their environment and renew their social license to operate (SLO) in a context characterized by political divides. By relying on concepts like issue arenas and corporate political advocacy, we argue that corporations can use public relations to publicly promote one ideal over another, by being guided by the corporation’s own intrinsic values and moral standpoints rather than efforts to balance competing interests of multiple stakeholders.

1. Introduction
Society is increasingly characterized by political divides among publics. A growing level of political polarization is driving citizens across the world apart (e.g., Prior, 2013; Van Aehst et al., 2017). Ranging from topics like immigration, gun control, discrimination, or climate change, numerous contested issues can be listed with, for example, liberals and conservatives unable to see eye-to-eye. This fragmentation amongst citizens has far-reaching consequences if it comes to societal divides and feelings of hostility towards members of an out-group (e.g., Iyengar, Leikes, Levendusky, Malhotra, & Westwood, 2019; Sunstein, 2009). This significant shift in political divides asks for revisiting certain academic research, including the field of public relations and corporate communication. So far, these research areas largely fall short in relating political issues, like polarization and fragmentation, to the societal role of corporations, despite organizations’ dominant position in modern society (Heath, 2006; Johnston & Lane, 2019). This approach will help to explore the contribution of public relations in understanding corporations’ role in modern democracies (Heath, 2006; Taylor et al., 2018), which are more often characterized by strong political divides among stakeholders.

The current study argues that the political environment plays an increasingly important role for concepts central to the field of public relations, like corporations’ social license and their societal engagement. With the mediatization of corporations, literature has observed their increasing social visibility (e.g., Ilien & Pallas, 2014). Within democratic societies, the media commonly construct corporations’ “social license to operate” (SLO) by presenting them in terms of fulfilling social and moral expectations beyond governmental and legal obligations (Hall and Jeanneret, 2015; Thomson and Boutilier, 2011). Accordingly, corporations need to not only gain, but also repeatedly renew, their social “permission to operate” by both anticipating and responding to their social environment (Hurst and Iilen, 2018; Johnston and Lane, 2018). In other words, corporations’ SLO is maintained in the discursive interplay among recognized groups or actors representing public permission and approval. This phenomenon calls for corporations to engage in continued mapping of not only the corporate but also the political environment and the societal issues that are being negotiated. Hence, societal engagement becomes especially crucial for corporations now that the socio-political domains and agendas, and therewith those groups who grant corporations their SLO, have the tendency to shift on a regular basis, often in opposing directions.

To be able to understand public relations against the backdrop of broad socio-political changes, it needs to be acknowledged that
corporations today are embedded in complex, heavily mediated, and often conflicting contexts characterized by normative boundaries (Ihlen & Pallas, 2014; Kim, Overton, Bhalla, & Li, 2020; Wettstein & Baur, 2016). As a consequence, it has been argued that corporations can no longer be seen as monolithic structures, they no longer have clear boundaries or fixed purposes (Christensen, Morsing, & Cheney, 2008; Ihlen & Pallas, 2014). As a potential result of the growing emphasis on corporations’ role in society at large, we can observe how corporations enter issue arenas (Laoma-aho & Vos, 2010) that do not per se relate to their core business. Corporations seem to enter discussions and negotiations on the political level without obvious economic motives and with the risk of alienating certain stakeholder groups (Dodd & Supa, 2014; Wettstein & Baur, 2016). Arguably, it becomes hard for some corporations (especially business-to-consumer firms) to escape political issues and debates altogether when other parts of society are thoroughly engaged with and occupied by these discussions. In entering these contested issue negotiations, corporations tend to, or are even forced to, take a stance (and choose a side) on the issue at hand, partly in an effort to do what they consider is normatively the right thing to do. In doing so, corporations partake in the dynamic process of constructing social systems of norms, values, and definitions which underpin social legitimacy (Patriotta, Gond, & Schultz, 2011; Strømback & Kioussis, 2019) and, ideally, contribute to a fully functioning society (Heath, 2006; Taylor et al., 2018).

This study conceptually discusses how public relations is increasingly intertwined with the surrounding socio-political setting, indicating the politicization of corporations and their environment. In an effort to relate this phenomenon to current literature, we first argue how a dual process of polarization and mediatization forces corporations’ engagement with political issues. In a mediatized environment where corporations are increasingly visible, society expects corporations to engage with social issues that are part of the political discourse to maintain their SLO. Given how politically fragmented societies have become, these expectations can put corporations in a bind regarding the competing interests of multiple stakeholders (Kim et al., 2020; Nalick, Josefy, Zardkoohi, & Bierman, 2016). To better understand corporations’ engagement with their politically divided environment, previous public relations literature that relates corporate actors to political activities is consulted in a next step. We argue the need to understand engagement beyond corporations’ socio-political actions based on pure self-interest—e.g., corporate political activity (e.g., Hillman, Keim, & Schuler, 2004)—and philanthropical or holistic motives—e.g., political CSR (e.g., Scherer & Palazzo, 2011)—and rely more on the concept of corporate political advocacy (Wettstein & Baur, 2016). This conceptual understanding of promoting one ideal over another, can help corporations maintain and repeatedly renew their SLO within complex communicative processes characterized by divisions among publics, where they are guided by their own values and ideals.

The current study contributes to the field of public relations by theorizing how changes in the socio-political environment have altered corporations’ processes of maintaining a SLO and their overall engagement on a societal level. For public relations theory and research to move forward, it is essential to acknowledge how corporations and their environment have become increasingly politicized. Through processes of mediatization, corporations have become inherently embedded in a media sphere that is more often characterized by political divisions on socio-political issues. Since numerous examples exist of corporations taking a stance on such issues that polarize stakeholders (Kim et al., 2020; Rim, Lee, & Yoo, 2020), there is a need for more theoretical understanding of why corporations seem to feel a societal pressure where they no longer can avoid engaging with political division. Since corporations are at risk of alienating certain (large) groups or publics when taking a political stance (Kim et al., 2020), more insights are required on how public relations can contribute to value-driven approaches of renewing a (pro-social) SLO (e.g., Hurst, Johnston, & Lane, 2020). Yet, literature predominantly approaches the role of public relations in socio-political issues with a focus on corporations’ business interests or holistic motives. Therefore, this study aims to provide a deeper understanding of the pressure corporations experience to engage with often emotional socio-political issues that can be considered problematic to get involved with due to the lack of normative societal consensus. In light of the current state of public relations literature, we start by discussing corporations’ SLO in the context of societal processes of polarization and mediatization in an effort to introduce the politicization of corporations and their environment, and, in a next step, public relations concepts are consulted to explore how corporations can best engage with their politicized environment.

2. Contemporary Political Environment

To contextualize the changing political and media environment, and how corporations are affected by this, we start with addressing the phenomenon of political polarization and fragmentation. In the field of political science and political communication, the increasing polarization among publics is considered a growing concern (Van Aelst et al., 2017). In general, polarization refers to the simultaneous presence of opposing or conflicting principles or points of view (Fiorentina & Abrams, 2008). In this sense, polarization is often intuitively considered as a bimodal phenomenon of contradiction. More specifically, polarization refers to the point where issue attitudes or ideology become the center of opposite poles in the self-identification of citizens (e.g., Stroud, 2008). DiMaggio, Evans, and Bryson (1996) defined four types of public polarization: The dispersion of attitudes, the extent to which attitudes cluster around two contrasting positions with few moderate views in between, the link between different issue positions (“ideological polarization”), and the existence of systematic differences between subpopulations (“identity-based polarization”). The polarization narrative grew from arguments about a culture-war where moral visions or “worldviews” conflict (Fiorentina & Abrams, 2008). Beginning in the early 1990s, scholars talked about citizens divided into two value camps, especially in the U.S.: the culturally orthodox, who hold a traditional, religious, absolutist view of morality, and the culturally progressive, who hold a modern, secular, relativistic view of morality (Hunter, 1991). In turn, these contradicting value schemes provided fertile ground for political polarization, fueling heated battles about specific cultural and political issues (Himmelfarb, 2001). As a consequence of these conflicting political views, people from the opposing camp are perceived distant. Hence, polarization is often argued to augment societal divides. This divide can be understood from a social identity approach. Those who hold a certain issue position of ideological attachment view their fellow partisans as more positive and internally consistent, whereas they see opposing partisans as a hostile, negative out-group that is substantially different from their in-group (e.g., Lyengar, Sood, & Kelkes, 2012).

In reviewing evidence for polarization, we can observe increasing differences in belief systems related to partisanship or party identification. For example, in the U.S. context, Democrats are increasingly likely to take liberal stances on salient issues while Republicans have become more conservative (e.g., Layman & Carsey, 2002; Stoner & Jennings, 2008). Thus, on the level of attitude polarization, an over time increase can be observed, people do exhibit stronger links than in the past between issue positions and their party ideology. There is especially strong evidence for attitude polarization on the three main dimensions of issue attitudes (economic, cultural, racial) among the more politically engaged (Layman & Carsey, 2002). Hence, political beliefs are often found to clash for important political issues. For example, in the setting of immigration as a societal issue, polarization means that people who oppose the entry of immigrants into “their” heartland become separated from people who support immigration. Not only immigration is a contested issue where partisans cannot see eye-to-eye, other examples of issues where attitudes clash are climate change, privatization of healthcare, gun ownership, international conflicts, abortion, gay rights,
stems cell research, and urban versus rural development. The continuous polarization of society can lead to less shared facts, extremism and disrespect for those with other points of view, thereby weakening social cohesion and engagement, and challenging fundamental democratic institutions and practices (Sunstein, 2009).

The concern of an increasingly polarized political environment relates to a changing media landscape, namely the transformation into high-choice digital media environments. Society is not only facing political divides with respect to public belief but also on the level of media content, both in terms of the supply side as well as the demand side. First, regarding the supply side, it is argued that an increase in the number of available media channels, both offline and online, has created a greater supply of niche or partisan media. In turn, this can increase the fragmentation of audiences as it either creates a stronger demand for politically-tailored media content or because the supply matches a demand for partisan media (Parisier, 2011; Van Aelst et al., 2017). Subsequently, we see more and more news content and sources that, for example, echo either more conservative or liberal perspectives on a socio-political issue (e.g., Iyengar & Hahn, 2009). Second, regarding the demand side, with the high-choice media environment, audiences can selectively expose themselves to the type of political information they prefer – i.e., confirmation bias (e.g., Goldman & Mutz, 2011; Knooblin-Westervick, Mothes, & Polavin, 2020). With the option of selective exposure, they can also opt out of contradicting views, reducing exposure to counter attitudinal information or a pluri-form presentation of opinions.

In this study, we argue that corporations are increasingly affected by and contextually involved with this social environment characterized by political divides among publics. Corporations can no longer stand by and ignore the politically polarized society. Their (media) visibility and focus on maintaining their legitimacy in society has increased over the last decades, making it inevitable for corporate actors to not partake in the communicative interplay around contested issues. In a next step, we explain changing communication activities, especially in the setting of polarization of society can lead to less shared facts, extremism and disrespect for those with other points of view, thereby weakening social cohesion and engagement, and challenging fundamental democratic institutions and practices (Sunstein, 2009). In other words, media’s central role in building normative, regulative, and cognitive bases on which corporations are evaluated as societal institutions has put increasing pressure on corporations’ role in society and therewith their social legitimacy (Etter, Colleoni, Illia, Meggiorin, & D’Eugenio, 2018). Accordingly, today we see that many corporations, at least in economically advanced democracies, do not perceive their social functioning purely as their legal or economic obligations (Gunningham, Kagan, & Thornton, 2004).

As a so-called profession of relations, public relations facilitates, studies, and consults on communicative relationships amongst social actors to build and sustain relational dimensions that form a pillar of a fully functioning democratic society (Heath, 2006; Van Ruler & Dejan, 2005; Yang & Taylor, 2013). Ergo, public relations plays a key role in building civil society by facilitating engagement between corporations and their environments (Johnston & Lane, 2018). In light of the changing role of corporations in society, the term ‘social license to operate’ (SLO) has gained momentum in both public relations literature and practice to understand corporations’ engagement with their environment (Hurst et al., 2020; Moffat, Lacey, Zhang, & Leipold, 2016; Prøn & Slocombe, 2012). This concept arose from the mining industry where perceived social risk underlined the need for corporations to extend their activities beyond governmental and legal obligations or compliance to forms of social accountability (Mercer-Mapstone, Rifkin, Moffat, & Louis, 2017; Thomson & Boutilier, 2011). Corporations need to meet and engage with expectations of society and avoid activities that are deemed unacceptable in the eyes of societies (Gunningham et al., 2004). Accordingly, SLO can be considered a form of ‘soft’ regulation enforced through the beliefs and behaviors of relevant stakeholders in society (Mercer-Mapstone et al., 2017). Although numerous definitions exist, SLO is commonly considered to be a fluid and ongoing level of approval and acceptance by stakeholders that may be revoked at any time based on changes in stakeholder perceptions (Moffat et al., 2016; Prøn & Slocombe, 2012; Thomson & Boutilier, 2011). General agreement in the literature exists that SLO broadly refers to the nature of the relationship corporations have with their environment (Brueckner & Eabrunu, 2018) where the link between SLO and corporate legitimacy is well-established (Bice, 2014; Morrison, 2014).

Given the context of this study, the pro-social perspective on SLO (Hurst et al., 2020) is a particularly fruitful view to explain why public relations literature should better address the setting of polarized socio-political issues. The pro-social view on SLO explicitly concerns the overall fit between the values, norms, and expectations between the corporation and various social actors (i.e., stakeholders and publics) that
are also caught up in issue debates. The challenge of public relations in this respect is to engage with a mediatized and polarized environment and, at the same time, foster relational elements of social capital (2018, Heath, 2006).

In sum, under the conditions of increasing mediatization and corporate visibility, corporations and their public relations can no longer focus solely on obtaining a positive reputation but are forced to renegotiate their (pro-social) SLO in the context of certain socio-political issues in order to re-secure and re-foster legitimacy (Hurst et al., 2020; Patriotta et al., 2011). Thus, media shape corporations’ environment and bases on which their evaluations are constructed in society. Corporations have to follow the logic of their media environment to reach their audience and, in turn, maintain their SLO.

4. Politicization of corporations and their environment

In light of mediatization, it is difficult for corporations to escape their societal role altogether when their SLO is granted by parts of a mediatized and polarized society. The societal threat of withdrawing or withholding a social license indirectly pressures such mediatized corporations to engage with their environment and show that their developments are socially acceptable (Brueckner and Eabrasu, 2018; Mercer-Mapstone et al., 2017). Because many corporations are deeply embedded in mediatized environments, they are implicitly forced to enter socio-political debates that are high on the media, public, and political agenda. In other words, with processes of mediatization, corporations’ societal visibility and responsibility has grown, which inexorably relates them to a public and media sphere that has become more and more political. As a result, corporations and their environment have become increasingly politicized. Corporate communication and political issues have become inherently intertwined, forcing corporations, and their public relations, to engage with stakeholders in political debates. Under the conditions of increased political polarization, corporations’ politicized environments often lack normative societal consensus. The numerous socio-political issues where public opinion is highly polarized evoke fierce emotional debates across multiple arenas and create divides among stakeholders. Engaging with their politicized environment, and therewith with polarized issues, provides thus large challenges for public relations, as the risk of alienating specific stakeholders emerges when corporations speak out on contested issues that have past rational public relations, as the risk of alienating specific stakeholders emerges when corporations speak out on contested issues that have past rational public relations, to engage with stakeholders in political debates. The concept of issue arena refers to the networked multi-actor interactions around socio-political issues, in which corporations may or may not partake (Luoma-aho and Vos, 2010). These arenas may materialize both as physical or non-physical spaces. From an issue-arena point of view, the corporation is to be seen as a ‘stakeholder of the issue’, instead of the centered object surrounded by stakeholders – which is the underlying idea of stakeholder theory (Passin, 2009; Freeman, 2010), and a fundamental assumption in most theories about public relations (Edwards, 2012). The issue arena point of view allows looking differently at the corporation’s environment (Luoma-aho and Vos, 2010). In issue arenas, organizational actors are discursive players just like all other social actors (e.g., politicians, journalists, experts, politicians, or members of the general public). Issue arenas may manifest in different places and circumstances, and they can be publicly visible or ‘unpublicized’. For example, many corporations nowadays are loosely or fully connected and implicated in the issue of climate change. Take Royal Dutch Shell, a company increasingly forced to take a stance on how it acts and will act as an actor contributing to climate change solutions. Aside from invisible or partly visible issue occasions and locations (e.g., courtrooms, boardrooms, lobby activities), Shell is also an important actor and fully publicly visible in ongoing discursive communication networks (i.e., public issue arenas), in which climate change is addressed and framed - e.g., online via social media, online news and offline news - such as newspaper coverage and television broadcasting (Rogers and Marres, 2000).

The politicization of corporations and their environment holds that corporations and their public relations cannot sit by and ignore the socio-political issues that stakeholders and society at large are engaged in. Corporations’ politicization requires public relations to renew their SLO in light of an everchanging political and public sphere, which materializes in complex issues (e.g., climate change, immigration, or social equality), where societal consensus is far from stable. Such legitimization processes are more about societal approval from certain key stakeholders and move beyond only politically derived licenses representing government approval (i.e., political license to operate) or legal permits the corporation must meet (i.e., actuarial license to operate) (Brueckner and Eabrasu, 2018). This politicization requires corporations to overcome organization-centric approaches to public relations as well as stakeholder approaches where a corporation aims to balance out different stakeholders that hold competing views. In effect, socio-political issues should become more central to corporations’ communicative networks, where not all stakeholders’ needs are met, but where corporations are brought closer together with key stakeholders that share the corporations’ values and beliefs. To explore how corporations can use communication to engage with their politically divided environment, the next chapter addresses theoretical public relations approaches that relate corporations’ efforts to social and political conduct. The concept of issue arenas provides a valuable starting point here to understand public relations against the backdrop of corporations’ increased tie to socio-political issues.

5. Public Relations and Political Engagement

In the remainder of this paper, we first address the issue arena concept, which helps to clarify how mediated socio-political issues are becoming more central in the communicative environment of corporations. In a second step, we briefly outline three concepts related to corporate political involvement: Corporate political activity (CPA), political corporate social responsibility (political CSR), and the corporate advocacy of sociopolitical issues. We describe how these approaches relate to the conduct of public relations in issue arenas. Third, we juxtapose these different approaches and zoom in on corporate political advocacy as the most appropriate approach for public relations when it comes to fostering a pro-social SLO for politicized corporations.

5.1. Issue arenas

The concept of issue arena refers to the networked multi-actor interactions around socio-political issues, in which corporations may or may not partake (Luoma-aho and Vos, 2010). These arenas may materialize both as physical or non-physical spaces. From an issue-arena point of view, the corporation is to be seen as a ‘stakeholder of the issue’, instead of the centered object surrounded by stakeholders – which is the underlying idea of stakeholder theory (Passin, 2009; Freeman, 2010), and a fundamental assumption in most theories about public relations (Edwards, 2012). The issue arena point of view allows looking differently at the corporation’s environment (Luoma-aho and Vos, 2010). In issue arenas, organizational actors are discursive players just like all other social actors (e.g., politicians, journalists, experts, politicians, or members of the general public). Issue arenas may manifest in different places and circumstances, and they can be publicly visible or ‘unpublicized’. For example, many corporations nowadays are loosely or fully connected and implicated in the issue of climate change. Take Royal Dutch Shell, a company increasingly forced to take a stance on how it acts and will act as an actor contributing to climate change solutions. Aside from invisible or partly visible issue occasions and locations (e.g., courtrooms, boardrooms, lobby activities), Shell is also an important actor and fully publicly visible in ongoing discursive communication networks (i.e., public issue arenas), in which climate change is addressed and framed - e.g., online via social media, online news and offline news - such as newspaper coverage and television broadcasting (Rogers and Marres, 2000).

The issue arena concept can be further outlined along the lines of four theoretical components that help to better understand corporate communication in complex and turbulent social environments (Vos, Schoemaker, & Luoma-aho, 2014). First, the issue-arena approach challenges current stakeholder thinking in public relations theory by emphasizing that corporations’ communicative relations are increasingly about stakes in issues instead of organizations. According to Vos et al. (2014): ‘‘...the focus of stakeholder research is shifting away from studying how stakeholders can be identified and classified from the perspective of a central organization towards understanding and identifying stakes and interrelations between stakes and their holders within complex networks of multiple and sometimes conflicting interests and priorities’’ (pp. 203-204). Second, shifting away from the organization-centered approach of stakeholder theory, public relations scholars have noted that the issue network – i.e., the networks in which public opinion formation around issues takes place (see: Marres, 2005) – is an appropriate lens to study how and to what extent diverse actors connect and negotiate issue positions and issue agendas (Hellsten, Jacobs, & Wonneberger, 2019; Lock, Wonneberger, Verhoeven, & Hellsten, 2020). To understand how public relations may effectively partake in fostering SLO, increasingly demands intimate knowledge and monitoring of dynamic issue networks (Strauf & Jonkman, 2017). Third, issues management is relevant in the context of issue arenas. This management function provides insights into how corporations can understand and strategically adapt to their social environment (Heath, 1998).
Here it needs to be noted that corporations are not assumed to be able to fully manage issues, but should rather be sensitive toward their environments. Fourth, *agenda-setting* theory can account for the discursive issue negotiations in issue arenas. The main idea of agenda setting refers to the transfer of issue salience from one agenda to another (McCombs and Shaw, 1972). When media, or other (online) actors, report on certain issues, these issues can gain salience in public discourse. Agenda setting processes are informative for public relations as they show how certain issue agendas and arenas arise or become more salient (Kiousis, Popescu, & Mitrook, 2007). Based on these theoretical starting points, Vos et al. (2014) have proposed four levels of analysis for issue arena research: issue related aspects (the issue context and issue characteristics), the active actors in the arena (characteristics and their role in the debate), the places of interaction (interrelatedness of media and issue contagion), and the course of the debate (developments and outcomes, and communication strategies).

The concept of issue arenas extends public relations approaches to social legitimacy, such as pro-social SLO (e.g., Hurst et al., 2020) and fully functioning society (Heath, 2006), since it concretizes the idea of mediated corporate environments in which the discursive interplay around socio-political issues can facilitate the maintenance, renewal, or disruption of corporations’ SLO. Hence, this concept forms a good starting point to further elaborate on how public relations may navigate these polarized socio-political issue arenas. To this end, we first outline extant approaches to corporate political involvement.

### 5.2. Corporate political involvement in issue arenas

In the context of the concept of issue arenas, corporations become highlighted as socio-political actors taking part in the discursive multi-actor negotiation of issues. However, issue arena theory has so far been insufficiently linked to literature on corporate political involvement (see e.g., Den Hond, Rehbein, de Bakker, & Lankveld, 2014; Frynas and Stephens, 2015; Lock and Seele, 2018; Scherer, 2018; Windsor, 2007). In this body of literature, CPA and political CSR are the most dominant perspectives (Den Hond et al., 2014). More recently, other scholars have introduced concepts related to corporate advocacy (e.g., Nalick et al., 2016; Wettstein & Baur, 2016) and acknowledged public relations involvement with polarizing issues in empirical studies (Kim et al., 2020; Rim et al., 2020) to go beyond the concepts of CPA and Political CSR, in order to be able to further develop theory on the corporate involvement in socio-political issues. Below, we maintain that the concept of advocacy may help embed theory on the politization of corporations and their engagement with socio-political issue arenas. The added value of corporate political advocacy is best understood when contrasted with the established concepts CPA and CSR.

First, according to CPA theory, the aim of corporations’ political activities is to enhance firm value, while reaching particular business goals (e.g., Hillman et al., 2004). In this model, the corporation is seen as external to the political domain (Baron, 2013). Firms enact the economy through competitive markets, while governments regulate, stabilize, and legitimize markets (Dahan, 2005). This business-centric view places the corporation at the center-point of attention, while conceptualizing it from a functional perspective as an economic actor utilizing non-market strategies to interact with political actors to influence the policy process through either offering information to decision makers (e.g., via lobbying), providing financial incentives, and/or constituency building (Frynas and Stephens, 2015). From a CPA point of view, the main driver for involvement in an issue arena would be to enhance the value of the corporation. The role of public relations would be to promote the organizational stake in the issue in such a way that it serves business purposes. Networks of interest in this context are the networks most closely related to political power and political decision-making – i.e., policy networks. Hence, from the CPA perspective, issue management is considered instrumental and corporations’ legitimacy is gained through business success.

Second, corporate political CSR theory builds on globalization and the displacement of politics (see e.g., Bovens, 2005), and argues that political and decision-making in democratic societies over the last decades has been increasingly dislocated from traditional democratic arenas, such as national parliaments, and displaced to other non-democratic domains and arena’s, such as economic markets, with corporate actors getting more and more involved in (global) corporate governance (Scherer and Palazzo, 2011). With governmental agencies oftentimes not willing or able to solve matters of public concern (e.g., environmental problems, labor issues, or health issues), corporate actors increasingly take up political roles beyond business goals or actions required by law (Scherer and Palazzo, 2011; Scherer, 2018). Acting as political actors or ‘corporate citizens’ (Crane, Matten, & Moon, 2008; Crane and Matten, 2008; Matten and Moon, 2008), political CSR sees corporations as deliberative, societal, and political actors, working in multi-stakeholder networks on solutions for issues that transcend the direct business priorities of the firm (Scherer and Palazzo, 2011). Viewed from the political CSR perspective, the main driver for involvement in issue arenas is corporate governance. In this framework, public relations emerge as a broker in issue networks, as a discursive and deliberative network mediator. The networks of interest in this model are multi-actor governance networks (Scherer, Rasche, Palazzo, & Spicer, 2016). In this approach, SLO is understood to result from inclusive and holistic deliberation and communicative processes of balancing stakeholders’ interests.

The third and last approach is corporate political advocacy. It is argued that this concept moves beyond the more self-interested forms of CPA like lobbying and also takes a step further than political CSR as it also involves activities that go beyond holistic deliberation processes for balancing of conflicting interests (Wettstein and Baur, 2016). Generally, advocacy is defined as promoting and voicing support for an individual, group, or idea in an effort to persuade audiences to embrace this individual, group, or idea (Edgett, 2002, p. 1). Along this line, Wettstein and Baur (2016, p. 200) defined corporate political advocacy as “voicing or showing explicit and public support for certain individuals, groups, or ideals and values with the aim of convincing and persuading others to do the same.” Other scholars have introduced similar concepts that focus more broadly on social issues – i.e., corporate social advocacy (Abitbol, Lee, Seltzer, & Lee, 2018; Dodd and Supa, 2014) – or approach such forms of advocacy from a management literature perspective – i.e., socio-political involvement (Nalick et al., 2016). Since the focus of this study is on corporations’ engagement with their politized environment and is theoretically embedded in public relations theory, we adopt the term corporate political advocacy but broadly embrace the notion of both related concepts. Ever since publics’ expectations of companies have moved beyond support for non-controversial and universal topics (Nalick et al., 2016), corporations have indeed come forward to take a public stance on socially and politically controversial issues (Kim et al., 2020; Rim et al., 2020). An important element in this form of corporate political involvement is the intention of the corporation. Corporations that engage in such political advocacy activities do so not primarily or exclusively in self-interest (Dodd and Supa, 2014; Wettstein and Baur, 2016). Corporations, as dominant institutions in society, must actively contribute to the public agenda beyond simply reacting to policy choices promoted by others. In doing so, corporations need to earn their right of advocacy through creating trust in their intentions (Sethi and Williams, 2000). To engage in political involvement beyond the corporation’s immediate economic interests, corporate political advocacy contributes itself in the support of values that are not directly associated with the core business of the corporation (Wettstein and Baur, 2016). It is about promoting values and ideals independently of what business or sector the corporation is in. The corporation’s political exposure on issues should be based on its own inherent and intrinsic merit. In this framework, the main driver for involvement in issue arenas is promoting value-driven issue positions. The function of public relations emerges as actively taking a stance on certain issues (Dodd and Supa, 2014). Not so
much out of business interest, nor with the fundamental intention to align with others, but for ideological and moral reasons – although it might well be that this ideological position is the result of previous debates and/or reflective processes considering the position of dominant organizational stakeholders, such as employees (Wettstein and Baur, 2016). In this context, SLO is fostered, not by business success or deliberative and dialogical communicative actions, but by the normative values that drive corporations’ promotion of certain issue positions over others.

6. Public Relations and the Politicization of Corporations and Their Environment

CPA, political CSR, and corporate political advocacy together can provide a valuable starting point and contextualization to understanding public relations in the context of the politicization of corporations and their engagement with polarized issues in mediated arenas (Table 1 summarizes the three approaches, also see Nalick et al. (2016) and Wettstein and Baur (2016) for such a contrast overview). First, corporations’ engagement with socio-political issues in issue arenas is related to the field of CPA. Yet, CPA approaches the corporation as external to the political domain and places the corporation conceptually at the center of their stakeholder network. We argue that such an organization-centered approach does not align with the notion that corporations are engaged in different networked communicative interactions around social issues. Furthermore, the communicative interplay between social actors who do not necessarily belong to the domain of traditional politics (e.g., governmental actors, politicians) is at the heart of involvement in socio-political issues (Luoma-aho and Vor, 2010). Yet, this form of political activity is generally not addressed in CPA literature (Nalick et al., 2016). When corporations become engaged in issues related to political divides in society, the corporation is a discursive player just like all other social actors. The issue at hand is central to the network of actors that partake in the communicative arena. Moreover, rather than a focus on maintaining a SLO, CPA highlights corporations’ political engagement for the purpose of their own interest using legitimization strategies related to ‘manipulation’ (see: Scherer, Palazzo, & Seidl, 2013). By actions like lobbying, the corporation seeks to advance their own private interest rather than promote public good. Therefore, CPA does not align with the notion that corporations become engaged in societal issues, not for their own good, but to take a stance on certain political issues to renew their SLO in a polarized environment. All that is shared with CPA is the interest in influence and pressure corporations can exert on politics and society. In a typical CPA scenario corporations will lobby behind closed doors for their own interests, and/or actively enter public issue arenas as discursive players when they perceive such an arena as an ‘attractive political market’ for business purposes (Bonardi, Hillman, & Keim, 2005) - for example by rolling out a strategy by which lobbying activities are strategically flanked by corporate advertising, press releases, and spokespersons emphasizing and framing the favorable corporate position stance on an issue. Yet, for a corporation to get engaged in socio-political issues that are high on the media and political agenda, it has become increasingly important to do it in such a way that the engagement is convincingly detached from the corporations’ economic or business interest (Wettstein and Baur, 2016).

Contrary to CPA, political CSR is more concerned with the normative justification of corporate legitimacy claims and ‘moral reasoning’ (Scherer et al., 2013). The focus lies on the role and responsibility of corporations as political actors, predominantly in the ‘extra constitutional’ sphere (Baur, 2011). In the focus on CPA of a corporation, concepts as political CSR and corporate citizenship emphasize the altruistic or philanthropical motives for political activities. This runs counter to the focus on self-interest as addressed in the CPA approach. Moreover, such political engagement, just like political CSR, rest on open promotion of values and ideas rather than lobbying behind closed doors or one-way communication of business interests (Castelló, Etter, & Årup Nielsen, 2016; Scherer et al., 2013; Wettstein & Baur, 2016). In the context of corporations’ role in an increasing political and polarized society, it is important to understand the corporations’ political activities beyond the narrow and one-way promotion of self or economic interest. However, just as argued by Wettstein and Baur (2016) when conceptualizing corporate advocacy, how political CSR approaches corporations’ SLO seems to clash with how a firm should enter issue arenas characterized by polarization or fragmentation. An inclusive or holistic approach to corporations’ SLO, where interests of multiple stakeholders are balanced out to ensure good relationships with all stakeholders, might not be possible since current political and media environments can force corporations to speak out and take a stance on controversial issues and therewith urge corporations to engage in the confrontational promotion of certain causes over others (Nalick et al., 2016). Thus, in a polarized setting, rather than the strategic intent of balancing competing interests of multiple stakeholders, corporations’ SLO, and the renewal of it, should be based on promoting specific ideals without broad stakeholder deliberation.

Considering the above, we argue that the concept of corporate political advocacy is the most helpful approach to public relations in order to understand how corporations are expected to maneuver in a polarized and mediated society and to engage in issue arenas for maintaining their license to operate. Corporate political advocacy may be a key component that helps corporations in dealing with the politicization of their environment. As corporations, through the processes of media- tization, are (indirectly) pressured to speak out in fragmented issues arenas, a notion of SLO beyond stakeholder theory seems required. To keep renewing and reloading its general social license in a polarizing environment, corporations should become value and issue driven, rather than balancing of stakeholders’ interests, to engage with society and contribute by promoting values and ideals they consider worth promoting (Wettstein and Baur, 2016). This notion of legitimacy goes beyond pure economic self-interest (like CPA) or more altruistic motives (like political CSR), but provides a way for corporations to navigate in a polarized environment without losing one’s pro-social SLO. Hence, this form of advocacy implies the pursuit of normative convictions

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<td>Comparing Corporate Political Activity, Political Corporate Social Responsibility, and Corporate Political Advocacy</td>
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<th>Concept</th>
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<tr>
<td>Corporate Political Activity (CPA)</td>
<td>Strategic attempts on behalf of corporate actors to shape and manage government policy and political actors in such ways that is favorable to the corporation.</td>
<td>Self-interest.</td>
<td>SLO is only relevant in the context of business interest.</td>
<td>Instrumental to business goals.</td>
<td>Acting on behalf of business interests.</td>
</tr>
<tr>
<td>Political Corporate Social Responsibility (PCSR)</td>
<td>A form of (global) dialogical governance, whereby corporations play an active role in the regulation of market transactions and seek to impact socio-political situations for the better.</td>
<td>Stakeholders/ societal interest.</td>
<td>SLO is determined by societal consensus were interests of multiple stakeholders are balanced out.</td>
<td>Places for deliberation.</td>
<td>Fostering dialogue and mutual understanding.</td>
</tr>
<tr>
<td>Corporate Political Advocacy</td>
<td>Voicing public and explicit support for certain ideals, groups, or individuals with the intention to persuade others to do the same.</td>
<td>Interest is in the socio-political issue at stake.</td>
<td>SLO is granted on the basis of issue positions and intrinsic values.</td>
<td>Places for issue advocacy.</td>
<td>Advocate the corporations’ standpoint.</td>
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potentially in favor of some stakeholders over others (Dodd and Supa, 2014; Wettstein and Baur, 2016). Within this increasingly polarized society, the current repeatedly-shifting political landscape asks for constant renewal of corporations’ SLO. As such legitimization entails confirming to certain values and norms, corporations have to step up and make a decision on what ideals to support when opinions are divided among stakeholders. As such, corporations should engage in a form of advocacy and expose themselves in socio-political issue arenas that are related to values they understand as worth promoting independently of their core business, even if it means turning away from certain stakeholder groups or networks by opposing their stances (Rim et al., 2020). Since SLO concerns or issues frequently extend beyond the ‘local’ and community level to issues on a broader societal level (Dare, Schirmer, & Vanclay, 2014), such arenas can vary substantially in terms of size, geography, and degree of heterogeneity. With an eye on the mediatization of corporate settings, media provide such arenas where political issues are negotiated and corporations can engage with issues related to their inherent and intrinsic merits.

7. Examples of Politicization of Corporations and Their Environment

In a next step, we discuss two examples of public-relations efforts in which corporations become politically engage with polarized issues and promote certain intrinsic values that are not directly related to their core business.

A first example of how corporations get involved in political issues relates to the response of the Germany-based companies Siemens and Volkswagen to violent right-wing protests (Shubert, 2018). In August and September 2018, Germany had been rocked by a series of protests and counter-demonstrations after a German-Cuban man was allegedly killed by an Iraqi and a Syrian in the eastern city of Chemnitz. Protesters (up to 6,000 on a given day) violently revolted against Germany’s immigration and refugee policy of welcoming over a million, mainly Syrian, refugees, some were even photographed giving the outlawed Nazi salute. These protests played into a pre-conceived narrative, where parts of former East Germany still embrace racism instead of a modern multicultural society. Such a socio-political issue can be perceived as an issue arena that does not directly relate to the core businesses of many corporations. Especially since the issue relates to strong political divides amongst citizens, this is generally not seen as an appealing issue for corporations to engage with. Yet, with the salience of this issue on both the public and media agenda, corporations can feel a social obligation to get involved with the issue in order to maintain their SLO in a society that is facing such concerns. Accordingly, in response to these protests, both Siemens and Volkswagen entered this polarized issue arena by taking a stand against racism. These large corporations send a letter to their employees in the East German state of Saxony, encouraging them to combat xenophobia and defend Germany’s reputation for tolerance. For example, top regional executives of Siemens wrote in the letter “It is time ... to stand up for tolerance and compassion and to speak out against xenophobia and discrimination” and Gunnar Kilián, a board member for human resources at Volkswagen told workers “What happened outside the factory gates goes against all of Volkswagen’s basic values. Let us make sure there are no new walls. That must be our mission.” These internal letters were later picked up by the news media and were widely spread across the globe. These activities by both Siemens and Volkswagen can be categorized as corporate political advocacy. In this, once rare, form of corporate activism these corporations took a stance on a political issue that was highly contested. Arguably, one motivation was to fight the damage xenophobia and nationalism can do to the reputation of Germany but also from a more societal perspective they might have got involved as they felt that this is the right thing to do as a large German corporation that operates on an international level. The news media provided an arena for the corporations to become engage with this polarized issue and communicate, in a public manner, their explicit disapproval of the violent right-wing protests and support for values that combat xenophobia.

A second vivid example of a corporation getting involved in a contested political issue relates to Nike’s 2018 “Just Do It” campaign featuring quarterback Colin Kaepernick (Goldman, 2018; Kim et al., 2020). At this time, Kaepernick was a contested public figure who gained a lot of public and media attention. Nike’s ad was a black-and-white close-up of Kaepernick’s face with the words, “Believe in something. Even if it means sacrificing everything,” which was a reference to Kaepernick’s lawsuit against the NFL for allegedly colluding to keep the former San Francisco 49ers quarterback out of the league over his protests against police brutality. Kaepernick, and some other NFL players, had kneed during the national anthem as a protest against police brutality resulting in the deaths of unarmed black Americans. Yet, critics, including President Donald Trump, kept claiming that Kaepernicks was disrespecting his flag and country. The debate surrounding Kaepernick’s actions was clearly a polarized issue that, through processes of mediatization, became a highly salient issue across the globe. Nike’s collaboration with Kaepernick is an example of corporate political advocacy. Nike considered Kaepernick’s cause worth promoting independently of their core business, even if it meant turning away from stakeholder groups who opposed Kaepernick’s actions and saw it as disrespecting the country. Indeed, Nike’s engagement with this socio-political issue was perceived differently by various stakeholders as was reflected in the strong reactions towards the campaign. Goaded by the performative nature of social media, many people, mainly Trump supporters and more conservative publics, were uploading videos and photos where they destroyed their Nike shoes to declare a moral boycott over Nike apparel they already possessed, all in the name of denouncing the athlete Kaepernick. In turn, other publics online supported Nike’s campaign and mocked boycotters by pointing out that destroying Nike goods that are already bought and paid for does not actually hurt Nike’s bottom line.

Back then, Nike made a deliberate choice when collaborating with Kaepernick and entering an issue arena where different political publics could not see eye-to-eye. The risk of the campaign was undoubtedly assessed before, indicating that Nike knew what they were doing and believed their risky campaign would pay off and was perhaps, in their opinion, morally the right thing to do. The minor hit Nike’s stock had taken in the immediate aftermath of the campaign was outweighed by the long-term attention and support from their core consumers. In this campaign, Nike’s choice to engage with their key stakeholder, their core costumers, namely millennials and younger men in cities who are on average more likely to be on the liberal side of the political spectrum. Indeed, the majority of these younger customers supported Nike’s decision to use Kaepernick in their campaign, which resulted in an increase in customer loyalty to Nike. As a result of the campaign, Nike gained over 170,000 Instagram followers and a few days later their stock closed at an all-time high. To conclude, Nike’s risky campaign, where they decided to take a stance on a political issue that was high on the national agenda, did pay off as their core stakeholders had a comparable view on the issue which resulted in that the majority of their consumers felt backed up and an increased loyalty toward to corporation. The financial gains and social support from their core stakeholders show how Nike, with their corporate political advocacy, engaged in processes of maintaining their SLO in an environment that is characterized by strong divides on political issues.

In both examples, we discuss a socio-political issue that divided publics based on their political ideologies. These issues show how corporations’ environments can be increasingly characterized by the polarization of stakeholders. Mediatization has made such issues more salient within society and corporations’ engagement more pressing. The corporations were not explicitly pressured by stakeholders to enter these issue arenas. Yet, since corporations’ SLO is increasingly constructed through mediatized processes, and the negotiation of these socio-political issues became central in the public and media sphere, the
corporations can have felt they could not ignore these issues and had to become politically engaged. Moreover, the examples illustrate how this politicization of corporations and their environment makes them enter issue arenas that are not directly related to their core businesses. In communicating their explicit support for one group or ideal over another, the corporations engage in a public relations approach that can be conceptualized as corporate political advocacy with the aim to maintain their SLO in a society that is characterized by political divides.

8. Concluding Remarks

In this conceptual paper, we attempt to contextualize corporate engagement in a society characterized by large socio-political shifts. With the increasing polarization of publics and shifting perspectives on a variety of social issues, the way corporations’ SLO is maintained has changed. Corporations can no longer stand by and passively observe how stakeholders clash on conflicting interests. The mediatization of society and corporate conduct forces corporations to actively speak out and engage in often-contested, political issues. This politicization of corporations forces them to become more engaged with their socio-political environment in an effort to maintain their SLO. Issue arenas, manifested in the media sphere, have become the new platforms that corporations have to enter in order to renew their SLO and contribute to a functioning society (Heath, 2006). In contrast to organizational legitimacy approaches like ‘manipulation’ (based on CPA) and ‘moral reasoning’ (political CSR) (Castelló et al., 2016), we – following the conceptualization of political advocacy – argue that corporations’ engagement with socio-political issues in mediatized and polarized issue arenas should also be based on their own inherent values. Rather than relying on a holistic approach and trying to balance conflicting stakeholders, the corporation should take a stance on polarized issues based on its own values and moral standpoints. These values and moral convictions are usually related to deeper-lying social, cultural, and traditional patterns and are mobilized, renewed, and advocated by corporate actors in the context of current socio-political issues. In the complex communicative processes of issue arenas, where stakeholders are divided, legitimate corporations, thus, have to set sail in directions their own values and ideals lead them. More and more examples can be observed where corporations publicly speak out in support for one stance, with the danger to contradict certain other stakeholders. This phenomenon shows how corporations are in the midst of a process of reinterpreting their role in society as increasingly politicized actors, which calls for public relations scholars to renegotiate corporate conduct and norms in light of SLO.

In our effort to relate the politicization of corporations to existing public relations literature, we have argued that the concept of political advocacy is a workable theoretical starting point. In their conceptualization of this concept, Wettstein and Baur (2016) end with some practical challenges that can provide a foundation to guide corporations’ engagement in politically polarized issues. Corporations are left with the question of whether and how to take a public stand on a specific polarized issue. Three basic conditions for legitimate engagement in political advocacy are offered by Wettstein and Baur (2016). First, consistency is an essential element for the legitimacy of corporate political advocacy. Corporate promotions of values need to be reconcilable and consistent with the foundational values of the corporation in order to guard its integrity. This form of consistency indicates that corporations are aware of their inherent values. Against this backdrop, it is recommended to formally lay down value statements to guide corporate conduct for those that wish to operate with integrity (Waddock and Rasche, 2012). Second, the plausibility of a corporations’ advocacy can be reached if the cause is part of a long-term value of the corporation. New promotions need to be in line with the focal point of corporations’ responsibility. Finally, authenticity is argued to be essential. Corporate advocacy needs to be embedded in targeted actions in its own operations. The advocacy is always assessed in light of corporations’ other activities and culture. These conditions determine whether a corporation has earned and is integer enough for the “right to advocate” (Sethi and Williams, 2000).

Corporate political advocacy gives rise to some normative and ethical concerns. It is worthwhile to reflect on whether corporations should play a substantial role in the negotiation of socio-political issues. Accordingly, research has addressed the blurring boundaries of corporations’ political and economic responsibilities (in a globalized world) where firms have become important political actors (Matten and Crane, 2005; Scherer and Palazzo, 2011). As a consequence, Ihlen and Pallas (2014, p. 2), for example, indicated that “several academic and popular books have also centered on the powerful role of the modern corporation and its (negative) impact on the public sphere and politics” (e.g., Bakan, 2004; Boggs, 2006; Korten, 2001). For certain topics, such as fighting racism or supporting the scientific consensus on climate change, corporate involvement, in terms of corporate political advocacy, is arguably not problematic and even desirable. Yet, corporate interference in more delicate or complex issues, such as tax policies, what needs to be thought in schools, supporting political representatives, or even decisions to go to war, could be considered normatively unacceptable within democratic societies. Arguably, certain forms of corporate political advocacy come too close to the privatization of social issues or problems. Rather than elected officials, corporations have not gained their voice in public debates through democratic processes but rather through economic power. In addition, some would argue that corporations’ intentions to engage with such issues and stakeholders are often not based on intrinsic values but rather on extrinsic motives for profit where they overlook what is best for communities and society at large. Some even go as far as stating that corporations only pursue self-interest, irrespective of the harmful consequences it might cause others (Bakan, 2004). Therefore, in their engagement with socio-political issues, corporations should potentially position themselves in a more reactive way rather than being pro-active. If corporations primarily engage with issues and issue positions held by external communities and stakeholders, and therewith rather enter issue arenas instead of creating them, this can minimize normative concerns regarding their political interference. In an ideal world, corporations’ SLO, maintained within society and mediatized spheres, will provide sufficient soft regulation to avoid too strong socio-political interference when corporations engage with social issues.

By relying on literature on polarization and mediatization, this study advances public-relations literature on how relationships are built with certain stakeholder groups when corporations delve into socio-political issues that divide society. For future studies in the field of public relations, it is important to explicitly acknowledge how corporations’ environment and societal processes like mediatization can pressure corporations to engage in the constant renewal of their SLO against the background of the everchanging political and public sphere. To further advance knowledge in the field of public relations in light of changing social-political environments, future empirical endeavors can, for example, explore direct and indirect forms of societal pressure on corporations to become politically engaged. Are there certain activist groups or segments of online publics that directly target corporations for their engagement? Or can certain socio-political issues or specific circumstances explain when corporations feel that they cannot avoid the political division, even in the absence of an explicitly call for corporate action from stakeholder groups? Moreover, public relations scholars should not ignore the outcomes regarding the heightened roles that corporations can play in public discourse that negotiates normative boundaries and societal consensus. Furthermore, the politicization of corporations raises questions about the applicability of several public-relations models. The often-recommended stakeholder dialog is arguably not always the optimal way to go in the context of competing interests of stakeholders. Instead of subjecting corporate values to scrutiny within stakeholder dialog, corporations, in the context of polarized environments, seem to be required to abandon deliberative and holistic
attitudes in favor of a forceful stance for certain shared values. Corporations are expected to rely on their own intrinsic values and ideals as a guide for their political advocacy and therewith go beyond trying to please all stakeholders. Their existing values and prior activities should determine which issues arenas they enter and how they engage with the socio-political issues high on the political and media agenda.

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