

Crisis Management and Corporate Political Activism: A Qualitative Analysis of Online Reactions toward Tesla

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Abstract : In the US, corporations have recently embraced political stances in an attempt to respond to the external pressure exerted by activist groups. To date, research in this area remains in its infancy, and few studies have been conducted on the way stakeholder groups respond to corporate political advocacy in general and in the immediacy of such a corporate announcement in particular. The current study aims to fill in this research void. In addition, the study contributes to an emerging trajectory in the field of crisis management by focusing on the delineation between crises (unexpected events related to products and services) and scandals (crises that spur moral outrage). The present study looked at online reactions in the aftermath of Elon Musk's endorsement of the Republican party on Twitter. Two data sets were collected from Twitter following two political endorsements made by Elon Musk on May 18, 2022, and June 15, 2022, respectively. The total sample of analysis stemming from the data two sets consisted of N=1,374 user comments written as a response to Musk's initial tweets. Given the paucity of studies in the preceding research areas, the analysis employed a case study methodology, used in circumstances in which the phenomena to be studied had not been researched before. According to the case study methodology, which answers the questions of how and why a phenomenon occurs, this study responded to the research questions of how online users perceived Tesla and why they did so. The data were analyzed in NVivo by the use of the grounded theory methodology, which implied multiple exposures to the text and the undertaking of an inductive-deductive approach. Through multiple exposures to the data, the researcher ascertained the common themes and subthemes in the online discussion. Each theme and subtheme were later defined and labeled. Additional exposures to the text ensured that these were exhaustive. The results revealed that the CEO's political endorsements triggered moral outrage, leading to Tesla's facing a scandal as opposed to a crisis. The moral outrage revolved around the stakeholders' predominant rejection of a perceived intrusion of an influential figure on a domain reserved for voters. As expected, Musk's political endorsements led to polarizing opinions, and those who opposed his views engaged in online activism aimed to boycott the Tesla brand. These findings reveal that the moral outrage that characterizes a scandal requires communication practices that differ from those that practitioners currently borrow from the field of crisis management. Specifically, because scandals flourish in online settings, practitioners should regularly monitor stakeholder perceptions and address them in real-time. While promptness is essential when managing crises, it becomes crucial to respond immediately as a scandal is flourishing online. Finally, attempts should be made to distance a brand, its products, and its CEO from the latter's political views.

Keywords : crisis management, communication management, Tesla, corporate political activism, Elon Musk

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