

How Does the Media Frame the Legitimacy of Multinationals in the Context of Geopolitical Rivalry?

A study of Chinese multinationals in developed countries

By

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Abstract

Chinese multinational enterprises are facing almost continuous negative media coverage in many Western countries, given the rising geopolitical tensions between the China and the West. This thesis aims to scrutinize this phenomenon to examine why and how Chinese multinationals are suffering from negative media coverage, and how firms can deal with such challenges when facing geopolitical complexities. To examine the phenomenon of interest, this thesis takes a cross-disciplinary approach by combining the subjects of international business, mass communication, and international relations.

The research problem that this thesis aims to address is: *How can Chinese multinationals interpret and respond to media-framed legitimacy challenges when facing intensive geopolitical tensions?* This research problem leads the author to develop three concrete research questions: How are liabilities of origin framed by the media, thereby posing legitimacy challenges for Chinese multinationals? How are the voices of different stakeholders framed by the media in constructing the legitimacy of Chinese multinationals? How can Chinese multinationals form voice strategies to mitigate legitimacy challenges in the geopolitical context?

The research design in this thesis contains three independent yet related studies in dealing with the general research problem. The first case study focuses on the legitimacy challenges of Huawei in the UK. The second case study focuses on the legitimacy challenges of TikTok in the US. The third study supplements the previous two case studies and explores Chinese multinationals' voice strategies through semi-structured interviews with public relations managers.

This thesis extends knowledge and makes contributions to three theoretical gaps regarding multinationals' legitimacy challenges in the geopolitical rivalry, media framing of multinationals' legitimacy, and multinationals' voice strategies as part of the nonmarket strategy. Besides, it responds to the call for methodological pluralism in case study work. Finally, it generates both managerial and policy implications for multinationals and governments to consider the impact of geopolitical rivalry on multinational enterprises.

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Chapter 1

Introduction

1.1 Research motivation

[Huawei] is viewed as a security threat because of laws in China oblige private companies to hand over data to the government if required. (The Telegraph, 14 July 2020)

Whether it's TikTok or any of the other Chinese communications platforms, apps, infrastructure, this administration has taken seriously the requirement to protect the American people from having their information end up in the hands of the Chinese Communist Party. (The New York Times, 15 July 2020)

Just like thousands of millions of people around the world, I am using media outlets to learn and understand what is happening today and what will happen tomorrow. And, as a doctoral researcher in international business (IB), I keep an eye on daily media coverage about start-up entrepreneurs, multinational enterprises (MNEs), industrial policies, government regulations, etc. While benefiting from such easy-obtained information and stories from the news press, I am more curious about how the media reports on MNEs and IB, what are the underlying assumptions behind the news coverage, and what are the impacts of media coverage on MNEs.

As shown by the quotes at the beginning, two Chinese MNEs (Huawei and TikTok) are portrayed by the media as threats to their host countries. Such narratives are not only against my subjective cognitions, as a Chinese citizen, of those leading Chinese MNEs, but also against the rationales in IB about the commercial nature of MNEs. Then, it would be asked, why the media in the West holds such a hostile stance on Chinese MNEs, what it means to Chinese MNEs and the Chinese government, and how Chinese MNEs can deal with negative media coverage in developed countries.

One motivation for conducting this research is to investigate the role of the media in influencing MNEs' legitimacy. In the current IB landscape, it is crucial for MNEs to have a deep understanding of legitimacy, which refers to their perceived acceptance

in the eyes of different stakeholders (Suchman, 1995; Scott, 2005). Legitimacy is best understood as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995, p.574). As legitimacy is a status that is granted by social actors, it is crucial for MNEs to examine two key social actors: government regulators and public opinion (Deephouse, 1996).

Regarding government regulators, scholars argue that the political risk faced by MNEs is connected to issues of legitimacy (Stevens et al., 2016). In terms of public opinion, the media plays a significant role in influencing the attitudes of the public toward MNEs (Clemente and Gabbioneta, 2017). Stevens et al. (2016, p.948) emphasizes the importance of investigating the “role of legitimacy-granting actors other than the government” in understanding the formation of corporate legitimacy.

Notably, the field of mass communication has a rich history of exploring how the media influences public perceptions and attitudes toward social and political realities (Fiss and Hirsch, 2005; Matthes, 2009). Moreover, there is growing interest among IB researchers in understanding the media's role in shaping narratives around MNEs' operations and performance (Garcia, 2011; Clemente and Gabbioneta, 2017).

Indeed, the media not only serves as a channel for information dissemination but also possesses the power to shape public perceptions of MNEs based on their own social and political positions. From a constructionist view, an organization or its actions are considered illegitimate only if they are perceived as such by relevant stakeholders (Entman, 2012). The media might play an active role in making sense of and giving sense to the legitimacy of MNEs (Vaara and Tienari, 2008). Hence, studying the MNEs' media coverage can help understand the construction of Chinese MNEs' legitimacy in foreign countries.

Another motivation for conducting this research is triggered by the rising geopolitical tensions around the IB landscape. For example, in the unfolding of the US–China Tech Cold War, Chinese MNEs, especially from the hi-tech industry, seem to face burgeoning threats to their legitimacy in developed countries (Fjellström et al., 2023). Indeed, the geopolitical relationships between countries have increasingly been emphasized as a factor that intensifies opposition faced by MNEs in foreign markets (Shi et al., 2016). Also, it is argued that Chinese MNEs would need to face up to

continuous negative media coverage in Western countries for the near future—which has been witnessed in recent years, in step with the escalating US–China geopolitical rivalry (Fang and Chimenson, 2017). Thus, if not taking the geopolitical impact into consideration, it would be difficult to understand the legitimacy challenges faced by Chinese MNEs.

1.2 Research setting

Driven by the research motivation, the research setting in this thesis is focused on the phenomenon of Chinese MNEs' legitimacy challenges in the media when there is an increasing geopolitical tension between the US and China.

In a relatively short period, the world's two biggest economies, the United States and China, have become embroiled in a modern-day cold war centered on the control of technology and innovation. Some high-tech industries and sectors that were traditionally dominated by developed countries, such as telecommunications and artificial intelligence have witnessed a rapid rise of Chinese MNEs. The US government views the catch-up of China as a situation where one side's gain comes at the expense of the other, accusing China of achieving its rise through intellectual property theft and espionage, which poses national security risks to the US.

The geopolitical rivalries of the Tech Cold War between the US and China seem likely to pull increasing Chinese MNEs into the febrile domain of between-nations competition. For example, China's top chipmaker SMIC and drone manufacturer SZ DJI Technology were added to a trade blacklist in December 2020 by the Trump's administration, for their ties with "Beijing's efforts to harness civilian technologies for military purpose" (Reuters, 2020). The Biden administration has continued the policy by imposing trade restrictions on 34 Chinese entities for "human rights violations and the alleged development of "brain-control weaponry" (CNBC, 2021). According to the U.S. Department of the Treasury (2021), Chinese MNEs listed in the US stock market, including Xiamen Meiya Pico Information and Yitu, etc., have been added to the list as they are accused of being involved in human rights abuse in China.

The US–China rivalry has already had far-reaching geopolitical effects on IB, with significant consequences extending to numerous other countries worldwide. Experts believe that the rivalry between the two superpowers will persist and even escalate, which is often linked with the metaphor of the “Thucydides Trap” (Allison, 2017). Such a contest can also be viewed as a “clash of civilizations,” where the root of conflict in the new world order is not just economic but also ideological and cultural (Huntington, 1993). As the US–China rivalry extends beyond purely economic concerns and takes on political and ideological dimensions, there is more than ever media coverage in Western countries on Chinese MNEs, in which the image of Chinese MNEs have been portrayed negatively. In particular, the media can succeed in letting people “know their enemy”, as media propaganda has been considered a vital tool in wartime history (Dower, 1986). Thus, the US–China rivalry provides chances for the Western media to narrativize Chinese MNEs and portray them as entities from an enemy country.

Therefore, the US–China rivalry serves as a highly significant and relevant research setting, given its far-reaching impact on the global economic landscape and international relations. It is indeed crucial for IB scholars to critically examine the impact of geopolitics on MNEs and consider the increasingly political nature of multinational corporations’ international involvements.

1.3 Theoretical background and research gaps

Following the research motivation and research setting above, a critical review is conducted to examine three main bodies of literature that are relevant to this thesis, namely: 1) an institutional-based view of MNEs’ legitimacy; 2) corporate media coverage; and 3) geopolitical rivalry and MNEs’ nonmarket strategies. Based on the cross-disciplinary literature review, three research gaps are then identified and solidified which have not yet been fully studied.

The first research gap is identified as Chinese MNEs’ legitimacy challenges in the context of geopolitical rivalry, which shares a common interest between the international business-focused and international relations-focused literature. MNEs might face legitimacy challenges from both formal and informal institutions (Scott,

2005); the former contains adverse regulations or even sanctions from host countries (Meyer et al., 2023), and the latter contains social-cultural and ideological concerns towards firms' overseas business (Kolk and Curran, 2017). Recently, IB scholars are becoming more interested in linking IB theories with international relations theories to explain how rising geopolitical tensions affect the global business landscape (Witt, 2019a; Meyer and Li, 2022). In particular, Ramachandran and Pant (2010) have pointed out that EMNEs are more likely to encounter liabilities of origin (LOR) in host countries. Thus, there is a research gap that MNEs' LOR and legitimacy challenges need more contextualized investigation.

The second research gap is identified as media framing of MNEs' legitimacy, which shares some common interests between the international business-focused and mass communication-focused literature. Corporate media coverage literature has acknowledged the role of the media in affecting corporate operations, performance and reputation (Deephouse, 2000). Although media data have been used more frequently in IB studies, extant literature shows relatively limited attention to MNEs' media-related legitimacy. Mass communication theories such as media framing and agenda setting have been widely used for understanding how the media constructs social realities (Cohen, 1963; Entman, 1993), attracting some attention from IB scholars (Clemente and Gabbioneta, 2017). As few studies in the extant literature focus on examining the impact of the media on MNEs' legitimacy, there is a research gap in investigating the media framing of MNEs' legitimacy challenges, especially in the context of geopolitical rivalry.

The third research gap is identified as MNEs' voice strategies, which shares a common interest between the mass communication- and international relations-focused literatures. As extant nonmarket strategies literature pays more attention to the international business–government relationship (Sun et al., 2021), other stakeholders, such as the media, have been drawing less attention (Baron, 1995; Doh et al., 2022). Stevens et al. (2016, p.948) asserts that it is crucial for studies to investigate the “role of legitimacy-granting actors other than the government” that can determine corporate legitimacy. Therefore, there is a research gap in taking the media into account for investigating MNEs' voice strategy as part of the nonmarket strategy in navigating the legitimacy challenges in the geopolitical context.

1.4 Research problem and questions

Considering the above, the key research problem this thesis seeks to address is:

How can Chinese MNEs interpret and respond to media-constructed legitimacy challenges when facing intensive geopolitical tensions?

This research problem statement leads me to develop the following concrete research questions and sub-questions:

Q1: How is LOR framed by the media, thereby posing legitimacy challenges for Chinese MNEs?

Q2: How are the voices of different stakeholders framed by the media in constructing the legitimacy of Chinese MNEs?

Q3: How can Chinese MNEs form voice strategies to mitigate legitimacy challenges in the geopolitical context?

Notably, these research questions are not explicitly set at the beginning of the research design but are gradually refined step-by-step, along with the research process. More details about developing and justifying such questions will be provided in the following chapters.

1.5 Research design and conduction

To answer the research questions above, I adopt a research design containing three independent yet interrelated studies: two in-depth case studies and one supplementary interview-based study. Following the case-based research methodology from various qualitative scholars (e.g., Welch et al., 2011; Piekkari et al., 2009), this research design is encapsulated in the following six characteristics: 1) adopting a qualitative approach; 2) focusing on the phenomenon-based research setting; 3) applying an interpretive case study design; 4) emphasizing contextualization in theorizing from case study; 5) following a step-by-step approach of conducting research; and 6) using triangulation as quality control.

The case study is chosen as the core research strategy, which is “excellent in generating holistic and contextual in-depth knowledge” (Eriksson and Kovalainen, 2016, p.131). Further, a qualitative case study design is suggested to be suitable for answering the “how” research questions (Yin, 2018), which is suitable for addressing the research problem and answering the research questions in this thesis. Plus, supplementary semi-structured interviews are conducted to triangulate the findings from the case study, as well as obtaining primary data for an in-depth understanding of the focal research problem.

Under the same research topic, each of the three studies has its own research focus and aims to answer the research questions. This research was started in late 2019 when the UK government took a policy U-turn on Huawei, that Huawei’s 5G operations were ultimately kicked out from the UK market then in 2020. In fact, I have followed the condition of Huawei in the UK for years, its high negative media coverage in this critical period does provide a good opportunity for investigating the general research problem. Thus, the first case study aims to investigate Huawei’s legitimacy challenges in the UK (Case 1 or the Huawei case). In Case 1, media data from five mainstream British newspapers were collected and analyzed.

Then, the second case study of TikTok’s legitimacy challenges in the US (Case 2 or the TikTok case) is conducted. Given the similar context of geopolitical rivalry, Case 2 can be treated as an extended case study to further investigate the research problem in this thesis, rather than simply repeating Case 1. Acknowledging the potential limitations of the Huawei case, the TikTok case extended the research focus to involve the media data from both the host and home countries of the focal MNE and deepened the analysis of the voices of different players in the media.

Finally, supplementary interviews were conducted to further investigate the research problem and answer the three research questions. The function of this study is for triangulating the findings from the previous two case studies, at the same time, exploring Chinese MNEs’ voice strategy. In this study, data were collected from ten interviewees who are public relations managers from either MNEs or agencies.

1.6 Research findings and contributions

This thesis provides novel insights and knowledge into how Chinese MNEs can overcome media-framed legitimacy challenges when facing increasing geopolitical tensions. Here, the key theoretical and methodological contributions are summarized, along with the managerial and policy implications of the thesis.

This thesis makes three theoretical contributions, firstly, this thesis sheds light on the theory of MNEs' legitimacy in the IB literature (e.g., Suchman, 1995; Ramachandran and Pant, 2010), by revealing the mechanism of how LOR becomes a salient legitimacy challenge for MNEs in host countries. In such a mechanism, LOR serves as the cause, geopolitical rivalry serves as the context, and media framing serves as the process. Secondly, this thesis sheds light on the theory of corporate media coverage (e.g., Graf-Vlachy et al., 2020; Clemente and Gabbioneta, 2017), by revealing not only the constructs but also the process of media framing on MNEs' legitimacy contestation. This study proposes a new framework of media framing of MNEs' LOR which differs from previous media framing of corporate scandal. Further, this study crystallizes the evolvement and process of media framing, by identifying the legitimation battlefield and legitimation dynamics of different stakeholders in the media. Thirdly, this thesis sheds light on the theory of MNEs' nonmarket strategies (e.g., Boddewyn and Brewer, 1994; Doh et al., 2017), by developing a framework of MNEs' voice strategies in the context of geopolitical rivalry. Given the focus on business–government relationship in existing nonmarket literature (Sun et al., 2021), the voice strategies proposed in this thesis enrich nonmarket theories by taking a less investigated stakeholder—the media, into account.

This thesis makes two methodological contributions. Firstly, this thesis echoes the call for greater methodological pluralism in case research in the IB area (Welch et al., 2011; 2022). By emphasizing the role of contextualization in theorizing from case studies, this thesis illustrates that context is not exogenous but rather endogenous to theory. In this way, this study explains how the findings of case studies can be generalized through context than population. Secondly, this thesis enriches the method of analyzing corporate media coverage (e.g., Entman, 2012; Vaara et al., 2006), by providing a novel analysis template. The newly developed template contains two analytical steps, that is, a qualitative content analysis followed by a

thematic analysis. This study justifies how the method used in this research could become a novel template for future research on corporate media coverage.

Regarding managerial implications, this thesis puts forward two general suggestions for MNEs to effectively develop voice strategies and navigate geopolitical complexities. Firstly, MNEs need to develop an ability of external resilience, including making appropriate voices responding to legitimacy complexities in both home and host countries. Secondly, MNEs need to develop internal capabilities and enhance communication efficiency. Although this thesis focuses on Chinese MNEs, such implications can be drawn for other MNEs involving in the geopolitical context.

Regarding policy implications, this thesis suggests that firstly, governments need to recognize the potential impact of geopolitical rivalry on MNEs operating within their authorities. Secondly, governments need to improve their soft power thereby easing the LOR for their MNEs. Thirdly, governments need to provide institutional and policy support for the PR industry, thereby equipping MNEs with the necessary toolkits and expertise to navigate media-constructed legitimacy challenges in a global wide.

1.7 Thesis outline

The remainder of the thesis is structured as follows. In *Chapter 2*, the literature is reviewed and then research gaps are identified. The research gaps include MNEs' legitimacy challenges in the geopolitical rivalry, media framing of MNEs' legitimacy, and MNEs' voice strategies as nonmarket strategies.

In *Chapter 3*, the research methodology applied in this thesis is discussed and outlined, including the philosophical position, research method, methods for data collection, methods of data analysis, and research ethics.

In *Chapter 4*, the conduction, analysis and results of Case 1 are presented, seeking to answer Q1. Three key findings of Case 1 are generated: 1) Five key elements of media framing of Huawei's LOR; 2) Salient media framings in the five British newspapers; 3) Voices of Huawei and Chinese government in the media. Further,

findings are discussed in three ways: 1) MNEs' LOR in the geopolitical context; 2) Media framing of corporate LOR; 3) MNEs' voice strategies for tackling LOR.

In *Chapter 5*, the conduction, analysis and results of Case 2 are presented, seeking to answer Q2. Two key findings of Case 2 are generated: 1) A media battlefield of legitimation contestation on TikTok; 2) A shifting matrix of media framing on TikTok. Further, findings are discussed regarding MNEs' legitimation dynamics in the media framing, thereby articulating the role and processes of media in (de)constructing the legitimacy of a contested Chinese MNE facing geopolitical complexities.

In *Chapter 6*, the conduction, analysis, and results of supplementary interviews are presented, seeking to answer Q3. Findings reveal five dimensions of MNEs' voice strategies for tackling media-related legitimacy challenges. Further, findings are discussed together with the previous two case studies, and then a conceptual framework of MNEs' voice strategies in the geopolitical context is developed.

Finally, in *Chapter 7*, a general discussion is generated echoing the research problem, research gaps and research questions, in which theoretical contributions, methodological contributions, managerial implications and policy implications are included. The thesis is concluded by acknowledging the research limitations and highlighting opportunities for future research.

Chapter 2

Literature Review

2.1 Introduction

This literature review aims to explore three main bodies of literature that are central to this thesis, namely: 1) an institutional-based view of MNEs' legitimacy, 2) corporate media coverage, and 3) geopolitical rivalry and MNEs' nonmarket strategies. In doing so, works on an interdisciplinary basis in the extant literature relating to these three domains are critically reviewed and examined. This is a critical review of both theoretical and empirical works in relevant areas. This study starts with examining each research domain and then identifies the overlaps between the three bodies. Finally, the research gaps are identified, and research questions are proposed by linking with theories, empirical studies and real-world scenarios.

In line with the main topic of this thesis, an institutional-based view of MNEs' legitimacy is firstly reviewed (*Section 2.2*). Specifically, this study gives a brief introduction to institutional theory and the concept of corporate legitimacy, emphasizing the linkage between MNEs' legitimacy and their institutional environment (*Section 2.2.1*). Then, two important factors for affecting MNEs' legitimacy are examined, which are liabilities of foreignness (*Section 2.2.2*) and liabilities of origin (*Section 2.2.3*). Further, the legitimacy challenges faced by Chinese MNEs are identified based on linking with existing theoretical and empirical studies (*Section 2.2.4*).

Secondly, the review moves onto the field of corporate media coverage (*Section 2.3*). By reviewing the literature of corporate media coverage in the business and management field, two roles of the media are defined, which are the media as an information intermediary (*Section 2.3.1*), and the media as a legitimacy evaluator (*Section 2.3.2*). Further, based on the cross-disciplinary review of mass communication, theories of media framing and agenda setting are introduced and examined linking with the IB settings (*Section 2.3.3*). Then, theories about public

relations are reviewed regarding corporate crisis communication and management (*Section 2.3.4*).

Thirdly, the review moves onto the research context of this thesis, that is, the geopolitical rivalry (*Section 2.4*). This part of the review is also on an interdisciplinary basis. Step by step, the three perspectives from the field of international relations are embraced (*Section 2.4.1*), and then they are examined and discussed with the current debate of de-globalization and US–China rivalry in the IB literature (*Section 2.4.2*). Finally, the literature on MNEs’ nonmarket strategies is reviewed, given its focus on business-government relationships, and the purpose of navigating legitimacy complexities (*Section 2.4.3*).

As a conclusion to the review of the interdisciplinary literature, the research gaps are then identified and solidified, and the research questions are justified accordingly (*Section 2.5*).

2.2 An institutional-based view of MNEs’ legitimacy

Institutional theory has been applied to research on multinational firms and has become increasingly popular in studying firms from emerging countries (e.g., North, 1990; Scott, 2014; Peng et al., 2009; Torres de Oliveira and Rottig, 2018). In general, institutions are defined as “rules of the game”, which are categorized into formal (i.e., laws and regulations) and informal (i.e., norms and values) rules (North, 1990; Scott, 2014). MNEs need to comply with all these institutions in both home and host countries to build and maintain legitimacy, which is considered as the acceptance of MNEs in the eyes of stakeholders in a focal institutional environment (Kostova and Zaheer, 1999). From an institutional-based view, legitimacy is key to an organization’s survival and success and broadly concerns the acceptance of the organization by its environment (Dowling and Pfeffer, 1975).

Kostova and Zaheer (1999) argue that MNEs provide a suitable opportunity to study the complexity of legitimacy as an MNE operates in more than two countries where the three levels of legitimacy can be different from each other. Literature addressing MNEs’ legitimacy and the international business context has pointed out two main

factors that can influence MNEs' legitimacy in their internationalization: liability of foreignness (LOF) (Campbell et al., 2012; Lamin and Zaheer, 2012; Kostova and Zaheer, 1999; Zaheer, 1995), and liability of origin (LOR) (Fiaschi et al., 2017; Ramachandran and Pant, 2010). The following sub-sections will review the institutional theory, and the concept of legitimacy, as well as discussing the main factors that can influence MNEs' legitimacy.

2.2.1 Institutional theory and corporate legitimacy

North (1990) defines institutions as the rules of the game that serve to reduce the uncertainty of the transaction. Similarly, Scott (1995, p33) defines institutions as "regulative, normative, and cognitive structures and activities that provide stability and meaning to society behaviour". In Scott's three pillars of institutions (i.e., regulatory, normative, and culture-cognitive), the latter two are considered as linked with informal institutions (Peng et al., 2009). Informal institutions are "socially shared values, usually unwritten, that are created, communicated and enforced outside officially sanctioned channels" (Helmke and Levitsky 2006, p.918).

Scott (2005) points out that informal institutions reflect socially constructed reality with shared meanings and collective understandings, which work in a more invisible and culturally transmitted process. Helmke and Levitsky (2006) argue that informal institutions are not synonymous with weak institutions, culture, or other informal behavioral regularities. Informal institutions play an important role in influencing corporate activities through the mechanisms related to trust, reputation, and business networks (Seyoum, 2011). Estrin and Prevezer (2011) investigated the role of informal institutions in the corporate governance of four major emerging economies: Brazil, Russia, India, and China. They find that informal institutions can perform substitutive, competing, and accommodating roles in creating corporate governance leading to enhanced domestic and foreign investments.

Suchman (1995, p.574) defines legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions". Further, Suchman (1995, p.577) states that legitimacy rests on three bases: pragmatic,

moral, and cognitive. Specifically, pragmatic legitimacy means organizations make self-interested calculations to meet the needs of their immediate audience. Moral legitimacy means organizations' activities are positively evaluated by the normative value system, which is socially constructed. Cognitive legitimacy refers to legitimacy based on comprehensibility and taken-for-granted matters. From pragmatic to moral and then to the cognitive level, legitimacy tends to be more difficult to observe, obtain and manipulate as it is becoming more subtle and profound.

The concept of the social contract is central to legitimacy theory, suggesting that a firm's survival depends on whether its behavior is within the social bounds and norms (Brown and Deegan, 1998, p.22). As social norms are not fixed but change over time, organizations need to continuously demonstrate that their behaviors are legitimate and meet the social contract. According to legitimacy theory, corporations can legitimize their behaviors by providing information to influence stakeholders' and society's perceptions on them, in doing so firms are viewed as a "good corporate citizen" by stakeholders and society (O'Donovan, 1999). Organizations need to attempt, through communication, to become identified with symbols, values, and methods of operation with institutions, values, or outputs that are strongly believed to be legitimate, and, as such, to demonstrate congruence between its organizational practices and the values professed by its social environment (Dowling and Pfeffer, 1975).

The literature on organizational legitimacy falls into two camps – one strategic, the other institutional (Suchman, 1995). From a strategic perspective, scholars emphasize how organizations can use managerial instruments to obtain societal support so that legitimacy is depicted as an operational resource that organizations can control (Pfeffer, 1981). Strategic legitimacy theory suggests that legitimacy is, to a certain extent, controllable by organizations and insists that organizations have abilities to make strategic choices to maintain or change legitimacy status by adapting their activities and changing perceptions. Thus, legitimacy is purposive, calculated and frequently oppositional (Pfeffer, 1981). However, the strategic perspective of legitimacy is criticized by institutionalists (DiMaggio and Powell, 1983) and they argue that legitimacy is not only an operational resource but also a set of constitutive beliefs.

On the contrary, the institutional perspective views legitimacy as a set of constitutive beliefs (Zucker 1987). Institutional scholars emphasize the collective construction of legitimacy that external institutions play a significant role in constructing and interpreting organizations in every respect. Institutionalists define three levels of aspects that can shape organizational legitimacy, which are the environment's institutional level, organizational level and legitimation process (Scott, 1995). For example, from the institutional environment level, Kostova and Zaheer (1999) have described three types of domains that can influence an MNE's legitimacy, they are: (1) the regulatory domain mainly the rules and laws; (2) the cognitive domain, namely the taken for granted cognitions in the society; and (3) the normative domain which goes beyond the former two to the more subtle social values. These three domains are consistent with Scott's (1995) three pillars of the institutional environment (i.e., regulative, cognitive, and normative). It is suggested legitimacy in cognitive and normative domains might pose more difficult challenges for MNEs compared with the regulatory domain as cognitive and normative domains are more difficult to sense and interpret (Kostova and Zaheer, 1999).

2.2.2 Corporate identity, image, reputation and legitimacy

Importantly, it might be apposite to further clarify the concepts of corporate identity, image, reputation and legitimacy, which can be mixed in their use as ways of evaluating firms. Through a co-citation analysis, Veh et al. (2019) found that the corporate reputation literature is closely linked with concepts of corporate identity, corporate image and corporate legitimacy. For clarification, it is important to distinguish between these similar concepts. Identity refers to what organizational members perceive the organization to be (Brown et al., 2006), while image means the organizational external appearance as an immediate impression in other's eyes (Gray and Balmer, 1998). Brown et al. (2006) argued that reputation focuses on the question of what stakeholders think of the corporation and develops over time.

Scholars use social judgment theory to take the theoretical utility of the concept of corporate image and reputation into account (Bitektine, 2011; Boivie et al., 2016). Specifically, a social judgment is "an evaluator's decision or opinion about the social

properties of an organization” (Bitektine 2011, p. 152). Bitektine (2011) claims that reputation, just as legitimacy and status, is a form of stakeholders’ social judgment on an organization. Similarly, Boivie et al. (2016, p. 188) considers reputation as “collective social judgment” by referring to the generalized favorability of a firm. In this respect, the assignment of the concept of corporate reputation to the social judgment theory highlights that reputation results from stakeholders’ judgment and evaluation. Deephouse (2000, p.1097) proposed the concept of media reputation, which refers to “the overall evaluation of a firm presented in the media”, as a strategic resource leading to a firm’s competitive advantage.

It can be noted that corporate identity refers to a shared perception of organization’s internal membership, while corporate image and reputation refer to a shared perception of organization’s external stakeholders. As introduced before, legitimacy is widely treated as key to an organization’s survival and success, which broadly concerns the acceptance of the organization by its social and institutional environment (Suchman, 1995). Although corporate image, reputation and legitimacy are based on shared and collective evaluation, legitimacy might be a more stable and profound judgment than image and reputation as legitimacy is about the acknowledgment and approval from the broader social context. Also, these concepts can be interrelated for MNEs. For a multinational company, one of its identities can be related to its nationality or the firm’s country of origin; such internally generated corporate identity might be judged and evaluated by external stakeholders linking with national image and reputation, as a result, the firm’s image, reputation and legitimacy are socially constructed. Thus, corporate identity, image and reputation are not isolated but associated. For example, Fang and Chimenson (2017) studied Geely’s negative media coverage in Sweden and found that the firm’s image and reputation are influenced by the image and reputation of the Chinese government (i.e., Geely’s country of origin).

Indeed, Deephouse (2000) argued that media coverage could affect the reputation and legitimacy of firms, which implies the importance of studying media as a stakeholder and its reputational and institutional impact on corporations. Deephouse (1996) argued that it is vital to frame two key social actors: one is government regulators, and the other is public opinion. Against this backdrop, media coverage

and media evaluation are considered salient and vital sources of societal and the public's legitimacy perceptions (Aerts and Cormier, 2009). Using a legitimacy-based view, Stevens et al. (2016) suggested that the media is a social actor that can provide to, or withhold from, a firm the "social license to operate", depending on whether they perceive it as a legitimate and acceptable entity in the host country. Media texts have been used to study the discursive legitimacy of MNEs (Vaara et al., 2006).

From a discursive perspective, senses of legitimacy are generated to specific discourses, in which "people can make sense of particular issues and give sense to them" (Vaara and Tienari, 2008, p. 987), and legitimation means to create senses of positive, beneficial, ethical, understandable, and/or acceptable action in a specific setting (van Leeuwen and Wodak, 1999). Thus, discursive legitimacy forms in association with discourses which not only reflect social reality but also reproduce it through mentioning certain issues or outcomes more than others (Fairclough, 2003). By using critical discourse analysis (Fairclough, 2003), scholars have developed a cross-disciplinary approach to linguistic analysis of multinational's legitimation and identified discursive legitimation strategies such as authorization, normalization, rationalization, moralization and narrativization (Vaara et al., 2006; Joutsenvirta and Vaara, 2015).

2.2.3 Liabilities of foreignness and liabilities of origins

LOF is defined as "all additional costs a firm operating in a market overseas incurs that a local firm would not incur" (Zaheer, 1995, p.343), which is considered the basic assumption of MNE theories. Zaheer (1995, p.343) identified four major sources of LOF: 1) costs due to spatial distance, including transportation, coordination over distance and time zones; 2) firm-specific costs, including firms' unfamiliarity of host country business environment; 3) host country environment costs, including economic nationalism and protectionism; and 4) home country environment costs, including institutional deficiency. This initial definition of LOF highlights both firm-level and country-level elements. Scholars have also identified other causes of LOF including culture and language differences, economic and political regulations, and

spatial differences between parent and subsidiary (Griffith, 2006; Harvey and Novicevic, 2002; Matsuo, 2000). Others such as Bell et al. (2012) analyzed LOF under the context of the global capital market, which is caused by institutional distance, information asymmetry, unfamiliarity, and cultural differences.

One implication of LOF is that managers can use strategies such as bonding, signaling, and reputational endorsements to overcome the LOF. For example, reputational endorsement means that establishing a relationship with a high-status partner in the host country can help foreign firms to win a reputational source of legitimacy. Following the sources of LOF, researchers further investigated the impacts of LOF on multinationals from three aspects: 1) impact on the business which determines firms' survival in the foreign market (Li et al. 2008; Miller and Eden 2006); 2) impact on internalization which contains knowledge and resource transfer between multinationals' subsidiaries and headquarters (Schmidt and Sofka, 2009); and 3) impact on external and foreign interaction such as firms' engagement in local society and networks (Eden and Miller, 2004; Newburry et al., 2006).

In particular, multinationals could use isomorphic strategies to imitate the practices of local competitors to overcome the LOF in the host country. Zaheer (1995) suggested that firms can mitigate LOF by mimicking the practices of local firms. However, other scholars argued that multinationals, especially those from emerging markets, must comply with heterogeneous or even contradictory institutional pressures in the host market so that isomorphism is not sufficient to achieve legitimacy (Kostova et al., 2008). Most research on LOF has focused on the context of foreign investments of developed-market multinational enterprises (DMNEs), with less attention on investments from emerging-market multinational enterprises (EMNEs) (Cao and Alon, 2020). Due to the context difference, the implications of LOF for EMNEs are different from DMNEs (e.g., these firms have different familiarity levels).

Thus, the way for EMNEs to mitigate the LOF would be different as well, which calls for a better understanding of how EMNEs seek legitimacy across diverse institutional environments (Kostova and Roth, 2002). Moreover, EMNEs should be considered not just as a passive adaptive entity (Oliver, 1991), but as agents to use institutions through their resources and advantages to obtain legitimacy in the host country (Marquis and Raynard, 2015). By using resource dependence theory, Cao and Alon

(2020) identify six dimensions EMNEs could utilize to overcome the LOF, which are resource commitment, intra-network information flow, resource control, resource integration, local responsiveness, and flexibility of control.

In comparison, LOR is defined as “disadvantages faced by MNEs in international markets as a consequence of their national origins” (Ramachandran and Pant 2010, p.233). Such disadvantages are claimed to be generated from three interrelated contexts, which are the host country context, home country context, and organizational context (Ramachandran and Pant, 2010). Although scholars tend to categorize home country environment cost as a part of LOF, not until recently have researchers started to study LOR as an independent and imperative cost for multinationals (Ouyang et al., 2019). Despite the overlapping between LOF and LOR, it is important to distinguish these two concepts from one another.

To be specific, LOF emphasizes the discrimination against foreign companies by local stakeholders because of “where they are not from”, while LOR emphasizes the discrimination of “where they are from” (Ramachandran and Pant 2010, p.243). In addition, LOF highlights that the extra costs MNEs must pay in foreign investment are attributed to their identity as “foreigners”, and their unfamiliarity with the local business environment. Such liabilities are closely related to MNEs’ capability to adapt to local markets. In this way, the different extent of LOF MNEs face in the foreign market depends on their capability to deal with new business environments. The more experience MNEs have in foreign markets, the less LOF they will face. In contrast, LOR emphasizes that firms from different countries might face different liabilities even when their capabilities are the same. Such liabilities depend on the perception of MNEs’ home countries in the eyes of local stakeholders rather than MNEs’ capabilities. Therefore, MNEs face certain LOR not because they are a “foreigner” in the local market, but because they are someone from specific countries. Moeller and colleagues (2013) examined the relationship between LOR and LOF and claim that a firm must recognize country of origin-related strategic options to address the negative overshadowing of the liability of foreignness.

While LOF is a common obstacle for all multinationals investing abroad, LOR is particularly prominent among EMNEs when operating in developed countries, for example, Chinese MNEs in the United States (Yu and Liu, 2018). LOR, as an extra

cost for multinationals, has been less discussed. Partially because foreign investment was dominated by DMNEs in the past several decades of globalization, and LOR is assumed low. During the last decade, EMNEs are increasingly accelerating their expansion into the global market (Buckley et al., 2018). At the same time, they are facing increasing legitimacy and reputation obstacles in the host markets due to LOR (Fiaschi et al., 2017).

Ramachandran and Pant (2010) have suggested two theoretical pathways for EMNEs to manage LOR — institutional entrepreneurship and organizational identity. For example, through institutional entrepreneurship, EMNEs facing a similar legitimacy deficit can collaborate to lobby the policy change in the home country, thereby reducing their negative institutional attribution in the host country. In addition, EMNEs can manage organizational identity by crafting highly individualized legitimation narratives to build an attractive image in the host country. For example, Zaheer and Mosakowski (1997) pointed out that multinationals' liabilities are caused by their embeddedness in the information network of a host country. It is argued that one of the key challenges such multinationals face is achieving a "social license to operate" (Fiaschi et al., 2017, p.559). In other words, firms need to use networks in both foreign and domestic markets to gain access to information and maintain legitimacy and reputation (Ciravegna et al., 2014).

2.2.4 Chinese MNEs' legitimacy challenges

Chinese MNEs are still in the early stages of internationalization compared with their Western counterparts and are considered latecomers in host markets. Compared with DMNEs, the home institutions of Chinese MNEs are considered to be underdeveloped, less sophisticated, and with immature rules and laws in aspects such as ineffective intellectual property protection system, less developed capital markets, less transparent business-government relations, etc. Home institutional background causes Chinese MNEs to encounter additional pressure when investing in developed economies (Luo and Tung, 2007). There are several sources that could trigger the legitimacy challenges for Chinese MNEs, low legitimacy might exacerbate the difficulties further for firms' internationalization.

The first source of legitimacy challenges faced by Chinese MNEs is related to the perceived negative image of the home country (i.e., China). Specifically, such a negative image can be linked to a firm's country of origin (COO). COO refers to both the nationality of a firm and its product and service, which has been mostly examined in international marketing research (Amine et al., 2005). The label "Made in ..." with the country name is the most apparent form of COO for MNEs, indicating the quality, performance and other attributes of a firm's product or service (Jaffe and Nebenzahl, 2001). Kang and Yang (2010) found that the COO effect can be associated not only with a country's reputation but also with the overall corporate reputation of that country.

It is often through images of a country that people make judgments about multiple facets of a country, including the country's politics, economy or culture, without direct experience of these faraway places (Kunczik, 1997). By examining the relationship between a firm's COO and its acceptance in a host country, Moeller et al. (2013) found that when local constituents hold a negative predisposition toward a foreign country, they can extend such perceptions to companies from those countries, which could result in the social resistance of the foreign firms. Zhang et al. (2019), through investigating Chinese MNEs' investment in the Netherlands, found that country product image and affective country image can significantly affect the corporate image. Similarly, by observing a Chinese firm in New Zealand, Yu and Liu (2018) found that the COO emerges as a key factor influencing how local stakeholders perceive Chinese multinationals in the host country. Thus, COO can be a firm-level disadvantage regarding the social acceptance of or resistance to Chinese MNEs.

The second source of legitimacy challenges faced by Chinese MNEs is government intervention in their internationalization decision-making. Studies have shown that home country governments are behind the internationalization of MNEs, especially those from emerging markets (Luo et al., 2010). On the one hand, Chinese MNEs have benefited from massive government incentives and support in the process of internationalization. On the other hand, government intervention can be considered a type of liability regarding unfair competition and non-market motivations. It is argued that the internationalization of EMNEs can be driven by political objectives rather than commercial interests (Deng, 2009).

Chinese MNEs' global expansion can be considered as an important pathway by the government to acquire strategic assets and improve national competitiveness, especially through state-owned firms (Luo et al., 2010). Luo and Tung (2018) pointed out that Chinese MNEs systematically and recursively use international expansion as a springboard to obtain strategic assets to compensate for their disadvantages from their home country and catch up with their competitors in developed countries. Globerman and Shapiro (2009) found that entry modes and non-commercial objectives are criticized for Chinese MNEs' FDI, which has generated economic and national security concerns for policymakers in the US. For Chinese MNEs, the legitimacy concerns about government involvement are more apparent for state-owned enterprises (SOE). SOEs are often perceived as political agencies rather than commercial entities (Shi et al., 2016). Meyer et al. (2014) argued that SOEs might face higher institutional pressures in the FDI process when host countries have stronger protections linked to minority shareholders.

The third source of legitimacy challenges faced by Chinese MNEs is related to geopolitical tensions between home and host countries. IB scholars have been devoting attention to rising geopolitical impacts on MNE operations. Shi et al. (2016) find that an MNE may face a strong level of opposition in a foreign country that has different religious beliefs and political systems from its home country. Kolk and Curran (2017) find that MNEs' LOR is reflected in ideological conflicts in a foreign market, such as free trade versus protectionism. Thus, the unfolding geopolitical tension globally presents a unique and contextually rich opportunity to extend knowledge of Chinese MNEs' legitimacy.

For example, the Trade War and Tech Cold War between the US and China have significantly influenced the bilateral investment between the two countries. The most well-known example is Washington's sanctions on Chinese telecom giant Huawei, which makes the company a focus point of the geopolitical tension. Looking at the disputes of EMNEs in developed countries, Wodak et al. (1999) have argued that ideological elements such as nationalism are an important type of discourse for making sense of corporate legitimacy. Further, Kolk and Curran (2017) explored the interaction between ideological conflicts in foreign markets, such as free trade versus protectionism, and firms' LOR. Fiaschi et al. (2017) found that emerging country

firms may suffer from social irresponsibility by not harm in the internationalization process and the pressure may result from media and other reporting agencies. More literature reviews on geopolitics and IB will be presented in *Section 2.4*.

2.3 Corporate media coverage

Media coverage of firms is ubiquitous in different vehicles of mass communication, including newspapers, magazines, television and social media. News reports on firms permeate various aspects of corporate and social life (Dyck and Zingales, 2002). Moreover, due to information asymmetry between inner corporations and the outside environment, media coverage becomes a vital source of legitimate firms' behaviors (Deephouse, 2000). Scholars have paid increasing attention to media coverage of firms over the past 20 years. As media reputation is treated as an important strategic resource or intangible asset of firms, firm reputation has been consistently investigated by the media coverage of firms from different perspectives and in different contexts (Graf-Vlachy et al., 2020). Evidence has indicated that media coverage constitutes an important corporate strategic asset (Deephouse, 2000), which can significantly influence corporate performance and reputation (Ahern and Sosyura, 2014; Rogers et al., 2016), resources allocation (Desai 2014), investors' trading patterns (Liu et al., 2014), consumers' purchasing behaviors (Berger et al., 2010), and so forth.

Research on media coverage of firms has spread across business disciplines, including management (e.g., Pollock and Rindova, 2003; Bundy and Pfarrer, 2015), accounting (e.g., Kothari et al., 2009; Robinson et al. 2011), finance (e.g., Dyck et al., 2010; Engelberg and Parsons, 2011), and marketing (e.g., Rinallo and Basuroy, 2009; Chen et al., 2011). These research fragmentations have resulted in different theoretical frames. Graf-Vlachy and colleagues (2020) have identified three theoretical perspectives—economic, institutional, and social-psychological—that other scholars in business and management studies have generally assumed on the news media. Although not mutually exclusive, each of these perspectives emphasizes different mechanisms through which media coverage is generated and exerts an impact on firms' reputation and legitimacy. In particular, scholars have

differentiated in the assumed role of the media. Next, the extant literature on corporate media coverage is reviewed and the role of the media referring to the IB context will be critically discussed.

2.3.1 The media as information intermediary

One stream of studies on corporate media coverage has treated information dissemination as the news media's primary function, particularly in financial markets, mainly from the economic perspective (Liu et al., 2014). In this view, media coverage is considered as involving rational agents who play an independent role in selecting, creating and disseminating market information to achieve their interests (Dyck et al., 2008; Houston et al., 2011). In the accounting and finance research context, the media is regarded as an information intermediary or agency that reduces information asymmetries in the market. For example, scholars have investigated the impact of media coverage on various financial market variables such as stock price, earnings, and trading turnover (Griffin et al., 2011; Drake et al., 2014; Liu et al., 2014).

Functioning as an information intermediary, media coverage is also a lens for firms to observe and evaluate or even adjust their strategies to obtain positive coverage as well as social acceptance. Bednar et al. (2013) analyzed how negative media coverage might prompt firms to make strategic changes, and positively affect firms' performance. Also, positive media coverage might trigger managers' overconfidence increasing firms' risk-taking activities that may ultimately result in a corporate crisis (Chatterjee and Hambrick, 2011). More attention has been given to the marketing area with scholars providing evidence to show how media coverage affects product pricing, sales, and marketing (Berger et al., 2010; Solomon et al., 2014).

Further from an economic perspective, the media is considered a more credible source than managers or analysts due to its fact-based reporting and relatively independent position in the market (Kothari et al., 2009). Therefore, the key inquiry in this perspective tends to call for investigation of why and how media coverage influences firms' performance in the capital market. In addition, media coverage can reduce information asymmetries to make the financial market more efficient, as claimed by the information view (Bushee et al., 2010; Fang and Peress, 2009). For

example, scholars (e.g., Brown et al., 2010; Bushee et al., 2010) find that media-generated information has a lasting impact on stock return and improves market liquidity. Also, Liu et al. (2014) find that larger investors are also influenced by media coverage such as at the pre-IPO stage, positive media coverage may help the firm to attract more institutional investors to engage in the IPO process.

On the other hand, some studies focus on how media coverage can generate temporary investors' overreactions to the stock market, such as the one proposed by the salience view (Joe et al., 2009). Or conversely, they claim that stock price changes affected by media-generated information tend to revert in the short term (Tetlock, 2011). Besides, most other scholars do not treat the media as rational actors by employing theories from social and psychological subjects. Solomon (2012) found that firms that employ investor relations consultants can influence media coverage by building personal ties with journalists. Overall, this stream of corporate media coverage focuses on the question of to what extent and how are consequences of media coverage related to information dissemination and salience.

2.3.2 The media as legitimacy evaluator

Another stream of studies on corporate media coverage has treated the media as an agent of legitimacy evaluation. Media coverage is viewed as a crucial part of a firms' institutional environment, especially from an institutional perspective (Nikolaeva and Bicho, 2011). The assumption behind this perspective is that "providing institutional and cultural accounts within which the appropriateness and desirability of actions can be evaluated ... affects impression formation and the legitimation of firms" (Pollock and Rindova, 2003, p. 632). For example, in the media coverage of corporate governance, the primary function of the media is viewed as the evaluator of the firm and its executives, based on agency logic (Bednar, 2012).

Deephouse (2000, p.1097) proposed the concept of media reputation, which refers to "the overall evaluation of a firm presented in the media", as a strategic resource leading to a firm's competitive advantage. The reputation of a firm can be produced by the interactions of the organization with its stakeholders, and by the corporate information generated and distributed via information intermediaries like news media

(Fombrun, 1996). The assumption behind this is that media coverage is a credible source and a reasonable indicator for the public to perceive and make sense of corporate behaviors (Deephouse, 2000). A good media reputation provides at least three valuable strategic benefits to a firm: to lower the cost, increase the price, and create competitive barriers (Deephouse, 2000).

Besides, a positive media reputation can make a firm more attractive among stakeholders. Fombrun and Shanley (1990, p.240) claimed that “(the) media themselves act not only as vehicles for advertising and mirrors of reality reflecting firms’ actions but also as active agents shaping information through editorials and feature articles.” Indeed, the concept of media reputation can be linked with corporate legitimacy, due to their common concern of the acceptance of the organization by its environment. Brown et al. (2006) argued that reputation focuses on the question of what stakeholders think of the corporation and its development over time. Similar to reputation, legitimacy also means a shared judgment but is more stable than reputation as legitimacy links with normative appropriateness.

Therefore, from an institutional view, both reputation and legitimacy are based on shared and collective evaluation, and a relatively temporal corporate reputation might affect the more long-lasting legitimacy. In other words, it can be argued that reputation as a concept is more associated with stakeholder theory while legitimacy is more related to institutional theory. Deephouse (2000) argued that media coverage could affect the reputation and legitimacy of firms, which implies the importance of studying the media as a stakeholder who can pose a reputational and institutional impact on corporations. In addition, institutional scholars suggest that the media can exert institutional pressures by expressing their evaluation on firms (Bitektine, 2011; Bednar et al., 2013). Given that the media are generally considered a credible source of information (Nikolaeva and Bicho, 2011), media coverage may affect how stakeholders evaluate firms, thereby potentially affecting firms’ performance (Deephouse, 2000).

More from the institutional perspective, scholars pay particular attention to the tone of media coverage and its relationship with social approval assets (Lange et al., 2011). In this stream of research, two key inquiries are often raised. One regards how media can passively record social approval in the form of legitimacy, reputation

and celebrity (Lamin and Zaheer, 2012; Zavyalova et al., 2017), and the other concerns how media can actively influence social approval (Durand and Vergne, 2015). In particular, scholars tend to examine both the volume and the tone of media coverage of firms (Zavyalova et al., 2012). Evidence also shows corporate size and performance, CSR activities and previous media coverage could influence the volume and tone of media coverage in this context (Cahan et al., 2015). Besides, some interesting studies reveal anti-intuition results. For example, Berger et al (2010) finds that consumers may increase purchasing even after negative media coverage because negative reviews raise consumers' awareness and thus could move a product into their consideration sets. Overall, this stream of corporate media coverage focuses on the question of to what degree and how media coverage reflects and influences corporate legitimacy and reputation.

2.3.3 Media framing and agenda setting

Consistent with the underlying assumption that the media is not only an information intermediary but also a legitimacy evaluator, research in mass communication and political science has a long tradition of studying the role of the media in shaping the public's perception and interpretation of certain issues (Fiss and Hirsch, 2005; Matthes, 2009). Lippmann (1922, p.364) claimed that people are mostly unable to directly experience the real world and its complex environment, but the media can offer a simpler model of the world by "... bringing one episode and then another out of the darkness into vision". Molotch and Lester (1974, p.111) stated, "We see media as reflecting not a world out there, but the practices of those having the power to determine the experience of others." Early theoretical studies treated the media as having a direct and powerful impact on audiences, which are reflected in the "magic bullet" and "hypodermic needle" theories (DeFleur and Ball-Rokeach, 1982).

However, later studies argued that media impact is not direct and powerful but indirect and limited, because audiences can make the decision on their minds (Dearing and Rogers, 1996). Rather than passively accepting the information from the media, people are more likely to have their own intention to actively process media information. Contemporary research accepts the perception that the media's

impact might be limited, but only when people can access sufficient information. In the IB and the MNE context, it can be argued that people in host markets are not always familiar with MNEs so their understanding might be more influenced by the media. In such cases, it is important for MNEs to appropriately use the media as a communication tool to shape people's perceptions toward them.

Extant literature has shown that scholars have widely employed media agenda-setting and media framing theories to investigate the influence of the media on public opinion (e.g., Cohen, 1963; Entman, 1993). The basis of media agenda setting indicates that the media "may not be successful much of the time in telling people what to think, but it is stunningly successful in telling its readers what to think about" (Cohen, 1963, p.13). The media can choose to elevate the salience of a specific topic or issue to the audience, so setting the agenda for the public (Valentini and Romenti, 2011). Thus, the media's agenda-setting aims to tell audiences what event, topic or issue is important. Media framing, compared with media agenda setting, focuses on how the meaning, causes, consequences, and implications of an event, topic or issue are presented in media reports (Tewksbury and Scheufele, 2009). Entman (1993, p.52) defines media framing as "to select some aspect of a perceived reality and make them more salient in a communicating text, in such a way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation". This means media frames are constructed realities that help people to understand and interpret certain events (Entman, 2004; Pollock and Rindova, 2003). Typically, media framing can be identified in news texts through visual elements, such as keywords, stereotyped images, judgments, and sources of information (Entman, 1993). Relying on these visual elements, media framing tells people why a certain event, topic or issue is important.

Early research on media agenda setting and framing was closely related to political communication. The core of the political process involves strategic framing contests, primarily occurring in the arena of the agenda (Riker, 1986). Essentially, agenda setting is synonymous with effectively executing the initial framing function—identifying issues deserving of public and government consideration. Agenda problems, among various aspects, can bring attention to societal conditions or global events. The impact of exposure to news frames can influence political beliefs and

attitudes (Cappella and Jamieson, 1997; Shehata, 2014). According to Zaller (1992), framing emerges as a pivotal force in the democratic process, with political elites wielding control over how issues are framed. These frames have the capacity to define what constitutes public opinion, and different frames can yield varied interpretations of public sentiment, as observed in survey data and voting outcomes (Zaller, 1992).

Elites (e.g., politicians) are presumed to be concerned about public opinion because they aim to influence people's behavior and gaining support. Given the constraints of time, attention, and rationality, shaping people's thoughts and actions in a desired direction involves strategically choosing topics to communicate and efficiently guiding them on how these elements align with their existing mental frameworks (Cohen, 1963). Since power is succinctly defined as the ability to get others to comply with one's desires, directing people's attention to specific issues becomes a crucial method of exerting political influence (Nagel, 1975). Media framing, in this context, is the tool through which political actors craft narratives that influence or set the stage for the agendas and considerations that occupy people's minds (Entman, 2007). Thus, media framing is argued to play a crucial role in the exertion of political power and frames in the news articles are the imprint of power, which registers the identify of key stakeholders that competed to dominate the text. That is to say, the media might help to distribute political power to particular groups, causes, or individuals (Entman, 1989).

In addition, literature shows that the role of the media in contestation is to provide an arena wherein opposed actors can disseminate information and frame certain issues, thereby influencing public interpretation (Bushee et al., 2010; Zavyalova et al., 2017). Scholars notice that, despite its role as an information intermediary, the media can also perform as an active, rather than neutral, participant to influence public opinions by framing contested issues (Fiss and Hirsch, 2005; Matthes, 2009). Rather than attempting to claim how the audience perceives and responds to media content, it might be more effective to analyze the text itself and investigate how media texts serve to influence the way the audience may interpret a certain issue—thus, emphasizing interpretation rather than causation (Budd, 2017). Media agenda setting and media framing have been widely compared by researchers in mass

communication literature, and some argued that media framing is a second dimension of agenda setting (McCombs and Reynolds, 2009). Despite their similarities and distinctions, both theories have emphasized the ways the media could influence public perception and attitudes.

More recently, scholars have applied media framing in organizational research, particularly in studies of corporate scandals such as audit fraud and operational malfeasance (e.g., Garcia, 2011; Clemente and Gabbioneta, 2017; Cohen et al., 2015). For example, Garcia (2011) investigated the conflict between British Petroleum and Greenpeace by examining debates on the conflicts in US newspaper articles. The findings showed a media tendency to portray BP as a villain and Greenpeace as a hero in their conflict. For another example, Clemente and Gabbioneta (2017) examined how four different German newspapers reported the Volkswagen diesel scandal, and then identified four frames applied by the newspapers: legalistic, contextual, reputational, and scapegoating. These studies developed the media framing of corporate scandals and organizational wrongdoing, which can be considered socially constructed—as a result of interactions between firms and social-control agents (Greve et al., 2010). To this point, Fiaschi et al. (2017) suggested that EMNEs may suffer from social irresponsibility claims from the media and other reporting agencies, despite doing no harm in the internationalization process. The media framing literature's focus on corporate wrongdoings has created a lacuna in knowledge on how the media can frame corporate contestation in other contexts. Thus, given the functions of media agenda setting and media framing, this research aims to investigate the process of media framing in (de)constructing Chinese MNEs' legitimacy when they are swept up by geopolitical headwinds.

2.3.4 Public relations in corporate crisis management

Literature on public relations (PR) treats crisis management as being related to how organizations communicate with stakeholders to mitigate the adverse impact of a crisis. Crisis communication is defined as “the collection, processing, and dissemination of information required to address a crisis situation” (Coombs, 2010, p. 20). How to cope with information in crisis plays a key role in PR and corporate crisis

communication. In general, firms can use two crisis communication strategies in order to protect, defend and repair their reputation, these are: 1) the crisis response strategy (Coombs, 2007), and 2) the crisis timing strategy (Arpan and Roskos-Ewoldsen, 2005).

Firstly, the crisis response strategy serves three objectives shaping attributions of the crisis, changing the perception of the organization in crisis, and eliminating negative impact due to the crisis (Coombs, 2007). Initially, Sturges (1994) divided crisis response strategies into three categories: instructing information, adjusting information and reputation repair. Specifically, instructing information aims to help stakeholders to prevent the physical impact of a crisis. Adjusting information aims to help stakeholders to prevent the psychological impact of a crisis. Reputation repair aims to protect the focal organization through crisis communication. Later, Coombs (2010) proposed two strategies for crisis communication, which are managing information and managing meaning. Managing information refers to the collection and distribution of crisis information while managing meaning refers to affecting how stakeholders perceive the crisis and the organization in crisis. Related argument can be found in Coombs's (2007) Situational Crisis Communication Theory (SCCT), which offers guidelines to match crisis response strategies to different crises.

Secondly, despite certain response strategies focusing on the victims' needs, scholars also suggested that crisis timing strategies are equally important to minimize crisis impact (Arpan and Roskos-Ewoldsen, 2005). Particularly, "stealing thunder" is argued as a proactive crisis timing strategy, which is defined as "when an organization steals thunder, it breaks the news about its crisis before the crisis is discovered by the media or other interested parties" (Arpan and Roskos-Ewoldsen, 2005, p.425). The term stealing thunder has been widely applied in legal, political and organizational contexts, while in the crisis communication context, stealing thunder is an admission of responsibility before it is announced by other parties such as opponents, media and government. However, Claeys and Cauberghe (2012) argued that ex-ante crisis timing strategies could use crisis response strategies by offering objective information. They go further and address that the interaction between crisis timing and crisis response strategies on post-crisis reputation is mediated by organizational credibility.

It is not always possible for an organization to be the first source to report the crisis; other parties like the news media and social media could deliver information immediately after the crisis-triggering event occurs. Scholars have emphasized that most information stakeholders get about an organization comes from the news media, thus, crisis management needs to focus on the media coverage (Carroll and McCombs, 2003). During a crisis, the news media could influence the public's perception and emotions, then affect their attitudes and behaviors (Choi and Lin, 2009; Holladay, 2009). Kim and Cameron (2011) investigated how news media can shape the public's emotions during a corporate crisis and proposed a theoretical framework for the crisis information process. Their framework reveals that the emotional frames of crisis news can influence the public's initial emotions, then their information process and evaluation. Thus, crisis communication needs to pay more attention to the media and understand how the media tends to frame their response in news reports. When an organization fails to meet the journalistic process and deadline, it may miss the opportunity for response. As a result, the media will seek alternative sources to convey the information to the public (Holladay, 2009).

In summary, PR research on crisis communication focuses on how and when organizations should respond to contingency situations, yet such studies have received less attention in the IB settings as compared to the PR literature (Claeys et al., 2016). Therefore, the starting point for enriching current crisis management theories could be looking at the interactive relationship between organizations and the media. Finally, there is an implication that PR managers might be appropriate practitioners that researchers can access for investigating the formation of MNEs' media-related strategies and for understanding the dynamic processes MNEs involved in dealing with legitimacy complexities.

2.4 Geopolitical rivalry and MNEs' nonmarket strategies

The context of IB has markedly changed in recent years, especially with the rising competition between the US and China. There are increasing debates about geopolitics and de-globalization in the current IB literature (e.g., Chipman, 2016; Witt, 2019a; 2019b; Meyer and Li, 2022; Meyer et al., 2023). Geopolitics is a field of

study that concerns the practice of states controlling and competing for territory and power (Flint, 2006). To understand and explain the new phenomenon triggered by changing geopolitical landscape, IB scholars are actively stepping into the field of politics and international relations (IR), which is treated as a timely expertise for the IB researcher.

All the same, someone might question whether the research topics referring to geopolitics would be too 'macro' or suitable for IB scholars. Regarding such concern, Witt (2019b) argues that, firstly, IB has already absorbed various macro-topics such as cross-cultural and comparative institutional theories. And, secondly, studying the interplay of IB and IR theories helps generate new insights not only into IB studies but also into other relevant disciplines. Indeed, there is an increasing consensus among IB scholars that the political environment is no longer an exogenous but endogenous factor for MNEs to consider, giving the more salient influence of politics on business (Witt, 2019a; 2019b; Meyer et al., 2023). Therefore, based on the phenomenon-driven and interdisciplinary nature of IB research, it is important to look at different perspectives from different disciplines. Next, this study will review relevant literature on the interplay of IB and IR theories to highlight the current debate of the geopolitical rivalries and MNEs' nonmarket strategy.

2.4.1 US–China Tech Cold War

The international context of business has continuously changed in the past decade, with a declining US hegemony and China's rapid ascendancy (Mahbubani, 2020). Chinese EMNEs have become increasingly involved in between-nations competition and geopolitical rivalry in the contemporary era. Tung, Zander and Fang (2023, p.4) define the Tech Cold War as "a state of antagonistic geopolitical rivalry between the superpowers along multiple fronts for achieving supremacy over technologies of crucial importance for national security as well as human development." The Tech Cold War firstly started from a Trade War between the US and China in 2018, and soon escalated to a Tech Cold War in 2019. One typical case is Washington's sanctions on Chinese hi-tech firms, which have made the firms a focal point for geopolitical tensions. Since 2018, an increasing number of Chinese entities and

individuals have been put on US sanction list; by early August 2023, this number exceeded over 1300 (Embassy of the People's Republic of China in the United States, 2023). Such a phenomenon is considered as being not only an economic disruption but also a political disruption. As such, Chinese MNEs are facing increasing legitimacy challenges.

From a wider historical context, the current US–China Tech Cold War is considered as being more complex and profound than the Cold War between the US and Soviet Union in the last century (Bekkevold, 2022; Mearsheimer, 2021). Along with the escalating US–China rivalry, it is argued that other countries must inevitably make a choice of siding with either the US or China (Fontaine, 2023), which could result in a decoupling and fracturing global economy in the IB landscape (Witt, 2019a; Buckley, 2023). From this backdrop, IB scholars have emphasized that the rising geopolitical rivalry brings more implications for IB researchers, for example, nonmarket influences in the global economy, government–MNE relationships (Tung et al., 2023). Important for this study, the Tech Cold War and the related nonmarket factors make the MNE-media relationships increasingly complicated since political correctness might prevail and dominate the debate in between-nations rivalry (Tung et al., 2023).

With the increasing impact from political and nonmarket forces on MNEs, it becomes more important to leverage knowledge from international relations to undertake IB research. Boddewyn and Brewer (1994) were among the first IB scholars to investigate how MNEs actively undertake international political activity. They propose a conceptual model to explain when and how MNEs participate in political activities, and how different political contexts promote or constrain those activities. Moreover, Boddewyn and Brewer's (1994) highly cited paper develops research on MNE's political risk and the MNE–government relationship toward a firm-specific strategic focus, arguing that “the analysis of IB political behavior requires...consideration of what may be called *organizational strategies* regarding the effective development and use of actions, structures, and processes toward the nonmarket environment” (p.137, italics in original). For example, Li et al., (2013) investigated Chinese MNEs' investment in Africa, suggesting a modified one-tier model to underline the central

role of the Chinese government in orchestrating the MNE–host government bargaining process.

In addition, Tung et al. (2023) argues that there is now increasing nonmarket influences and mechanisms in the global economy through the forms of technological nationalism and protectionism. The former is evidenced by more government-imposed sanctions towards MNEs, especially in the name of national security concerns (Meyer et al., 2023), while the latter is evidenced by restrictions toward MNEs in the name of industrial policy. Reshoring or “friend-shoring” are examples of nonmarket mechanisms for developed countries to de-risk their global supply chain from China in the era of Tech Cold War, in sensitive sectors such as semiconductors and electric vehicles. Along with more government intervention, global economies are facing more tensions between governments’ sanctions and counter-sanctions. For example, the US promoted the so-called “democracy chips” through the alliance with Taiwan, Japan and South Korea (Reuters, 2023) on the one side, and China, on the other side, responded to pose export restrictions toward those countries on rare minerals related to advance chip manufacturing (Che and Liu, 2023).

Finally, Tech Cold War and the related nonmarket forces make the MNE-media relationships more complex due to political-correctness prevailing in the debate, which has important implications for IB research (Tung et al., 2023). The media seeking to elevate political correctness is a major issue in today’s society (Von Münch, 2021), and the media can play a considerable role in influencing and shaping actions by governments, MNEs and other stakeholders. In other words, the dynamics of the Tech Cold War under the constant and continuous global media coverage need to be taken into consideration by IB researchers. Therefore, given the more geopolitical impact on international business, there is more need than ever to revisit existing IB theories by combining knowledge and insights from other disciplines like international relations and mass communication (Tung et al., 2023).

2.4.2 Perspectives from the international relations theory

International relations scholars in the field of political science have developed three main theoretical perspectives, namely, realism (Waltz, 1979), liberalism (Moravcsik, 1997), and constructivism (Hurd, 2008). These perspectives are important for understanding the escalating geopolitical rivalry, and the trend of de-globalization, which arguably may pose a profound impact on current IB debates (Witt, 2019a; 2019b).

From the perspective of realism, sovereign countries, or nation-states, are major actors on the global political stage. Realism holds the assumption that countries are rational to pursue their interests, thereby surviving in both domestic and international politics (Barnett and Duvall, 2005). Power is the key concept in the eyes of realists. The relations between states tend to be a zero-sum game, which means a state becomes more powerful when its rival is losing power relative to itself (Witt, 2019a). For example, a state might increase its power with an annual economic growth of 5%, but from a realistic view, it might lose power if its rival state reaches a growth rate of 10% at the same time. To survive and become more powerful in global competition, a state might employ different types of power, including hard power and soft power. In general, hard power refers to a state's strength of economics and military, while soft power refers to the attractiveness of its institutions and culture to other states (Nye, 1990).

Realists have insisted that globalization requires the presence of a hegemon, that is, an overwhelmingly powerful state. Currently, the US is widely acknowledged as such a superpower and the rule-maker for the global political and economic institutions. Multilateral organizations such as the United Nations (UN) and the World Trade Organization (WTO) are considered as expressions of hegemonic power. Thus, the realist argues that the trend of deglobalization is associated with the hegemonic decline of the US and an outcome of the US–China competition for hegemony (Allison, 2017). From the realism perspective, deglobalization is a result of the zero-sum games between states; non-state actors such as MNEs and their subsidiaries are treated as agents of their home country government (Meyer and Li, 2022). Thus, the motivation of MNEs' outward investment in the host countries can be interpreted as serving for their home government to seek different types of resources, thereby

strengthening the power of the home country. Such perspectives have been widely discussed in IB research, regarding the role of SOEs (e.g., Cuervo-Cazurra and Li, 2021; Li et al., 2019) and the context of high-tech industries (Luo and Assche, 2023).

In contrast, the perspective of liberalism focuses on processes that stabilize the global political and economic environment (Doyle, 1986). Liberalism holds an assumption that IR is determined by diverse actors including nations states and non-state actors. Liberalist scholars have a consensus on two factors that can lower the bilateral risk between states: economic interdependence and democracy (Witt, 2019b). Although admitting that states are pursuing self-interests by using hard power and soft power, liberals postulate that IR can be a positive-sum game instead of a zero-sum game, if mutual benefits are recognized and achieved among states. For liberals, economic interdependence is a supportive force of globalization, which is based on the agreement of states to cooperate following mutually recognized rules (Witt, 2019b; Meyer and Li, 2022). Multilateral organizations including the UN and the WTO are central actors that can contribute to a rule-based global order, and then maintain stability and peace around the world (North, 1990). Accordingly, de-globalization is the result of the conditions that states are losing interdependence, international institutions are failing their functions.

From the perspective of constructivism, IR is influenced by cognitive terms such as history, political ideology, economic principle, and other taken-for-granted mindsets and practices (Hurd, 2008). Constructivists consider shared values among nation-states to be more important than their self-interests in determining bilateral and multilateral relations (Meyer and Li, 2022). Like liberalism, constructivism treats multilateral organizations including the UN and the WTO as a supportive force for globalization by building and maintaining the rules of the game, but it emphasizes informal institutions. MNEs and their subsidiaries are vehicles that can facilitate the economic and societal ties between home and host countries by influencing the values and norms of the countries where they operate, for example, through social responsibility activities (Li et al., 2017). On the contrary, deglobalization is a result of the collapse of shared value, which echoes the influential theory of the 'Clash of Civilizations' (Huntington, 1993; 1998). In the constructivism view, the legitimacy pressure faced by MNEs can be a result of societal values (Meyer and Li, 2022).

Geopolitical competition after the Cold War has shifted from the competition of hard power to soft power, which also echoes the constructivism perspective. Soft power refers to a nation's ability to influence and control other nations' behavior through attraction and persuasion rather than coercive measures such as military force or economic sanctions (Nye, 1990). Soft power can stem from a country's cultural values and ideological resources (Abodohoui and Su, 2020). Although China has become the world's second-largest economy, it is still considered to be weak in its soft power in Western eyes (Nye 2008). For instance, in 2018, China ranked 130 out of 167 countries on the Democracy Index, according to the Economist Intelligence Unit, and 80 out of 180 countries on the Corruption Perception Index, according to Transparency International (Abodohoui and Su, 2020). Nye (2008) argues that countries with stronger soft power are those whose ideology is closer to Western values such as liberalism, pluralism, and autonomy.

Warren (2014, p.117) claims that due to its intangible and immaterial character, soft power "can only be exercised through mechanisms of communication". Indeed, Dower's (1986) book *War Without Mercy* presents how mass communication was utilized as a weapon during the Pacific War, as a part of World War II. This book demonstrates that Western countries and Japan were using different forms of mass communication tools such as films, cartoons, and selected news reporting to conduct wartime propaganda for both domestic and foreign people. The current geopolitical rivalry between the US and China shares some common characteristics with the 'hot' war in Dower's book; that is, media propaganda. In wartime, the media takes on the responsibility of promoting political propaganda. One objective of such propaganda is to make people "know your enemy" by dehumanizing the opponent country, and another is to justify that the war is a 'good' war from its perspective and 'evil' from the enemy's perspective (Dower, 1986). Since the media was never absent in wartime historically, the role of the media cannot be neglected when investigating the unfolding Tech Cold War. Thus, Warren (2014) argues that mass communication can be used as a tool to enhance a country's soft power by strengthening the country's ability to broadly disseminate political messages. Since centralized political media propaganda which is a mainstay of hot wars is not as relevant in the case of the modern cold war, this thesis chooses the more subtle concept of media framing to explore the impact of geopolitical tensions on MNEs.

2.4.3 MNEs' nonmarket strategies

As nonmarket forces such as governments and the media have increasing influence on MNEs during the geopolitical rivalry (Tung et al., 2023). It is important to further look the relationships and interaction between MNEs, the media, and governments. Extant literature has shown that MNEs can use different types of nonmarket strategies to navigate legitimacy complexities from political and societal levels. Nonmarketing strategy is “a firm’s concerted action to improve its competitive position and performance by actively managing the institutional or societal contexts of business competition in which it operates” (Mellahi et al. 2016, p.144). Although the term nonmarket strategies seem to be only more adopted in recent decades in IB research, some of its foundations and assumptions have a long history in this research field; for example, Vernon’s *Sovereignty at Bay* (1971) and Barnett and Muller’s *Global Reach* (1974), dealt with issues related to international business–government relationships. Vernon (1971) claimed that the bargaining power of MNEs with host governments “obsolesces” over time, while Barnett and Muller (1974) investigated the different impacts MNEs have on institutional stakeholders such as governments, taxpayers, and workers.

In the past decade, there has been an increasing academic interest among IB scholars to treat nonmarket strategies as a key part of MNEs’ global strategy (e.g., Boddewyn and Doh, 2011; Cuervo-Cazurra et al., 2014; Kobrin, 2015; Doh et al., 2017). According to Sun and colleagues (2021), institutional theory and its variants are the most dominant theory applied in MNEs’ NMS research. MNEs are deeply involved in continuous interactions with various sociopolitical stakeholders in home and host countries, and even in complicated supranational institutional environments (Kostava and Zaheer, 1999), which requires MNEs to make nonmarket strategies to navigate such institutional complexities. Sun et al. (2021) categorizes nonmarket strategies into three interrelated corporate activities: corporate political activity (CPA) and strategic corporate social responsibility (SCSR), and the integration of CPA and SCSR in the international context.

IB-based CPA research shows that MNEs can use different political strategies to engage with host and home country political agencies and actors. Specifically, research work on CPA has sought to explore how MNEs can tackle institutional complexity across host-country, home-country, and supranational levels. Research on MNEs' CPA can be categorized into four major themes: SOE internationalization strategy, MNE–host government relationships and bargaining, political risk/hazard management, and corporate political ties (Sun et al. 2021). Relevant studies in SCSR concern themselves with three general topics: sustainability, standards, and CSR reporting (e.g., King et al., 2005); NGOs, supply chains, and human rights (Kourula, 2010); and corporate citizenship and philanthropy (Hornstein and Zhao, 2018). In particular, SCSR has been a growing topic within nonmarket strategy research since MNEs are increasingly engaging with different communities and societal stakeholders as part of their internationalization activities, and those stakeholders might pose pressure on MNEs to improve their social and environmental practices (Sun et al., 2021).

According to nonmarket strategy scholars, SCSR differs from traditional CSR activities in its emphasis on the international business–government relationship, and is concerned more about powerful political stakeholders in their general CSR activities. Sun et al. (2021) argues that as powerful political stakeholders control enormous resources in MNEs' host countries, corporate CSR projects can serve as an inherent political tactic to develop cooperative relationships with host governments. Besides, apart from stakeholder theories, it is argued that SCSR can be closely related to institutional theories and perspectives (Lawton et al., 2014). Such insights provide a novel pathway for MNEs to understand legitimacy conflicts and complexities, in which a variety of home, host, and supranational institutions are embedded. Scholars suggest that SCSR can be a strategy for MNEs to overcome home-country based liabilities and maintain legitimacy (Marano et al. 2017). Also, SCSR can serve MNEs in tackling challenges and pressure from some global agendas such as climate change and human rights issues (Wettstein et al. 2019), which have become heated political agendas that triggers geopolitical tensions in the contemporary era. Thus, SCSR could provide an insurance for MNEs in the event of exogenous political shocks/hazards.

Further, it is suggested MNEs need to combine SCSR and CPA to obtain legitimacy and resources controlled by political stakeholders in host countries (Mellahi et al., 2016). Thus, SCSR activities might become one of the strategic agendas for MNEs to consider the long-term relationship with host governments, as well as other political stakeholders. For example, Darendeli and Hill (2016) investigated, through an in-depth multiple case study, how MNEs' development of complementary nonmarket tactics can weather the storm of political shocks in Libya. They found that MNEs that had cultivated both political and social ties in the host country can generate greater legitimacy when facing political turmoil than those that had relied on only one set of political ties. Thus, SCSR activities serve as a crucial hedge against the volatile host political environment that is beyond MNEs' control. In addition, Beddewela and Fairbrass (2016) studied how MNEs can develop community CSR initiatives to deal with the relationship with governmental stakeholders. They found that CSR activities can reflect the alignment of community initiatives with government agencies' objectives in exchange for legitimacy and policy support.

Review so far shows that extant research on nonmarket strategies has put an overwhelming emphasis on MNE–host government relationships, especially on the bargaining power of MNEs against host country governments, following the lens of the obsolescing bargaining model (Ramamurti 2001; Li et al., 2013). Further, Eden et al. (2005) develops the political bargaining model for MNEs to apply various strategies to deal with host governments. Regarding host-country political institutions, Henisz and Zelner (2005) introduce a neo-institutional model of the policy-making process, indicating how MNEs can engage with host-country interest groups to construct the legitimacy of certain institutions in the host country. Their model highlights the firm-specific capabilities to effectively check and balance interest groups in host political institutions, and then shape the bargaining outcomes. Turning to home-country political institutions, Stevens and Newenham-Kahindi (2017) find that the perception of an MNE in the host country is closely influenced by the legitimacy of its home country in the eyes of the host country stakeholders. Similarly, Han et al. (2018) suggests that there is a strong connection between MNE's political risk in the host country and the legitimacy of its home country institutions.

In addition, scholars of from the perspective of international political economy have suggested that MNEs need to form their international business diplomacy (IBD) as a practice to deal with the changing nonmarket environment (Saner et al., 2000; Chipman, 2016; Doh et al., 2022). Chipman (2016) argues that MNEs have not yet treated foreign policy as part of a global business strategy. To navigate the geopolitical complexities in the contemporary era, MNEs need to make their foreign policy such as geopolitical due diligence and corporate diplomacy (Chipman, 2016). Doh et al. (2022) suggests that MNEs are facing increasing global challenges including a range of government and non-government stakeholders, such challenges are involved with multiple levels of institutional environment ad varying degrees of institutional rule formality. Thus, IBD is an important part of MNEs' nonmarket strategies that could advance their interests with governmental and non-governmental stakeholders, thereby defending their legitimacy and maintaining their social license in the global market (Henisz, 2016).

As extant nonmarket strategies literature pays more attention to the international business-government relationship (e.g., CPA, negotiation theory), other stakeholders, such as the media, have been drawn less attention (Baron, 1995; Doh et al., 2022). Stevens et al. (2016, p.948) asserts that it is crucial for studies to investigate the "role of legitimacy-granting actors other than the government" that can determine corporate legitimacy. Thus, MNEs' nonmarket strategies need to consider "how managers anticipate, preempt, and respond to actors, influences, and actions emanating from the cultural, social, political, and regulatory arenas" (Lawton et al., 2014, p.5). Henisz (2016) emphasizes that MNEs need to develop good communication and engagement with various stakeholders to mobilize supportive constituencies. Overall, researchers call for MNEs to form foreign policy or use IB diplomacy to respond to the rising geopolitical tensions (Chipman, 2016; Doh et al., 2022). What unites the disparate approaches to overcoming LOR is that they all stress the importance of effective corporate communications with external stakeholders (e.g., governments and the media).

2.5 Research gaps and research questions

As a conclusion to the review of the interdisciplinary literature, the research gaps are identified and solidified, and the research questions are justified accordingly. Based on the cross-disciplinary literature review involving the research areas of IB, IR, and mass communication, three overlapping areas are related to the focus of this thesis. Further, by examining the relationships between the overlapping research areas, the research gap of the thesis is finally confirmed and located (see *Figure 2.1*).

The first overlapping research gap is identified as MNEs' legitimacy challenges, which share a common interest between the IB-focused and IR-focused literature. Specifically, from the institutional-based view, Chinese MNEs are facing legitimacy challenges from both formal and informal institutions (Scott, 2005); the former contains adverse regulations or even sanctions from host countries (Meyer et al., 2023), and the latter contains social-cultural and ideological concerns towards firms' overseas business (Kolk and Curran, 2017). Thus, more recently, scholars have shown more interest in bringing IR theories into IB research to explain more geopolitics influenced global business environment (Witt, 2019a).

In particular, IR theories including realism, liberalism, and constructivism show important implications for understanding the cause and impact of the unfolding US–China rivalry and the trend of de-globalization (Meyer and Li, 2022). Such arguments are concerned with legitimacy challenges linking with Chinese MNEs' LOF and LOR, given the rising geopolitical tensions between their host and home countries. Moreover, as IB scholars pointed out that EMNEs are more likely to encounter LOR in host countries (Ramachandran and Pant, 2010), it is important for Chinese MNEs to understand the nature of their legitimacy challenges in the geopolitical context. In this overlapping area, the context serves as the core for understanding Chinese MNEs' legitimacy challenges. That means Chinese MNEs' legitimacy challenges can only be explained by taking the current geopolitical context into account. Accordingly, traditional arguments such as LOF and LOR need more contextualized explanations.

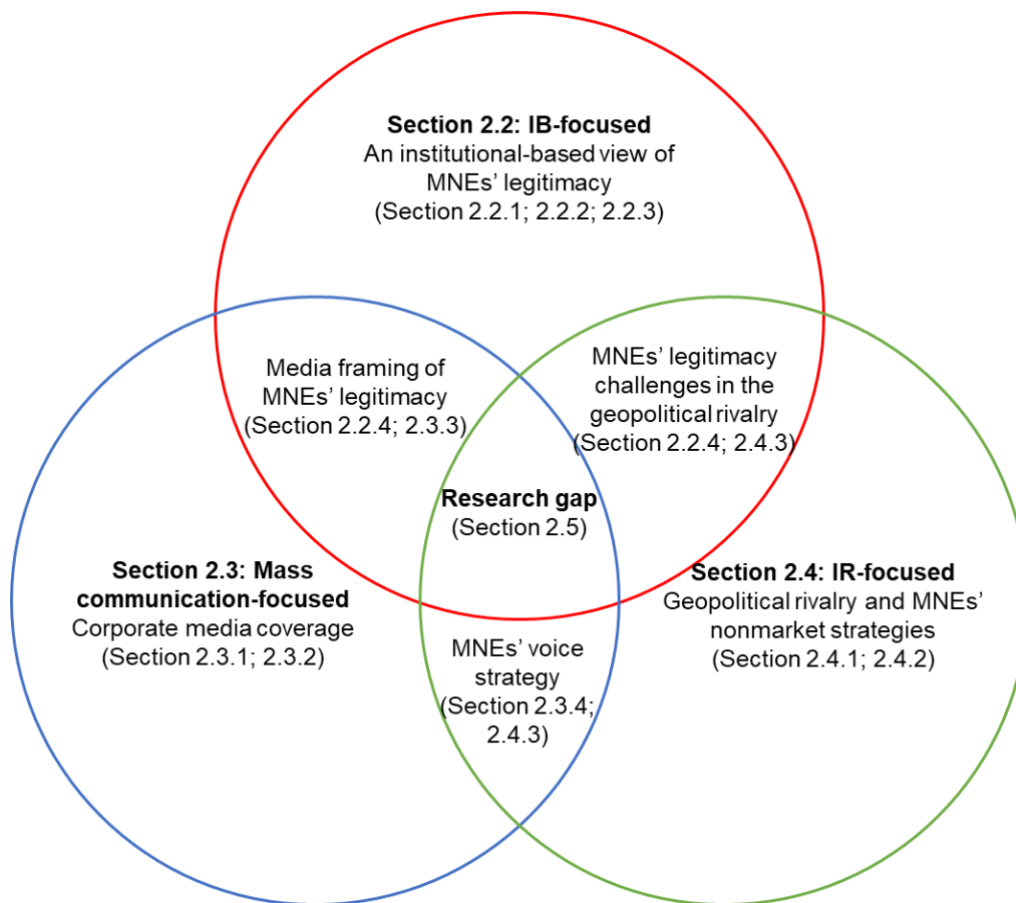


Figure 2.1: Literature review structure, theoretical mapping, and research gaps

The second overlapping research gap is identified as media framing of MNEs' legitimacy, which shares some common interests between the IB-focused and mass communication-focused literature. Specifically, the institutional-based view of MNEs' legitimacy emphasizes the importance of MNEs' acceptance by the public (Suchman, 1995). In particular, IB scholars focusing on discursive legitimacy have emphasized the role of the media in the (de)legitimation process in MNEs' internationalization (Vaara et al., 2006). Meanwhile, corporate media coverage literature has a long tradition of investigating the influence of the media on public perceptions of reality (Deephouse, 2000). Here, the theories of media framing and agenda setting have been widely used in mass communication studies (Entman, 1993; Cohen, 1963), as well as appearing in the IB studies (Clemente and Gabbioneta, 2017).

Therefore, it is important to examine the impact of the media on MNEs' legitimacy. Although media data have been used more frequently in the IB studies, extant literature shows a relatively limited and narrowed attention to MNEs' media-related legitimacy. As shown in the literature review, studies on MNEs' discursive legitimacy have focused on the FDI context such as cross-border acquisitions and mostly on MNEs from developed economies (Garcia, 2011). EMNEs' legitimacy (e.g., from China) has been less studied. Thus, there is a research gap in understanding the media framing of Chinese MNEs' legitimacy in the current IB context. Besides, the extant literature on corporate media coverage pays more attention to the media's role as an information intermediary; such an assumption is more often seen in accounting and finance-related research (Fiaschi et al., 2017). On contrary, mass communication researchers hold the assumption of treating the media as an active sense-giving and sense-making player who has the ability to construct reality based on its hidden frames and agenda (Valentini and Romenti, 2011). Thus, it is important to investigate how the media frames Chinese MNEs' legitimacy, given the range of challenges they are facing in a rapidly changing geopolitical landscape.

The third overlapping research area is identified as MNEs' voice strategies, which share a common interest between the mass communication-focused and IR-focused literatures. Literature on PR treats crisis management as being related to how organizations communicate with stakeholders to mitigate the adverse impact of a crisis. Scholars also emphasize that most information stakeholders get about an organization comes from the news media, thus, crisis management needs to focus on the media coverage (Carroll and McCombs, 2003). PR research on crisis communication focuses on how and when organizations should respond to contingency situations, yet such studies have received less attention in the IB settings as compared to the PR literature (Claeys et al., 2016). Thus, it is interesting to explore how MNEs can form PR strategies to deal with IB and IR problems.

Further, the question of how Chinese MNEs can maintain legitimacy leads the author to conduct a further literature review on MNEs' nonmarket strategies, which are considered ways of overcoming legitimacy complexities (Sun et al., 2021). Literature has shown that MNEs can use nonmarket strategies such as CPA, SCSR, and IBD to navigate legitimacy complexities (Chipman, 2016; Doh et al., 2022). However,

extant nonmarket literature puts an overwhelming emphasis on examining the business-government relationship yet neglects the media as an important stakeholder who can influence MNEs' legitimacy (Stevens et al., 2016). Therefore, it is important to take the media into account for investigating Chinese MNEs' voice strategy in navigating the legitimacy challenges in the geopolitical context, which goes beyond the traditional PR research focusing on market risks and crises (Coombs, 2010; Arpan and Pompper, 2003), and enriches the nonmarket strategies literature (Boddewyn and Brewer, 1994; Sun et al., 2021).

The overarching research gaps in this thesis are identified based on the above cross-disciplinary literature review, shown in *Figure 2.1*. Following the phenomenon-driven nature of IB studies, this study starts by observing the challenges of Chinese MNEs' negative media coverage in Western media outlets, along with the rising geopolitical rivalry between the US and China. Then, theories across disciplines have been identified that could provide theoretical explanations for answering the above research questions. Through a comprehensive and critical review of existing literature, this study further articulates the nexus of the theories in IB, IR, and the mass communication field. In this way, this study can fill the research gaps and generate knowledge of theories including MNEs' legitimacy challenges in the geopolitical rivalry, media framing of MNEs' legitimacy, and MNEs' voice strategy of navigating legitimacy complexities. Finally, the research problem is put forward as:

How can Chinese MNEs interpret and respond to media-constructed legitimacy challenges when facing intensive geopolitical tensions?

This research problem statement leads the author to develop concrete research questions and sub-questions:

Q1: How is LOR framed by the media, thereby posing legitimacy challenges for Chinese MNEs?

Q2: How are the voices of different stakeholders framed by the media in constructing the legitimacy of Chinese MNEs?

Q3: How can Chinese MNEs form voice strategies to mitigate legitimacy challenges in the geopolitical context?

Chapter 3

Methodology

3.1 Introduction

To explore the research problem of how Chinese MNEs can interpret and respond to media-constructed legitimacy challenges when facing intensive geopolitical tensions, The research design in this thesis is defined as qualitative case-based research, which contains three independent yet related studies, which is featured by following six characteristics: 1) adopting a qualitative approach; 2) focusing on the phenomenon-based research setting; 3) applying an interpretive case study design; 4) emphasizing contextualization in theorizing from case study; 5) following a step-by-step approach of conducting research; and 6) using triangulation as quality control.

According to such design, the objective is to explore and explain Chinese MNEs' legitimacy challenges in the media and voice strategies when facing up to geopolitical contests. In this chapter, the research methodology and design of this thesis are introduced. The research methodology represents a plan for the entire research project, and the research design more specifically involves specifying philosophical position, research method, data collection techniques, data analysis approaches, and a detailed approach to writing up. These main aspects of research design are illustrated in a model of qualitative research design (Myers, 2013).

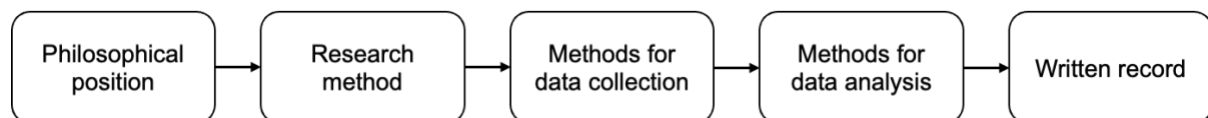


Figure 3.1: A model of qualitative research design (adapted from Myers, 2013, p.27)

With these major aspects treated as general guidance to structure the methodology in this thesis, this Chapter first gives an overview of how the philosophical position is addressed, including ontological assumptions and epistemological orientation chosen to answer the proposed research questions (*Section 3.2*). Second, it explains and justifies the rationale for the research method, regarding the types of case studies, methods of theorizing from case studies, an outline of conducting the research design (*Section 3.3*). Then, the data collection methods applied are discussed to justify their suitability (*Section 3.4*), followed by the subsequent data analysis approaches adopted in this research project (*Section 3.5*). Finally, considerations for research evaluation and ethics are addressed (*Section 3.6*).

3.2 Philosophical position

Philosophical position is an important part of any research project. It provides an underlying assumption of the research from the philosophical perspective of the researcher. By articulating his/her philosophical position, the researcher can better justify the study methodology and specific research methods. Research philosophy refers to “a system of beliefs and assumptions about the development of knowledge” that is an essential part of knowledge creation (Saunders et al., 2016, p.124). In general, philosophical positions in social science contain three main components of ontology, epistemology, and methodology (Myers, 2013; Bryman, 2012).

Ontology refers to researchers’ positions on the nature of social entities and realities, basically, including the two camps of objectivism and constructivism (some scholars may call it “subjectivism”). Objectivism asserts that “social phenomena and their meanings have an existence that is independent of social actors” (Bryman, 2012, p.33), while constructivism asserts that “social phenomena and their meanings are continually being accomplished by social actors” (Bryman, 2012, p.33). The difference in ontology determines researchers’ different views on epistemology, that is, what is (or should be) regarded as acceptable knowledge and how to understand and know about social entities and realities (Saunders et al., 2016). Although scholars have differentiated a range of epistemologies, for example—positivism, critical realism, interpretivism, social constructionism, poststructuralism,

postmodernism, and pragmatism (Myers, 2013; Saunders et al., 2016), they might be grouped into two streams: positivism (and those share the objectivist ontology), and interpretivism (and those share the constructivist ontology) (Bryman, 2012).

Specifically, positivism advocates “the application of the methods of the natural sciences to the study of social reality and beyond” (Bryman, 2012, p.28). Positivist researchers hold the stance of natural scientists and aim to work with a visible social reality to generate law-like knowledge. Acceptable knowledge from positivism is based on observable and measurable factors, value-free assumptions, and generalizable causal explanations (Saunders et al., 2016). On the contrary, interpretivism advocates that “a strategy is required that respects the differences between people and the objects of the natural sciences and therefore requires the social scientist to grasp the subjective meaning of social action” (Bryman, 2012, p.30). Interpretivist researchers aim to generate novel interpretations and richer understandings of social worlds and contexts, denying the assumption that there are universal laws applied to social realities. Acceptable knowledge from interpretivism is focused on value-bounded narratives, stories, and perceptions, with researchers’ interpretations as a key element (Saunders et al., 2016).

The choice of research method is based on the orientation of ontology and epistemology in research philosophy, which ultimately determines how researchers decide to develop and understand knowledge, usually through empirical investigation in real-world settings (Myers, 2013). In doing so, researchers can distinguish between quantitative and qualitative research, and decide to choose either, or a mixed research design (Bryman, 2012). *Table 3.1* outlines the philosophical difference between quantitative and qualitative research designs regarding their philosophical positions and orientations of theorizing. As shown in the table, quantitative research design emphasizes quantification in data collection and analysis, which entails a deductive approach to test theory and incorporates the practices of natural science in general. By contrast, qualitative research design emphasizes words and language in data collection, which entails an inductive or abductive approach to generate theory and reject the practices of natural science in exploring the social world.

	Quantitative	Qualitative
Ontological orientation	Objectivism	Constructivism (Subjectivism)
Epistemological orientation	Positivism	Interpretivism
Orientation of developing theory	Deductive; testing of theory	Inductive or abductive; generation of theory

Table 3.1: Philosophical differences between quantitative and qualitative research design (adapted from Bryman, 2012, p.36)

In terms of ontological orientation, this thesis holds a constructivism view, which is in line with extant research on MNE's legitimacy and discursive legitimacy that legitimacy is best understood as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p.574). That means the nature of MNEs' legitimacy as a reality is subjective to specific social actors (e.g., the media). In terms of epistemological orientation, this thesis holds an interpretivism view, focusing on narratives, perceptions, and interpretations of social realities (Saunders et al., 2016). This is consistent with this thesis's objective of exploring the meaning of MNE's legitimacy constructed in the media (e.g., through media framing, narratives, and stories) and the perceptions of managers to conduct relevant voice strategies (Entman, 2012). Thus, the primary objective of this thesis meets the principles of the interpretivism position.

In terms of the orientation of developing theory, this thesis tends to follow an inductive approach to building theory instead of testing theory through a deductive approach. The inductive approach is more concerned with the context of reality, and it is argued that typical methods for interpretivist studies contain an inductive orientation, collect small samples for in-depth investigations, and use qualitative methods of analysis (Saunders et al., 2016). The inductive approach serves to identify emerging phenomena from qualitative data and contributes to developing

new theories (Eisenhardt, 1989). Moreover, induction requests a deeper understanding of the research context, thereby combining the exploratory and explanatory nature of qualitative research (Welch et al., 2011). To understand why and how Chinese MNEs' are facing increasing legitimacy challenges in the Western media, and what voice strategies they can deploy to tackle such challenges, this thesis needs to collect rich qualitative data (e.g., media data and interview data). Thus, the data analysis in qualitative research would be abductive that the researcher needs to move back and forth between the data and theory.

3.3 Research method: A qualitative case-based research design

Once a philosophical position is decided, a research design needs to make sure ontological, epistemological, and methodological are in alignment (Bryman, 2012). The research design in this thesis is defined as a qualitative case-based research, which contains three independent yet related studies dealing with the general research problem. The first case study investigates Huawei's legitimacy challenges in the UK. The second case study investigates TikTok's legitimacy challenges in the US. The third study supplements the previous two case studies and explores Chinese MNEs' voice strategies through semi-structured interviews with PR managers. This research design is encapsulated in the following six characteristics:

- 1) adopting a qualitative approach;
- 2) focusing on the phenomenon-based research setting;
- 3) applying an interpretive case study design;
- 4) emphasizing contextualization in theorizing from case study;
- 5) following a step-by-step approach of conducting research;
- 6) using triangulation as quality control.

3.3.1 Adopting a qualitative approach

In general, a research design can be formed as qualitative or quantitative, or a combination of the two (Myers and Avison, 2002). The major difference between qualitative and quantitative research lies in their distinctions in ontology and epistemology (Myers, 2013). As shown in *Table 3.1*, the underlining ontology and epistemology of this thesis determines that a qualitative approach is appropriate. More specifically, quantitative researchers typically adopt a positivist approach to developing knowledge, using theory-testing to examine the causal relationship, whilst qualitative researchers typically develop knowledge by adopting interpretive strategies such as narratives, ethnographies, and grounded theory (Creswell, 2007). Denzin and Lincoln (2005, p10) highlight that qualitative research focuses on “the qualities of entities and on processes and meanings that are not experimentally examined or measured in terms of quantity, amount, intensity, or frequency”.

In contrast, quantitative research focuses on the measurement and analysis of causal relationships between variables, rather than processes. Compared with a dominant positivist perspective and theory-testing approach in quantitative research, qualitative research embraces a richer diversity in ontology and epistemology. It is suggested that qualitative research has more “richness and complexity” in terms of concrete research methods and techniques, which often work together and complement each other (Miles and Huberman, 1994, p.9). However, with less emphasis on causal relationships, qualitative research is considered as having lower generalizability compared with quantitative research (Patton, 2002).

As the research problem in this thesis is defined as how Chinese MNEs can understand and respond to media-constructed legitimacy challenges when facing increasing geopolitical tensions, a qualitative approach is appropriate to answer “how” questions in this research (Bryman, 2012; Myers, 2013). In this thesis, qualitative data including media articles and interviews will be collected. Qualitative content analysis will be used for data analysis, which will be discussed later. In particular, a qualitative case study design is suggested to be suitable for answering “how” research questions (Yin, 2018), which is in line with the research objective of this thesis. Therefore, the case study is chosen as the core research strategy, which is “excellent in generating holistic and contextual in-depth knowledge” (Eriksson and

Kovalainen, 2016, p.131). Further, the rationale for selecting a qualitative research design also stems from its use in prior research on corporate media coverage and discursive legitimacy (e.g., Clemente and Gabbioneta, 2017; Murray and Nyberg, 2021; Vaara et al., 2006), which have been discussed in the literature review.

3.3.2 Focusing on the phenomenon-based research setting

Driven by the research motivation, the research setting in this thesis is focused on the phenomenon of Chinese MNEs' legitimacy challenges in the media when there is increasing geopolitical tension between the US and China. In a relatively short period, the world's two biggest economies, the United States and China, have become embroiled in a modern-day cold war centered on the control of technology and innovation. Some high-tech industries and sectors that were traditionally dominated by developed countries, such as telecommunications and artificial intelligence have witnessed a rapid rise of Chinese MNEs. The US government views the catch-up of China as a situation where one side's gain comes at the expense of the other, accusing China of achieving its rise through intellectual property theft and espionage, which poses national security risks to the US.

The geopolitical rivalries of the Tech Cold War between the US and China seem likely to pull increasing Chinese MNEs into the febrile domain of between-nations competition. For example, China's top chipmaker SMIC and drone manufacturer SZ DJI Technology were added to a trade blacklist in December 2020 by the Trump administration, for their ties with "Beijing's efforts to harness civilian technologies for military purpose" (Reuters, 2020). The Biden administration has continued the policy by imposing trade restrictions on 34 Chinese entities for "human rights violations and the alleged development of "brain-control weaponry" (CNBC, 2021). According to the U.S. Department of the Treasury (2021), Chinese MNEs listed in the US stock market, including Xiamen Meiya Pico Information and Yitu, etc., have been added to the list as they are accused of being involved in human rights abuse in China.

The US-China rivalry has already had far-reaching geopolitical effects on IB, with significant consequences extending to numerous other countries worldwide. Experts believe that the rivalry between the two superpowers will persist and even escalate,

which is often linked with the metaphor of the “Thucydides Trap” (Allison, 2017). Such a contest can also be viewed as a “clash of civilizations,” where the root of conflict in the new world order is not just economic but also ideological and cultural (Huntington, 1993). As the US-China rivalry extends beyond purely economic concerns and takes on political and ideological dimensions, there is more than ever media coverage in Western countries on Chinese MNEs, in which the image of Chinese MNEs has been portrayed negatively. In particular, the media can succeed in letting people “know their enemy”, as media propaganda has been considered a vital tool in wartime history (Dower, 1986). Thus, the US–China rivalry provides chances for the Western media to narrativize Chinese MNEs and portray them as entities from an enemy country.

Therefore, the US-China rivalry serves as a highly significant and relevant research setting, given its far-reaching impact on the global economic landscape and international relations. It is indeed crucial for IB researchers to critically examine the impact of geopolitics on MNEs and consider the increasingly political nature of MNEs’ international involvements.

3.3.3 Applying an interpretive case study design

Case study methodology has enjoyed steady popularity in business and management research. Yet, scholars have different definitions of the concept of case and case study (Eriksson and Kovalainen, 2016). One most widely cited definition according to Yin (2018, p.15), where he states that a case study refers to “an empirical method that investigates a contemporary phenomenon (the ‘cases’) in depth and within its real-world context, especially when the boundaries between phenomenon and context may not evident”. However, Yin’s definition is criticized by other scholars in terms of its reflection of only one side of the coin and its limitation when applied to business and management studies (Myer, 2013; Eriksson and Kovalainen, 2016). For example, Myer (2013) addressed that Yin’s definition is best suitable for a positivist approach and that the purpose of case studies is to meet the requirement of positivist social science. In other words, case studies serve as pilot studies or methods for developing testable variables and hypotheses.

Inconsistent with Yin's mindset of "qualitative positivism" (Welch et al., 2022, p.7), Eisenhardt and Graeber (2007) claim that in building theory from case studies, each case can be a distinct experiment. When taking a positivist approach to conduct case studies, scholars are often driven by the purpose of generating testable propositions or hypotheses as the research outcome. Accordingly, the criteria for choosing case(s) tends to follow a sampling logic, for example—theoretical sampling (Eisenhardt 1989), to enable researchers to generalize a single or multiple case(s) to a larger population. In this way, the criteria for choosing cases need to be justified as to whether they are extreme, unusual, common revelatory, or longitudinal (Yin, 2018), which might restrict the methodological pluralist from doing case study research (Welch et al., 2011).

Alternatively, Myer (2013, p.93) suggests that "there are other types of case studies, such as interpretive and critical case study research, which do not require or recommend the use of propositions or hypotheses in research". For example, interpretive case study research is based on an underlying interpretive and constructivist epistemology (Myer, 2013). Thus, the purpose is "to attempt to understand phenomenon through the meanings that people assign to them" (Myer, 2013, p.95). In an interpretive case study, researchers are interpreters who both construct and analyze the case, focusing on the perspectives, experiences, interactions, and sense-making processes of the social actors involved. Thus, the overall purpose of an interpretive case study is to construct a narrative or a good story worth hearing (Dyer and Wilkins, 1991).

More recently, IB scholars are emphasizing the importance of encouraging the methodological pluralist in case study research, seeing dominant or even taken-for-granted citations of Yin's and Eisenhardt's work in IB research (Welch et al., 2011; 2022). Welch and colleagues said in the reflection on their *Decade Award* paper (Welch et al., 2011) in the *Journal of International Business Studies* that:

"We were uneasy with Eisenhardt's (1989) inductive theory-building approach because her template did not match the research process, we experienced ourselves, nor did the endpoint of testable propositions match the theoretical contributions we were trying to make" (Welch et al., 2022. P.6).

Indeed, the author does share the same feeling when doing this thesis project. It must be noticed that Eisenhardt's (1989) highly welcomed template of the inductive theory-building case study was developed at a time when case study research is unfamiliar to IB and management researchers; thus, her efforts were to persuade her positivist audience and to legitimize her casework at that time. Although case study research with an implicit positivist position is still the most common type of business research in the past two or three decades (Welch et al., 2011), interpretive case studies have become more accepted over the past decade and have become a regular basis in top business and management journals (Piekkari et al., 2009). Indeed, it is now more important for IB researchers to think about how to do case studies, by, in the first place, taking ontological and epistemological positions into account (Welch et al., 2011; 2022).

Although Yin's (2018) and Eisenhardt's (1989) work on the case study method have been frequently cited by scholars in IB journals, their work holds an implicit positivist stance and orientation that some of their insights might not fit this research. As this research holds an interpretivist philosophical position (with a constructivism ontology and interpretivism epistemology), the works of other scholars (e.g., Myers, 2013; Gray, 2014; Welch et al. 2011, 2022), who is with the interpretivist stance, can be considered as a balanced source of methodological guidance in this thesis. further, the objective of this research is to understand the phenomenon of Chinese MNEs' negative media coverage in Western countries, by unpacking the sensemaking process of how the media construct firms' legitimacy. Thus, it is appropriate to adopt an interpretive case study research design, thereby addressing the research problem and answering the research questions.

3.3.4 Emphasizing contextualization in theorizing from case study

Welch and colleagues (2011, p.750) emphasize that methods of case study are not only about methods of data collection and analysis but also about methods of theorizing. Further, they distinguish four types of case study (see *Figure 3.2*), based on their methods of theorizing: 1) inductive theory building (Eisenhardt, 1989); 2)

natural experiment (Yin, 2009); 3) interpretive sensemaking (Stake, 2005); and 4) contextualized explanation (Bhaskar, 2014).

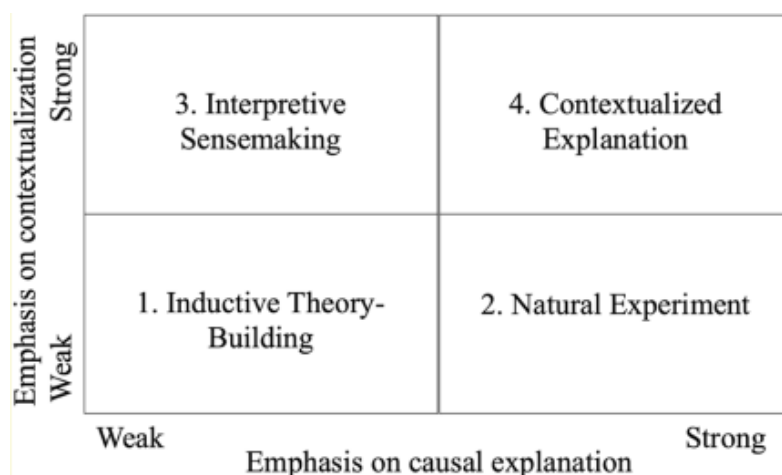


Figure 3.2: Four methods of theorizing from case studies. Source: Welch et al. (2011, p. 750).

Specifically, the first type, inductive theory-building, is mainly advocated by Eisenhardt's work. It is based on a positivist (empiricist) philosophical position and generates an explanation in the form of a testable proposition, which could generalize individual case(s) to a large population (Welch et al., 2011). Inductive theory-building case study aims to build a regularity model and propose associations between events, in such a process, context is only a description at a first step. It is argued that inductive theory building case study is weak in both causal explanation and contextualization (Welch et al., 2011).

The second type, natural experiment, is mainly advocated by Yin's work. It is also based on a positivist philosophical position and generates explanation in the form of cause-effect linkages (Welch et al., 2011). A natural experiment case study aims to specify cause-effect relationships and make a generalization to theory (analytic generalization), in which process and context is isolated given the experimental logic. It is argued that a natural experiment case study is strong on causal explanation but weak on contextualization (Welch et al., 2011).

The third type, interpretive sensemaking, is mainly advocated by Stake's work. It is based on an interpretive or constructionist philosophical position, and to understand actors' subjective experiences. Through thick description, interpretive sensemaking case study treats "particularization" rather than "generalization" as the goal of case studies, because establishing cause-effect relationships is regarded as "simplistic" for explaining complex realities (Stake, 2005, p.449). In this type, context is considered a necessary part of the case study for generating an in-depth understanding. Thus, it is argued that an interpretive sensemaking case study is strong on contextualization but weak on causal explanation (Welch et al., 2011).

The fourth type, contextualized explanation, is mainly advocated by Bhaskar's work. It is based on a critical realist philosophical position and generates explanations in the form of causal mechanisms. The contextualized explanation case study aims to specify causal mechanisms and the contextual conditions under which they work, thus, the generalization of findings is contingent and limited. In such a process, context is integrated into the explanation. Welch and colleagues (2011) claim that contextualized explanation case study is a strong-strong typology of both contextualization and causal explanation, therefore, it can reconcile theory and context, and "generate causal explanations that preserve rather than eradicate contextual richness" (Welch et al., 2011, p.750).

In all, Welch's (2011) typology emphasizes the role of context in theorizing from case studies. Context is typically defined as "the surroundings associated with phenomena which help to illuminate that phenomena" (Cappelli and Sherer, 1991, p.56). Bryman (2012, p.401) emphasizes that "one of the main reasons why qualitative researchers are keen to provide considerable descriptive detail is that they typically emphasize the importance of the contextual understanding of social behavior." Although a theory is believed to be context-free, from the positivist perspective, to prove its generalizability, Welch and colleagues (2022) argue that decontextualization could be a risk to theory for several reasons. The first risk relates to causal connections, as decontextualized theories run the risk of reductionism by oversimplifying the explanations based on individual agents but neglecting social structures. The second risk of decontextualized theories relates to the danger of misinterpretation when social phenomena are involved in broader social webs. The

third risk is that decontextualization also leads to inappropriate generalization neglecting the context for understanding the complex social phenomena. As an alternative, Welch and colleagues put forth a new typology of contextualized explanation to reconcile theory and context, and “generate causal explanations that preserve rather than eradicate contextual richness” (Welch et al., 2011, p.750).

Focusing on the research setting of rising geopolitical tensions (i.e., the US–China rivalry), this thesis argues that Chinese MNEs’ legitimacy challenges and voice strategies require an understanding and explanation based on context-specific conceptualization and theorization. Thus, adopting a qualitative approach and applying an interpretive case study design in this thesis allows for a more in-depth understanding of (de)construction of China MNEs’ legitimacy in the media, the contextual dynamics of focal companies, and (re)actions of their key stakeholders in the (de)legitimization process. However, this research would not claim the method of theorizing from the case study is attributed to one specific typology suggested by Welch et al. (2011; 2022). The emphasis here is that this study concurs with the view that contextualization is “an integral part of the case study”; context is not exogenous but rather endogenous to theory (Welch et al., 2022, p.20). By emphasizing contextualization, this study seeks to make the case study in this thesis both exploratory and explanatory. As Welch and her colleagues have said:

“We hope that, if the trends towards greater contextualization across all our four case study traditions continue, the matrix that we proposed in 2011 will become obsolete. Contextualization would then simply be an integral part of the case study across all the traditions we identified and would no longer be a way of distinguishing them” (Welch et al. 2022, p. 20).

Indeed, they suggest applying contextualization in all the methods of theorizing from case studies, to make it a normalized consideration in designing and conducting case-based research. In this way, this research responds to the call for greater methodological and theoretical pluralism in case research in the IB area (Welch et al., 2011; 2022).

3.3.5 Following a step-by-step approach of conducting research

Studies in IB are often considered as phenomenon-driven research (Buckley et al., 2018), however in method design, how case studies can be designed to capture this feature has been not considered in this field. This research is based on the observation of the phenomenon that geopolitical tensions are coming to the forefront of the IB settings. The US–China Trade War and Tech Cold War have drawn huge attention in both academia and the media since 2016, which shows increasing tension between China and the US (and its allies). Such geopolitical tensions have become even more severe since 2018 when Trump’s administration starts to pose more sanctions on Chinese MNEs (e.g., the ‘Entity List’ built by the US Commerce Department) and individuals (e.g., Huawei’s CFO Meng Wanzhou). At the same time, there is, more than ever, media coverage on Chinese MNEs in the Western media, talking about how to treat and deal with Chinese MNEs in their countries with concerns on issues such as national security, knowledge transfer, and deteriorating international relations.

I started this research in late 2019 when Huawei’s 5G engagement is heatedly debated in the British media. In the following half year, it was witnessed that the UK government posed a policy U-turn on Huawei. As a result, Huawei’s 5G operations are ultimately kicked out of the UK market. By observing and tracking intensive media coverage on Huawei during this period, I found that it was indeed an interesting and worthwhile phenomenon for investigating Chinese MNEs’ media-related legitimacy challenges in the Western country. Thus, the first case study of Huawei’s legitimacy challenges in the UK can be defined as an ‘interesting’ case for addressing the research problem of how Chinese MNEs can understand and respond to media-constructed legitimacy challenges. In particular, the Huawei case is suitable for answering the research question of how LOR is framed by the media, thereby posing legitimacy challenges for Chinese MNEs.

Researchers, even qualitative researchers, might hesitate to use ‘interesting’ as criteria to define their case selection. It might be partially influenced by Yin’s (2016) case study tradition, in which the case(s) must be extreme, unique or critical from a sampling logic, and Eisenhardt’s (1989) theoretical sampling that case(s) must serve the theory-testing purpose. However, it is the researcher’s task to reveal the case(s)

as extreme, unique or critical in an intensive case study (Eriksson and Kovalainen, 2016). That means the exceptional nature of the selected case is not a problem in an intensive case study, which is different from Yin's (2018) and Eisenhardt's (1989) thoughts that the criteria for choosing the case(s) must be presented at the first place for a later generalization purpose. In highlighting the role of contextualization, I believe that Yin's and Eisenhardt's criteria might not fit in this research. Myer (2013, p.95) argues that "one of the most important things in doing case study research is finding an 'interesting' case in the first place". That means an interesting case can tell researchers something new in a specific field. Therefore, the selected Huawei case is indeed interesting to both theories and real-world scenarios. More details of conducting Case 1 will be presented in *Chapter 4*.

Findings of Case 1 reveal how MNEs' LOR can be framed by the media in the geopolitical context, linking with the theories of corporate legitimacy, media framing and geopolitics. Yet, the Huawei case focuses on the British media only, which leaves room for further examining the media coverage in Chinese MNEs' home countries, as well as the legitimation dynamics among the voices of different stakeholders in the media. Then, the time comes in late 2020 when the Huawei case was completed. In August 2020, Donald Trump announced an executive order to ban TikTok in the US market, which also raised significant attention in the media. It is recognizable that TikTok shares some commonalities with Huawei that they are both involved in the US–China geopolitical rivalry (as the UK is the closest ally of the US). Thus, TikTok serves as the second case study for further investigating the research phenomena of Chinese MNEs' legitimacy challenges in the media. In particular, it is observed that the relatively independent headquarter–subsidiary structure of TikTok and the direct home–host government rivalry (US–China rivalry) on the TikTok issue, make the TikTok case more appropriate to answer the research question of how the voices of different stakeholders (especially firms and governments) are framed by the media in constructing the legitimacy of Chinese MNEs. More details of conducting Case 2 will be presented in *Chapter 5*.

Importantly, regarding the relationship between the two cases, this research design would not follow the logic of traditional multiple-case studies in Yin's and Eisenhardt's parlance. According to Yin (2018), a multiple-case study needs to follow

a replication logic from an experiment perspective, which means the multiple cases need to “predict similar results (*a literal replication*)” or “predict contrasting results but for anticipatable reasons (*a theoretical replication*)” (italic in original, p.55). Similarly, according to Eisenhardt (1989), a multiple-case study needs to use sampling logic for generalizing to the population, which implies that the more cases the better.

Instead, as emphasized before, this research design holds an interpretive position so that the positivist case study approach will not be applied. Case 2 follows a step-by-step approach based on Case 1 and is also phenomenon-driven. As suggested, each interpretive case study is aimed at providing a rich investigation on this own emphasis, instead of replicating one on another (Piekkari et al., 2009). Indeed, scholars have argued that “owing to philosophical and methodological commitments, most qualitative research designs allow for deviations and surprises during the research process in data collection and analysis, and changes in the research settings during the process” (Eriksson and Kovalainen, 2016, p.28). Therefore, qualitative research does not usually follow a tightly woven plan.

As a result, Case 2 of TikTok’s legitimacy challenges in the US provides a contextualized explanation of Chinese MNEs’ legitimation dynamics in the media when facing geopolitical rivalry. Yet, the research problem in this thesis has not been fully answered because secondary media data cannot sufficiently reveal the knowledge from a managerial perspective. Therefore, I decide to undertake supplementary interviews with PR managers from both Chinese MNEs and PR agencies, who have knowledge and expertise in corporate communication and media engagement. The open-ended interviews are based on the findings of the previous two case studies and aim to surface firm-level views and insights into what the voice strategy is and the thinking behind it. Plus, I can get insights into how MNEs are dealing with legitimacy challenges when facing up to geopolitical rivalries. More details about conducting supplementary interviews will be presented in *Chapter 6*. Finally, after enacting the research design including two case studies with supplementary interviews, this study can make a general discussion based on the findings and then generate theoretical, methodological, and managerial contributions.

3.3.6 Using triangulation as quality control

Importantly, in this case-based research design, triangulation is used as a tool to refine the research process and to connect with each phase of the research.

Triangulation is the process of using multiple perspectives to refine and clarify the findings in research. There are different types of triangulation such as triangulation of methodologies, triangulation of methods, triangulation of data, and triangulation of theories (Eriksson and Kovalainen, 2016).

In this research, there are two levels of triangulation, which are triangulation of data and triangulation of theories. First, undertaking supplementary interviews following the two case studies contains the purpose of data triangulation. In this way, this study can get the views from PR managers on Chinese MNEs' legitimacy challenges in host countries and ways of navigating such challenges, thereby generating a more comprehensive knowledge. Second, and more importantly, this study uses triangulation of theories during this sequential research process. As a cross-disciplinary research, each of the two case studies and supplementary interviews shares the same objective of addressing the general research problem, from different perspectives and emphases. Finally, this study could make a general discussion by considering different theoretical perspectives.

In summary, this study takes a step-by-step approach in doing this research, the two case studies, by starting from a phenomenon-driven research interest, and then uses this design to respond to the research inquiries step by step. Each of the two case studies as well as supplementary interviews has its particular emphasis from both theoretical and practical perspectives within a consistent research focus, thereby ultimately contributing to filling the research gaps through rich, in-depth interpretations and contextualized explanations.

3.4 Methods for data collection

There are various methods considering data collection to undertake qualitative research, including ethnography/participant observation, qualitative interviewing, language-based approaches to the collection of qualitative data (e.g., discourse

analysis and conversation analysis); and the collection and qualitative analysis of texts and documents (Bryman, 2012). Myer (2013) suggests that case study research does not normally include participant observation or fieldwork, which differs from ethnographic research in data collection. Most of the empirical evidence in case study research in business comes from documents and interviews. Ethnographic research, on the contrary, relies extensively on data from fieldwork. Fieldwork is the defining feature of ethnography (Myer, 2013).

As discussed in the literature review, this research aims to investigate three research inquiries or gaps, which are media framing of MNEs' legitimacy, MNEs' legitimacy challenges in the geopolitical rivalry, and MNEs' voice strategies. For this thesis, media data will be the primary data to be collected regarding the research gap and research questions discussed in previous chapters. Media data is a prior data source in this research. Through interpreting and analyzing media texts, the researcher can understand why Chinese MNEs are facing increasing negative media coverage in Western countries, and how the media influence their legitimacy. Media data are also suitable for undertaking language-based approaches such as narrative and thematic analysis (Bryman, 2012).

In addition, this study intends to collect interview data after the completion of two case studies as a supplementary data source for further investigation. The interviews are appropriate for understanding Chinese MNEs' legitimacy challenges and responses from a corporate perspective. However, it can be argued that ethnographic observation is not appropriate for detecting media-related research, in which reality is always constructed through texts and languages. Also, participant observation of firms' strategies is difficult to conduct because such corporate actions are confidential to outsiders, and even more sensitive when involving geopolitical issues. Even for interviews, I did try to contact Chinese MNEs that are sanctioned by the US government, but all of them rejected the requests very directly. That means, collecting ethnographic data is far less feasible during the period of this research. Therefore, this thesis will use media outlets and interviews for data collection.

3.4.1 Media data

One most important reason for choosing the media as the main data source lies in its increasing role in the construction of organizational legitimacy. The media has obtained increasing attention from organizational and IB researchers, particularly in the past two decades. Scholars noted the key role of media texts in shaping public opinion on business issues (e.g., Deephouse, 2000; Vaara and Tienari, 2002; Stanley et al., 2014). Gamson and Modigliani (1989, p.1) argued that media discourse is “an essential context for understanding opinion” on different social issues. Besides, Fürsich (2009, p. 238) addresses that the “unique methodological position of media content between producers’ intentions and audience interpretations” makes media content a valuable area for academic research. Analyzing a certain discursive moment, or media texts as a site in which meanings and narratives are constructed, can provide significant insights into a social phenomenon (Fürsich, 2009).

Studies of mass communication have focused on diverse aspects of media content. For example, some researchers have studied the production phase of news reporting through ethnography in the newsrooms, which has contributed to the knowledge of news production and journalistic routines in the media organization (Czarniawska, 2011). Others have focused on audience reception, aiming to identify how readers and viewers perceive and respond to media texts, and how the media content shapes their opinions on social issues (Morley 2003; Boyle and Kelly 2012). However, as media have relatively stable yet relatively limited audiences, it is notoriously difficult to determine and measure media effects on public opinion. This becomes more pertinent in a digital media environment, which only increases the “complex process of conceptualizing media consumption and effects” (Nabi and Oliver, 2009, p.2). As intruded before, the function of media framing and agenda setting is to guide the audience to interpret certain issues in a certain way. Rather than attempting to claim how the audience perceives and responds to media contents, it might be more effective to analyze the text itself and investigate how media texts serve to influence the way the audience interprets a certain issue; thus, emphasizing interpretation rather than causation (Budd, 2017).

Most media texts are freely available online and easily accessible in media databases. They, therefore, offer a rich data foundation for research. Using publicly available secondary sources also has less risk of ethical issues. This study chooses to use newspaper data, as opposed to broadcast news or social media sources, given both theoretical and practical considerations. Although there has been a decline in newspaper readership during past decades, newspapers still have an important agenda-setting role (Doyle, 2014). McCombs (2004, p.49) points out that “as a broad empirical generalization, about half the time there is no discernible difference in the agenda-setting roles of newspapers and television”. Moreover, newspapers have been used in many studies on corporate media coverage, linking with topics such as corporate scandals and discursive legitimacy in the IB area (e.g., Vaara and Tienari, 2008; Clemente and Gabbioneta, 2017).

Even though online news, including social media news organizations, has become an increasingly important source, and has been the basis of some studies of news discourse, traditional printed newspapers are more suitable for academic research for the following two reasons (Kelsey, 2014). First, the *Nexis* database contains news articles from a wide range of newspapers globally that can be dated back further than other types of media websites, which shows its advantage for both longitudinal and comparative studies. The archive system in the *Nexis* database allows researchers to easily use dates and keywords to search relevant media data. Second, more importantly, almost all the mainstream newspapers “now regarded themselves as digital multiplatform entities” (Doyle, 2014, p.4) and their digital editions have a broad web presence. Thus, the readership of newspapers contains both offline and online audiences. In choosing newspaper samples, this study also takes into consideration that the chosen newspapers have both print and website circulation to acknowledge the overall popularity of the media brand.

Nevertheless, newspaper databases such as *Nexis* have their restrictions, one is that the texts are archived without some contexts such as images and visual design. Still, the focus of this research is to analyze texts, news sources and language. In addition, it is important to notice that one characteristic of newspapers, if not a restriction, is that newspapers can be “explicitly partisan, favoring a particular political party or policy without counter-balancing alternative views or perspectives”

(Cushion et al., 2016, p.2). It is difficult to claim that one newspaper is impartial or value-free even though it is publicly operated; instead, it is important to know its political stance when reading its reporting. Sometimes, the content of a particular newspaper can only be understood by recognizing its political stance. These concerns are taken into consideration when analyzing the media data in this study, as the news articles often explicitly or inexplicitly showed a political stance in the media texts. Thus, it is highly important to choose newspapers that represent different political stances in the dataset to address such issues. In summary, the benefits of using newspaper data far outweigh any minor drawbacks. More details about collecting media data in the two case studies will be presented in *Chapter 4* and *Chapter 5*.

3.4.2 Interview data

In addition to the media data, this study will collect supplementary data from interviews with PR managers in both Chinese MNEs and PR agencies to investigate the corporate media strategy from the organizational perspective. The interview is believed to be the most widely used method for data collection in qualitative research, with two main types being the unstructured interview and the semi-structured interview (Bryman, 2012). Unstructured interviewing might be like a conversation on certain topics, with both the interviewer and interviewee freely responding to the others' responses. In contrast, semi-structure interviewing means that the researcher holds a pre-prepared question list as an interview guide, but the actual interview might not follow such a schedule and the researcher has the flexibility to pick up questions from the list and raise new questions based on the real interview scenario (Myer, 2013). This research will adopt the method of semi-structured interviews, as the interviews are undertaken after the completion of the two case studies from which the researcher already has some findings around the research topic. In this way, the researcher can develop a well-prepared interview protocol with potential questions to seek answers from managers. In this research, interview data are used for triangulation to the media data in the two case studies, which has been discussed in *Section 3.3.6*. More details about collecting interview data will be presented in *Chapter 6*.

3.5 Methods for data analysis

3.5.1 Principle of qualitative data analysis

The collection of qualitative data often results in a large amount of information to be analyzed. Unlike quantitative data analysis, which is governed by codified rules and standard practices, there are different approaches to interpreting and analyzing qualitative data, including content analysis, thematic analysis, narrative analysis, etc. (Bryman, 2012). Specifically, the data analysis approach adopted in this research will follow the methods outlined by Miles et al. (2014), which contains three concurrent flows of activity: 1) data condensation, 2) data display, and 3) conclusion drawing and verification.

First, data condensation refers to “the process of selecting, focusing, simplifying, abstracting, and/or transforming the data that appear in the full corpus (body) of written-up field notes, interview transcripts, documents, and other empirical materials” (Miles et al., 2014, p.12). Through data condensation, researchers can decide which data to code and which to pull out, and which label to best summarize the coded materials. Thus, data condensation enables researchers to organize in a focused way that verifies the findings and conclusion. Second, data display means “an organized, compressed assembly of information that allows conclusion drawing and action” (Miles et al. 2014, p.12). Data display can include various forms such as matrices, graphs, charts, and networks, all of which could enable researchers to see what is happening in the data and decide what to do next. Third, conclusion drawing and verification characterize the process whereby “from the start of data collection, the qualitative analyst interprets what things mean by noting patterns, explanations, causal flows, and propositions” (Miles et al., 2014, p.13).

Such a process may experience several rounds of data condensation and display, which enables the conclusion to be from vague to explicit and grounded. Therefore, the process of qualitative data analysis is continuous and iterative and needs to be well documented for analysts to review the progress, reflect the findings, and refine the methods where necessary (see *Figure 3.3*).

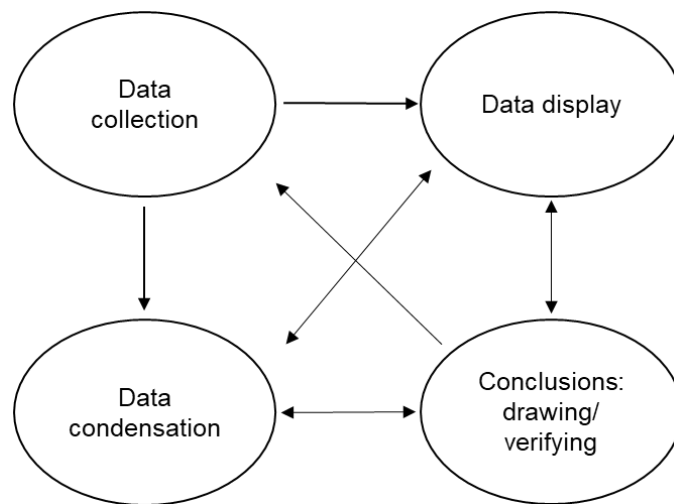


Figure 3.3: Iterative process of qualitative data analysis (adapted from Miles et al., 2014, p.14)

3.5.2 Gioia template as a data coding strategy

Regarding the concrete data analysis approach, this research would adopt a Gioia template (or methodology) which fits with both the inductive nature and the content-focused coding to investigate the research phenomena (Gioia et al., 2013). The Gioia template is “a systematic approach to new concept development and grounded theory articulation that is designed to bring ‘qualitative rigor’ to the conduct and presentation of inductive research” (Gioia et al., 2013, p.15). The concept, here, means “a general, less-well specified notion capturing qualities that describe or explain a phenomenon of theoretical interest” (Gioia et al., 2013, p.16). It is important to note that the Gioia coding is not a way of cherry-picking quotes in the texts, to contrive clever explanations and create a sexy label. Instead, the Gioia coding includes a systematic presentation of both a first-order analysis (i.e., an analysis using informant-centric terms and codes) and a second-order analysis (i.e., an analysis using researcher-centric concepts, themes, and dimensions).

Specifically, in the first-order analysis, the analyst tries to adhere faithfully to informant terms, focusing on the raw data and not distilling categories so that the number of categories will not explode at the early coding stage. In the second-order analysis, the analyst turns to the theoretical realm, examining whether the terms and

codes that emerged from the first-order can be categorized as concepts and themes to describe and explain the research phenomena. Then, the analyst can generate “aggregate dimensions” to further summarize the full set of first-order terms and second-order themes. In this way, the analyst can build a data structure, which is the pivotal presentation of data coding for the Gioia methodology. Guided by the mantra: “No data structure; know nothing”, Gioia and colleagues emphasize that the data structure “not only allows us to configure our data into a sensible visual aid, but it also provides a graphic representation of how we progressed from raw data to terms and themes in conducting the analyses—a key component of demonstrating rigor in qualitative research” (Gioia et al., 2013, p.20). *Figure 3.4* shows an example of the standard process of Gioia coding in research about hierarchical differences in perceptions of organizational identity and change.

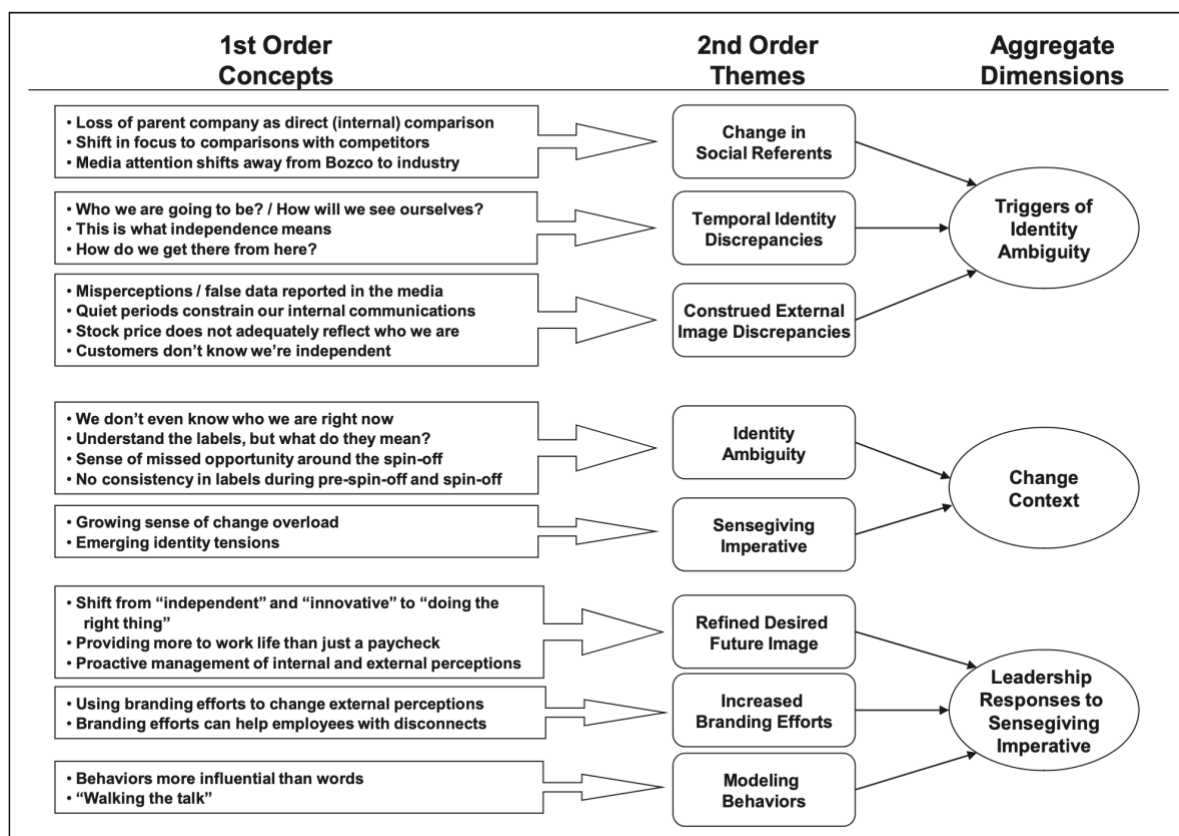


Figure 3.4: Data structure of Gioia template (an example from Gioia et al., 2013, p.21)

Although the data structure provides a static picture, it is more important for researchers to develop it into a motion picture that could explain the dynamic phenomena. The question here for building an inductive, grounded theory is “how to account for not only all the major emergent concepts, themes, and dimensions, but also for their dynamic interrelationships” (Gioia et al., 2013, p.22). Thus, the last step in the Gioia methodology is to develop a dynamic inductive theorization based on the data structure, which could explain the social phenomena and answer the research question from a theoretical perspective.

There is an increasing trend that qualitative researchers are applying the Gioia template to conduct inductive theory-building case study work in the IB field (Welch et al., 2022). Particularly for analyzing newspaper data, Clemente and Giabionate (2017) applied a standard Gioia template to investigate Volkswagen’s diesel scandal in four German newspapers. Furthermore, in the management area, Murry and Nyberg (2021) adopted an iterative process of qualitative coding, which shares both the nature and form of the Gioia template, to investigate how the mining industry in Australia leveraged media coverage to perform corporate political activity.

Based on both the theoretical understanding and practical applications of the Gioia methodology in relevant research (e.g., in IB), this study decides to adopt the Gioia methodology for data coding and analysis. Also, this thesis has heeded the critique from scholars about the risk of decontextualization in extant inductive theory-building case studies where the Gioia template has been widely applied (Welch et al., 2022). Therefore, this research will take contextualization into account in the entire process of the research, as discussed in *Section 3.3.2* above. More detailed procedures for using the Gioia template for data coding and analysis will be presented in *Chapter 4*, *Chapter 5* and *Chapter 6*, respectively.

3.5.3 Computer-assisted qualitative analysis software

One of the most significant developments in qualitative research is the emergence of computer software that can assist in the analysis of qualitative data. Such software is often referred to as computer-assisted qualitative data analysis software (CAQDAS). CAQDAS removes many, if not most, of the clerical tasks associated with the manual

coding and retrieving of data. One of the most frequently used CAQDAS is the NVivo software, which is particularly useful in this research for the initial and main coding processes, and for organizing data about the research inquiry.

It is also important to note that, before starting qualitative content analysis, brief and descriptive quantitative content analysis could help get familiar with the data and capture some features of the data. For example, the researcher can conduct some basic quantitative text analysis using NVivo, to see which semantic fields are more relevant to the dataset based on the calculated frequencies (Bryman, 2012).

However, as the meaning of texts also must be interpreted based on their original sentence context, the computer-based frequency analysis would generate the risk of misinterpretation of the texts, which needs researchers to undertake qualitative content analysis afterward (Bryman, 2012). Furthermore, NVivo has comparative functions, which can present the data in the form of word “clouds”, which visualize the more frequently appeared words in the larger font size. In this way, researchers can identify whether there are differences in the themes and language used in the media texts of each source. Quantitative coding in NVivo can detect some useful patterns for some initial content analysis, but more in-depth qualitative coding must be followed to further understand the discursive meanings of media data, which will be presented in the following sections.

In sum, this overview gives guidance for data analysis in this research, while specific methods for analyzing data in the two case studies and supplementary interviews study will be detailed later.

3.6 Research quality and ethics

3.6.1 Evaluation of interpretive case-based research

Regarding the criteria for evaluating the quality of interpretive case-based research applied in this thesis, scholars have consensus that research, based on constructivism ontology and interpretivism epistemology, needs to replace the traditional terms of validity, reliability and generalizability with criteria that are more

consistent with its philosophical position in research (Guba and Lincoln, 1994; Yardley, 2000; Myer, 2013; Eriksson and Kovalainen, 2016).

Differing from the positivist position, interpretive case study research does not define its quality in terms of validity, reliability and generalizability; instead, it emphasizes the quality in terms of “the plausibility of the story and the overall argument” (Myer, 2013, p.95). For instance, Corley and Gioia (2004) undertake an interpretive case study to investigate the identity change in the spin-off of a Fortune 100 company’s organizational change. Another example is Walsham and Warma’s (1994) research studying how information systems strategy development can build society in the UK. Both these case studies emphasize the social construction of reality, that is, how and why social actors see reality through the way they do, and they both do not justify their research via positivist terms (e.g., validity, reliability and generalizability). Thus, qualitative researchers from an interpretive philosophical position tend to not encourage the use of the terms of validity, reliability and generalizability (from individual to population) to evaluate the quality of (qualitative) case studies (Eriksson and Kovalainen, 2016).

Scholars have proposed different criteria as alternatives for assessing qualitative research. For example, Guba and Lincoln’s (1994) influential criteria of trustworthiness and authenticity. Trustworthiness contains elements of credibility (parallels to internal validity), transferability (parallels to external validity), dependability (parallels to reliability), and confirmability (parallels to objectivity). To be specific, credibility concerns whether there is a strong logical link between the phenomenon and your interpretation. Transferability concerns the degree of similarity between your research and other research. Confirmability concerns whether the linkage between findings and interpretations is evidenced by data not just imagination. Then, authenticity is concerned about the more widely political impact of research, in terms of fairness, ontological authenticity, educative authenticity, catalytic authenticity, and tactical authenticity. The distinction between Guba and Lincoln’s terminology and the validity and reliability standards lies in that the former presupposes that a single absolute account of social reality is feasible and that social scientists need to reveal more than one account of the social reality (Bryman, 2012).

In addition, Yardley (2000) proposes another four criteria: 1) sensitivity to context, 2) commitment to rigor, 3) transparency and coherence, and 4) impact and importance. Specifically, “sensitivity to context” means that research needs to be relevant to both social settings and theoretical positions, as well as ethical issues. Commitment to rigor means that research needs to show substantial engagement with subjects and have sophisticated data collection and analysis techniques. Transparency and coherence mean that research methods and findings are clearly articulated with a reflective stance. Impact and importance mean that research needs to have a significant impact on both academic and outside communities.

Consistent with Yardley’s (2000) criteria about context sensitivity, Welch and colleagues (2011) suggested the need for “coherence when reporting the theorizing process”, and to “combine context sensitivity with explanatory rigor in their theorizing” (p.756-757), thus, highlighting the importance of contextualization in case study research. Besides, Nguyen and Tull (2022) argue that there are no generally accepted guidelines or criteria for assessing the contextualized research or theorization process. The quality of such research might depend on the researchers’ ability to present a coherent and convincing theoretical story (Welch and Piekkari, 2017), which requires researchers to link data and theory in a way that indicates the novelty and theoretical insights (Bello and Kostova, 2012).

Therefore, holding an interpretivist philosophical position, this thesis would consider the criteria of trustworthiness and authenticity more than the terms of validity, reliability and generalizability. In doing so, this thesis strictly follows the Gioia coding template (Gioia et al., 2013) as introduced before, amid at making the analysis process be transparency to readers. Moreover, this thesis follows an abductive orientation of developing theory by moving forth and back between data and theory (Bryman, 2012), amid at telling a coherent and convincing theoretical story. Further, this thesis emphasizes contextualization in theorizing from case study (Welch et al., 2011), thus, the criteria of sensitivity to context is taken into consideration. Overall, this thesis recognizes the differences between qualitative and quantitative research—their underlying assumptions and varying evaluation criteria. All these differences are cautiously considered during the process of this research.

3.6.2 Ethical considerations

Finally, in terms of the ethics issues, this research would follow the widely used principles proposed by Diener and Crandall (1978): 1) Whether there is harm to participants; 2) Whether there is a lack of informed consent; 3) Whether there is an invasion of privacy; and 4) Whether deception is involved. Much of the ethical concern is with the process of data collection, particularly when collecting data from interviews. Documents data such as newspaper articles, government policy documents, and corporate news releases are mostly collected from public resources and the database of *Nexis UK*; thus, there might be no major ethical concerns highlighted in this research. Still, I strictly follow the guidelines of the Cardiff University code of ethics to ensure no breaches of ethical issues occur. As a record, an ethical clearance checklist including ethics forms was completed and approved by the University. Also, permission is sought from the participants for the recording of interviews, and for the data to be securely stored and only to be used for the research project. Participants are given an information sheet before the commencement of any interview data collection.

Chapter 4

Huawei's Legitimacy Challenges in the UK

4.1 Introduction

The growth of Chinese MNEs in developed countries presents a unique and contextually rich opportunity to understand how Chinese MNEs' legitimacy is constructed. Chinese MNEs' aggressive internationalization strategies, in response to their ambitious catch-up motivations (Luo and Tung, 2007), have increasingly triggered their legitimacy threats in developed countries. To this point, Howard (2014) has addressed the ramifications of growing Chinese FDI via the lenses of perceptual, political, economic, and social considerations. Globerman and Shapiro (2009) also observed criticism of Chinese MNEs' entry modes and non-commercial objectives, which has generated economic and national security concerns among policymakers in foreign markets. Taking both theoretical and phenomenal aspects into consideration, this study argues that an ideal case for this research might meet several criteria, including 1) the firm should be a Chinese MNE in the hi-tech sector based on the context of the Tech Cold War between the US (and its allies) and China; 2) the firm should suffer legitimacy challenges in a host country; 3) there should be intensive media coverage of the firm; and 4) geopolitical relationships should be observed in the case—ideally, multilateral relationships considering the geopolitical complexity.

As introduced in the methodology chapter, I started this project in late 2019 when Huawei's 5G engagement is heatedly debated in the British media. In the following half year, I witnessed the UK government's policy U-turn on Huawei, that Huawei's 5G operations are ultimately ticked out from the UK market. Such a phenomenon of the UK government's policy U-turn hits my interest in investigating Chinese MNEs' media-related legitimacy challenges. In this regard, Huawei's legitimacy challenges in the UK are indeed an interesting and ideal case for investigation.

Moreover, I observed that Huawei has drawn massive media attention in the British media. Inspection of relevant media reports also proved the worthiness of

investigating Huawei. For example, Huawei was described as “the first Chinese tech company to become globally dominant” (The Guardian, 2020), which suggests that Huawei, as China’s leading “national champion”, meets the criteria of a revelatory single case (Yin, 2018). Huawei, until 2020, has business in more than 170 countries. Also, the media emphasized that “[A]t stake is not just the fate of one of China’s most prominent and successful companies, but the broader technological competition between Beijing and Washington” (Financial Times, 2021), which proves that Huawei fits the purpose of theorizing through contextualization in this thesis. Therefore, the case study of Huawei’s legitimacy challenges in the UK is worth investigating, and in line with the research purpose.

4.2 Case background

The UK-framed legitimacy of Chinese MNEs, and in particular its global technology leader, Huawei, are the ideal focus for the present study. Founded in 1987, Huawei is headquartered in Shenzhen, China, and has business in more than 170 countries, employing more than 194,000 staff all over the world, by the year 2020. In 2015, Huawei became the world’s largest telecommunications equipment company, followed by Finland’s Nokia Corporation and Sweden’s Ericsson. Particularly, Huawei is leading the development of the 5G network and, according to various media sources, is around two years ahead of its competitors. Huawei first entered the UK market in 2001 and deeply participated in the UK’s 4G development by cooperating with local telecom carriers such as the Vodafone Group and BT Group. Despite nearly two decades of operations and investment in the UK, Huawei ran into legitimacy challenges over its involvement in the UK’s 5G network.

The legitimacy dispute of Huawei has been straightforwardly resolved, insofar as the UK government banned Huawei from its 5G network’s development in July 2020. However, the process of this ban was far from straightforward as the UK government made a policy U-turn (see *Figure 4.1*). In January 2020, the UK government allowed Huawei to participate in the non-core part of the 5G network with a 35% market share cap. From then on, Huawei’s legitimacy was significantly decreasing in the UK market due to a complex external environment, including the US government’s sanctions and deteriorating relations between the UK and China. During the period

between January and July 2020, whether Huawei should be banned in the UK was widely discussed in major British newspapers, which provides an ideal opportunity to look at the media (de)construction of Huawei's legitimacy in the UK.

From a longer historical view, the choice to scrutinize the UK market stems from the undeniable interplay between the US and the UK in shaping Huawei's legitimacy (see Figure 4.1). The transatlantic relationship has long been a linchpin in global affairs, and the unfolding Huawei saga adds a new layer of complexity. The ever-present pressure from the United States on its allies to ban Huawei, rooted in national security concerns, created a geopolitical tension that manifested prominently in the UK's deliberations. As the United States intensified its campaign against Huawei since 2012, the UK found itself at the nexus of conflicting interests. The historical alliance between the two nations, underscored by intelligence-sharing agreements and a shared commitment to security, positioned the UK in a delicate balancing act. The US push for a Huawei ban, grounded in suspicions of espionage and security risks, collided with the UK's need to navigate a path that preserves both its national security and its relationship with a key ally.

The evolution of Huawei's status in the UK, marked by a gradual acceptance and subsequent reversal, reflects the intricate dance of diplomatic, economic, and technological considerations. From the initial limited assurance in 2018 to Theresa May's decision to permit Huawei's participation in the non-core aspects of the 5G network in April 2019, the landscape was continuously shifting. However, Boris Johnson's U-turn in July 2020, banning Huawei entirely from the 5G network, underscores the nuanced challenges faced by nations seeking to balance technological progress with national security imperatives. Beyond the bilateral dynamics, the UK's stance on Huawei carries implications for the broader intelligence-sharing consortium known as the Five Eyes (FVEY), which includes the US, the UK, Canada, Australia, and New Zealand. With Australia, New Zealand, and Canada already imposing restrictions on Huawei, the UK's decision adds another layer to the collective response to perceived security threats posed by the Chinese tech giant.

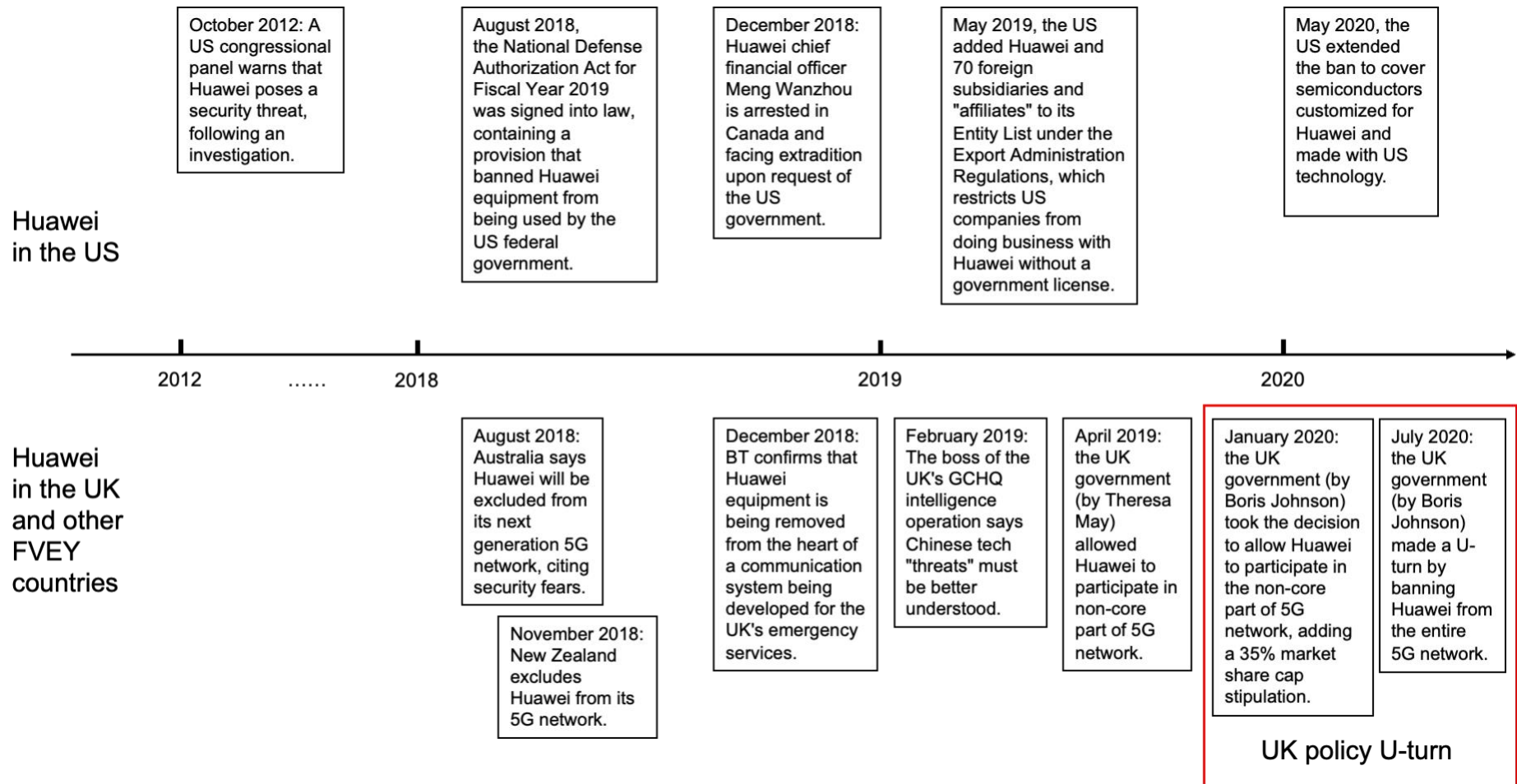


Figure 4.1: Highlights of Huawei's legitimacy challenges in the US-lead FVEY alliance (Source: collected through public information by the author)

4.3 Data collection

Data were collected from the news articles about Huawei that were published by five different British newspapers from November 2019 to August 2020. Five British national broadsheet newspapers are selected, which are *Financial Times (FT)*, *The Guardian (Guardian)*, *The Independent (Independent)*, *The Telegraph (Telegraph)* and *The Times (Times)*. The selected broadsheet newspapers have covered the left-center-right political spectrum (Smith, 2017). Specifically, *FT* is considered a centrist newspaper in favor of free trade and has an international reputation for business and economic news. *Guardian* is considered a left-wing newspaper that broadly has a wide intellectual reader base and supports the Labour Party. *Independent* is considered as a left-of-center newspaper that is called a view paper rather than a newspaper. *Telegraph* is considered a right-wing newspaper that consistently supports the Conservatives. *Times* is considered a right-of-center newspaper and is one of the oldest newspapers in the UK. As the five newspapers represent different political stances, their news articles together provide a more comprehensive analysis of Huawei's legitimacy challenges in the UK. Thus, the process and mechanism of media construction identified based on the five newspapers can be considered as having more representativeness and generalizability. Non-daily and non-national newspapers were excluded.

In data collection, the keyword "Huawei" appearing in the news headline, was used to collect news materials in the *Nexis UK* dataset. Then, the searched news articles are further filtered by ruling out irrelevant news; for example, Huawei is mentioned but not the main reporting subject, or news reports focusing on Huawei's new-launched smartphones. *As a result, 213 news articles are collected, with 49 from Guardian, 42 from Independent, 37 from FT, 40 from Times, and 45 from Telegraph.*

The media coverage in five selected newspaper indicates that Huawei's legitimacy defeat in the UK has been continuously under the attention of the British mainstream media from November 2019 to August 2020. *Table 4.2* shows that January and July account for most news coverage of Huawei, with 67 and 51 news articles respectively, followed by February (23), June (19) and May (17), while news coverage is relatively less in March (8) and April (6). It can be observed that the news coverage of Huawei reached its first peak in January when the UK government

released the policy of giving Huawei limited participation in building its 5G network infrastructure. Also, the Huawei ban policy announced by the US government in May 2020 attracted much media attention such that the media coverage increased in May and June 2020. *Figure 4.1* shows that media coverage peaked in January and July 2020 when the UK government announced its original and revised Huawei policies.

	2019			2020							Total
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
<i>Guardian</i>	1	2	19	8	2	0	2	3	12	0	49
<i>Independent</i>	1	0	12	8	2	1	2	4	11	1	42
<i>FT</i>	2	4	8	4	1	2	1	4	8	3	37
<i>Times</i>	2	0	15	2	1	2	4	4	8	2	40
<i>Telegraph</i>	1	1	13	1	2	1	8	4	12	2	45
Total	7	7	67	23	8	6	17	19	51	8	213

Table 4.1: Overview of media coverage of the Huawei case (Source: *Nexis UK*)

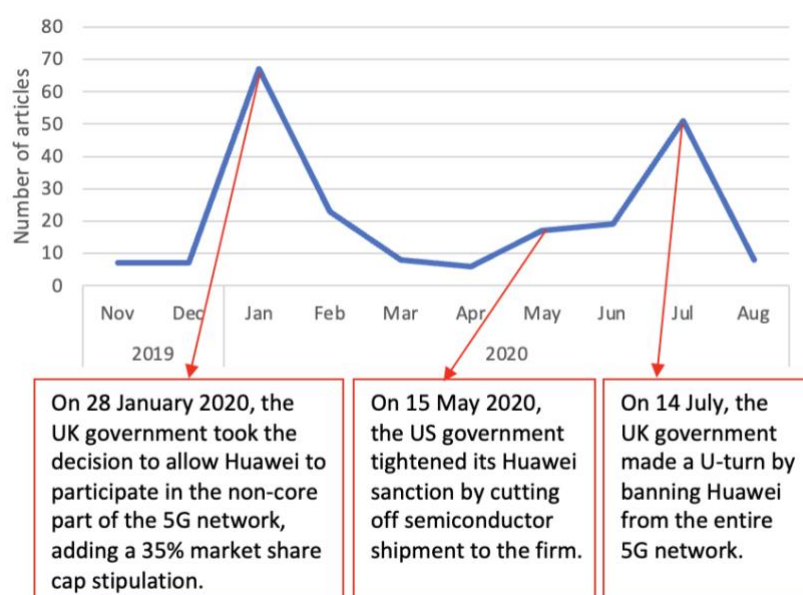


Figure 4.2: Major events and the media coverage of the Huawei case (Source: *Nexis UK*; organized by the author)

4.4 Analytical process

Given the nature of the research questions, this study applied an inductive approach to derive the media frames. As the concept of framing involves both selection and salience, thus, the coding process was started by identifying “components or devices of frames” (selection), whose relative salience gives origin to a media frame (Matthes and Kohring 2008, p.263). The coding process contains four stages.

In the first stage, this study used the Gioia methodology to inductively identify frames in media texts. Unlike traditional media framing analysis starting with a predetermined number of frame elements such as problem definition, causal attribution, moral evaluation, and treatment (Entman, 1993; Matthes and Kohring, 2008), the Gioia approach makes the frame elements emerge from the texts. This study strictly followed the standard Gioia approach in literature (Corley and Gioia, 2004; Gioia et al., 2013), which allows the researcher to explore elements of media framing specific to the research context.

In specific, I started by reading all the news articles to get familiar with and develop a general understanding of the content and tone. Then, media articles were manually coded. In this process, open coding was undertaken to uncover common themes and produce an initial set of categories (Glaser and Strauss, 1967). As a result, first-order categories were generated by combining common and similar codes. Once completing the coding of first-order categories for the first newspaper, I moved on to the second one. The coding of the second newspaper was a way of verifying, refining and extending the coding of the first newspaper, as well as developing new categories (Glaser and Strauss, 1967). The new categories were then reapplied to the first newspaper, which is considered an iterative process (Clemente and Gabbioneta, 2017). This coding process was repeated in all five newspapers until the developed first-order categories could cover the major initial codes across the data. Finally, twenty first-order categories were produced in the first stage of coding. Some initial codes that cannot be grouped into first-order categories were extracted from the data account for the second stage analysis.

In the second stage, I compared first-order categories across newspapers and combined related categories into groups as the second-order categories. In this

process, the theory of LOR was employed to guide a more theoretically oriented and second-order coding process. The second-order categories provided a theoretical framework for how the media frames Huawei's legitimacy challenges in the UK. The process of coding second-order categories made me remove nine first-order categories which were not featured consistently across all the newspapers, and then group the remaining thirteen categories into five second-order categories. Meanwhile, I further analyzed which first-order categories are more salient in each newspaper. In this way, the observed different selections and salience enable the author to identify the distinct media frames that each newspaper applied in reporting the Huawei case.

In the third stage, I conducted a separate thematic analysis to capture complexities of the geopolitical context covered by media reporting. Here, I examined how frequently the five British newspapers reported Huawei with regards to its legitimacy in different geographic contexts. The examination allows me to investigate the cross-border illegitimacy spillover effect on the firm. This analysis followed the finding in the first stage that there was a high proportion of media articles not merely reporting Huawei from the UK perspective but also from a wider geographic context. Thus, I categorized the geographic focus of the news reports into three contexts—the UK, the Five Eyes (FVEY) anglosphere intelligence countries, and other countries.

In the fourth stage, the voices of Huawei and the China government were extracted from the media articles to see whether and to what extent the firm and its home country responded in the media to defend the firm's legitimacy. Accordingly, this study aimed to generate insights into corporate-level voice strategies of responding, or not, to legitimacy challenges in media coverage.

Following the analytical process above, three key findings are generated: 1) key constructs of media framing of Huawei's legitimacy; 2) salient media frames in the five British newspapers, and 3) voices of Huawei and the Chinese government in the media articles.

4.5 Key constructs in the media framing of Huawei's legitimacy

In the content analysis of media framing, I followed the widely acknowledged approach of cluster analysis (Matthes and Kohring, 2008). It is suggested that a frame is certain pattern in a given text that is composed of several elements (Matthes and Kohring, 2008, p.263). Using the Gioia coding approach, this study identified thirteen first-order categories and five second-order categories that are vital to explain how the British media framed Huawei's legitimacy (see *Figure 4.3*). Each first-order and second-order categories are presented and analyzed below. Some representative quotes are presented in *Figure 4.3*, while others are presented in the texts.

4.5.1 Negative home country image

The first construct is identified as the negative home country image of the company. This construct is rooted in a long-term stereotyped image of China in the eyes of Western countries. As a Chinese MNE, Huawei was linked with the alleged problems of the Chinese government and China's ruling communist party, which are broad concerns in Western countries.

China threat. In most news articles, Huawei was portrayed as a national champion and a symbol of China catching up in the technological industry to compete with Western rivals. The dominance of Huawei in future 5G development has raised concerns and worries among industrial and political communities in the UK. For example:

There was dismay in Western capitals when in 2015 Beijing launched its "Made in China 2025" strategy, which aims to secure Chinese dominance in 10 high-tech sectors. (14 July, FT)

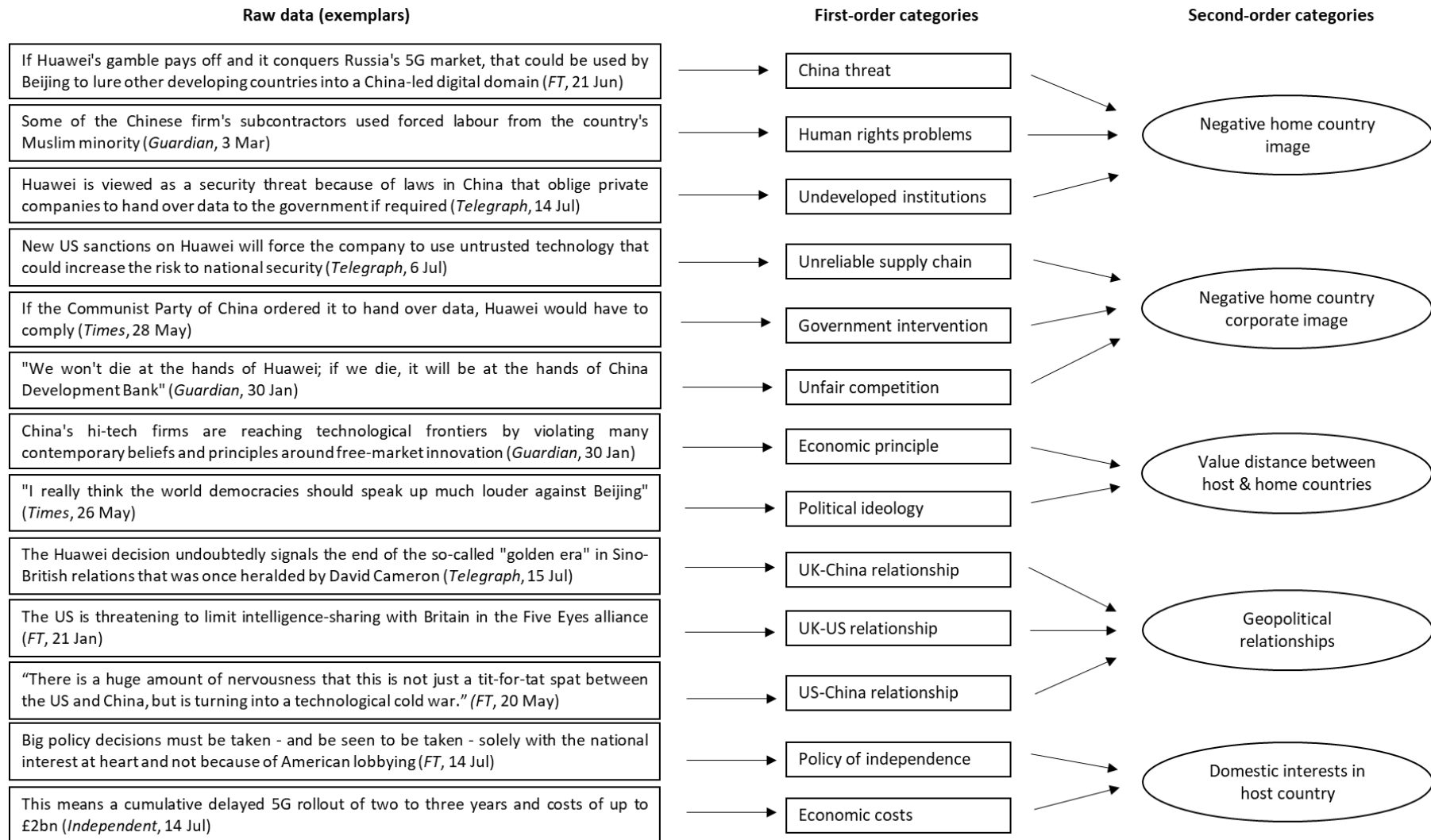


Figure 4.3: Data structure of the Huawei case

Human rights problems. The Chinese communist party has been criticized by the Western media, for a long time, for its strict societal surveillance. Huawei, as the major telecom company in China, is accused to support such surveillance in a digital era. For example:

A Conservative MP has asked BT to investigate whether using Huawei is compliant with its anti-slavery policy after an Australian thinktank alleged that some of the Chinese firm's subcontractors used forced labour from the country's Muslim minority. (3 Mar, Guardian)

Undeveloped institutions. The negative image of China is also related to its control of firms in all their daily routines and strategic decision through strict institutions. Such undeveloped institutions in the eyes of Western media were introduced in the news articles to justify why Huawei cannot avoid its controversial relationship with the Chinese government, although the company is private-owned. For example:

Gilding highlighted China's 2017 intelligence law, which gave the country the power to direct a company to assist it in carrying out spying if requested. (30 Jan, Guardia)

4.5.2 Negative home country corporate image

The second construct is identified as the negative home country corporate image that destroys Huawei's legitimacy in the UK. Such a negative corporate image is not specific to Huawei but associated with more general Chinese MNEs.

Unreliable supply chain. Newspapers frequently mentioned that the unreliability of "Made in China" Huawei products could threaten cyber security, especially after the US government banned Huawei from purchasing chips from US suppliers in May 2020. Thus, the media implied that if Huawei uses components from non-US supply chains, neither the quality nor security could be guaranteed. For example:

The GCHQ report suggests that new US sanctions on Huawei will force the company to use untrusted technology that could increase the risk to national security. (6 Jul, Telegraph)

Government intervention. Another factor that relates to Huawei's LOR is concerned with the high government intervention among Chinese MNEs. The media often implicated that Huawei was not merely a business entity, but also a political entity with certain political purposes in its strategies and operations. For example, Huawei faced the allegation of providing "back doors" to the Chinese government for spying activities. For example:

The heads of 18 small British telecoms companies met at a London bank two months ago to discuss investment, strategy and mergers. As an icebreaker, they were asked if they thought the Chinese could eavesdrop through "back doors" in Huawei equipment. Every single hand went up. (20 Jan, FT)

Unfair competition. Besides, there are economic and industrial concerns shown in the media criticizing the company for using state funds to beat rivals and dominate the foreign market, which is treated to be unfair competition. For example:

As one employee of Alcatel-Lucent, the telecommunications subsidiary of Nokia, said at the start of this process in 2005: "We won't die at the hands of Huawei; if we die, it will be at the hands of China Development Bank." (30 Jan, Guardian)

4.5.3 Value distance between host and home countries

The third construct is identified as the value distance between the host and home countries, from both economic and political sides. The media often highlighted such value differences and implied the legitimacy suspicion of Huawei in the UK.

Economic principle. One type of value distance was reflected in the free market-based economic principle. The media criticized the important role of state subsidies in helping Huawei to achieve a cheaper product price to compete with its global counterparts, which violates the free market principle. Huawei's competitors in the UK have frequently given voice to such accusations. For example:

China's hi-tech firms are reaching technological frontiers by violating many contemporary beliefs and principles around free-market innovation. (30 Jan, Guardian)

Political ideology. Another type of value distance was reflected in the political ideology between the UK and China, aiming to emphasize that holding a tough stance on Huawei is a symbol of standing against autocracy and saving the Western or free-world democracy. Such content are frequently quoted from UK and US politicians in news articles. For example:

He has called for a new alliance of democracies to challenge autocracies. Regarding China's handling of the Covid19 crisis and the governance of Hong Kong, he said: "I really think the world democracies should speak up much louder against Beijing." (26 May, Times)

4.5.4 Geopolitical relationships

The fourth construct is identified as the geopolitical relationships among Huawei's host and home countries. The legitimacy debates on Huawei's engagement in the UK's 5G development was frequently discussed with the wider bilateral or multilateral diplomatic relationships, with the UK, the US, and China as major players in such a geopolitical battleground.

UK–China relationship. Many news articles implied that the UK government's tougher stance on Huawei is related to the deteriorated UK–China bilateral relationship, especially due to sensitive issues such as the coronavirus outbreak and pro-democracy protests in Hongkong. Thus, a policy U-turn on Huawei could be mirrored by the changing relationship between the UK and China. For example:

The move comes amid a wider discussion in government about Britain rebalancing its relationship with China as a result of the Covid-19 pandemic, with criticism of Beijing's handling of the initial outbreak. China's proposal to impose a national security law in Hong Kong has compounded concerns. (1 Jun, Times)

UK–US relationship. In addition to the relationship between the host and home countries, the media widely discussed how the UK government should think about the relationship with its most important ally when considering its Huawei decision. As the US is the UK's prior ally in international affairs, the UK–US relationship was massively mentioned and discussed in the media. Besides, the media often referred to the Five Eyes intelligence alliance led by the US as a source of pressure pushing the UK government to ban Huawei. For example:

There are geostrategic implications, too. The US is threatening to limit intelligence-sharing with Britain in the Five Eyes alliance, which also includes Australia, Canada and New Zealand, if it allows Huawei a 5G role. (21 Jan, FT)

US–China relationship. Also, the US–China relationship was a widely mentioned consideration in the media articles to justify the UK's policy U-turn on Huawei. It was implied that the UK is unlikely to be able to maintain a neutral position between the two superpowers in the unfolding geopolitical rivalry. Thus, the tension between the US and China indeed affected the legitimacy of Huawei in the UK. For example:

There is a huge amount of nervousness that this is not just a tit-for-tat spat between the US and China, but is turning into a technological cold war. (20 May, FT)

4.5.5 Domestic interests in the host country

The fifth element this study identified that affects Huawei's legitimacy is the consideration and calculation of the UK's self-interest. The debate about these concerns frequently occurred among domestic politicians and linked to leading industries.

Policy of independence. Instead of framing Huawei in a geopolitical context, voices are calling on the UK government to make an independent decision on the Huawei ban to favor industry. For example:

Mr Johnson's government should, however, make clear that the Huawei decision does not signal a desire for naked confrontation with Beijing. Big policy decisions must be taken - and be seen to be taken - solely with the national interest at heart and not because of American lobbying. (14 Jul, FT)

Economic costs. Debates in the media were concerned about whether the UK government should choose a short-term economic interest by giving Huawei a green light or protect long-term national security by banning Huawei. For example:

This means a cumulative delayed 5G rollout of two to three years and costs of up to £2bn. (14 Jul, Independent,)

4.6 The legitimacy defeat of Huawei in the British media

After identifying the constructs of media framing of Huawei's legitimacy above, a cluster analysis of those elements should reveal the frame (Kohring and Matthes, 2002). Matthes and Kohring (2008, p.263) suggest that "when some elements group together systematically in a specific way, they form a pattern that can be identified across several texts in a sample. We call these patterns frames". *Appendix B* provides five examples of how each of the five British newspapers frames Huawei's legitimacy in early June 2020, by using the identified different constructs (i.e., negative home country image; negative home country corporate image; value distance; geopolitical relationships; domestic interests in the host country), thereby making sense of and giving sense to the issues of Huawei's legitimacy during the period of the UK government's policy U-turn. Besides, *Appendix B* shows that the framing of each newspaper is featured by giving salience to certain constructs to frame the Huawei issue within their own editorial orientation. Although each newspaper holds a certain political stance, the common thread in media narratives is the characterization of Huawei as an untrusted company from a rival country. Together, the selected British newspapers underscore the significance of geopolitical considerations in shaping the perception of Huawei. The shared emphasis on Huawei's country of origin as a key liability of the firm in media coverage reflects broader sentiments related to the UK's position in the US and China Tech Cold War.

Further, Huawei's legitimacy defeat in the UK can be observed in the consensus of framing among the British broadsheets, by emphasizing the importance and significance of techno-nationalism. The common portrayal of Huawei as untrusted from a rival country is due to the rising threats from China surrounding national interests, including competing for advance technologies (i.e., 5G in the Huawei case) and controlling strategically important industries (i.e., telecommunication sector in the Huawei case). For example, Guardian pointed out the national security concern that: "By taking control of critical hardware and software for next-generation technologies like 5G, the Chinese Communist party can increase its ability to coerce international companies, manufactures, and even entire countries to adhere to the dictates of the CCP" (1 Nov, *Guardian*). In line with *Guardian*, *Independent* also raised the concern that: "The west's dependence on China is clear; 5G is just one, relatively small, manifestation of this. If the UK's new approach is to technologically decouple from China, it will need a serious and more coherent effort from western governments and industry to do so" (14 Jul, *Independent*). Such narratives have frequently appeared across all the selected media outlets, focusing on the identified constructs like "negative home country image" and "value distance". Indeed, the media's shared emphasis on these aspects suggests a collective awareness of the techno-nationalism and national security concerns.

Then, the media's consensus on framing Huawei's legitimacy could have significant implications for public perception and policymaking. First, when newspapers across the political spectrum converge on a narrative, it shapes public discourse and potentially influences how the general population perceives issues related to national security and technology. All of the five newspapers have, more or less, framed Huawei as an untrusted company by repeating and reinforcing the concern of data privacy and cyber security, relating to the identified constructs such as "negative home country corporate image". For instance, *Times* quoted from a US official in its news article: "We are talking about allowing the Chinese Communist party into the telecommunications system, into the healthcare data, into the personal financial records of every Briton" (28 Jan, *Times*). Meanwhile, *Independent* highlighted similar concerns: "There are fears that China will use this access [Huawei's equipment] to spy on British business and British people, and steal intellectual property. And these fears are not unfounded" (28 Jan, *Independent*).

Second, the media's unified framing might impact policymaking by contributing to a shared narrative that policymakers consider when formulating decisions related to Huawei's involvement in critical infrastructure. The convergence in media framing could play a role in shaping public opinion and, consequently, influencing the trajectory of government policies. For example, *Telegraph* gave a calculation of self-interest to inform the policymakers: "And ultimately, Britain needs a clear strategy towards China. It cannot be mistaken for an ally, a fair trading partner or a competitor that respects international law. Of course we must engage with Beijing, and trade with Chinese companies, but we must also protect ourselves from this very serious threat" (27 Jan, *Telegraph*). In another example, *FT* tended to inform the policymakers by referring to the UK's geopolitical relationships: "London's plans would unite the Five Eyes – the UK, US, Australia, Canada and New Zealand – or the broader D10 group, which is formed of the G7 plus India, South Korea, and Japan, in a joint enterprise collaborating on investment, procurement and research to fast-track Huawei's rivals" (14 Jul, *FT*). The convergence of media narratives highlights the intersection of technology discourse with broader geopolitical dimensions. The framing of Huawei is not solely a matter of technological competence or business practices but is intricately linked to geopolitical rivalries, adding layers of complexity to the public discourse.

It is now important to note that, by moving back and forth between the data and theories, the five constructs I identified in Section 4.5 can provide a reasonable lens to investigate and for explaining Huawei's legitimacy defeat in the UK media. The constructs were initially inductively captured from the media texts, then in this section, I re-examined the each of the five newspapers framed the Huawei issue by using those constructs. Not so surprisingly, all five British newspapers tended to have a consensus on framing Huawei as an untrusted company from a rival country, thereby de-legitimizing Huawei and its 5G ambition in the UK. The five constructs are actually not isolated and but associated with each other. How different media frames Huawei depends on how they are organizing those constructs in certain ways under their underlying political stance as well as specific editorial principles. Such analysis does confirm the Matthes and Kohring's (2008) perception that media framing is a pattern of grouping constructs and elements in a certain way.

In short, the aligned framing of Huawei's legitimacy by diverse British newspapers underscores the powerful influence of geopolitical considerations in shaping media narratives. Thus, the consensus among the five British newspapers is noteworthy as it transcends the usual political divides seen in media coverage, emphasizing the overarching importance of these issues in the discourse surrounding a rising tech giant from a rising power.

4.7 Media framing and cross-border illegitimacy spillover effect

During the coding process, I found that many news articles published in British newspapers on Huawei focused on wider geographic contexts, especially the US government and market, in addition to the domestic context. Indeed, geopolitical relationships have become exceptionally important for the media framing of Huawei's legitimacy. Also, from an international relations view, decisions surrounding the inclusion or exclusion of major technological players can reverberate far beyond national borders. Thus, the Huawei ban in the UK offers a compelling case for examining the dynamics of MNEs' legitimacy, geopolitics, and media framing.

For many years, the US has been lobbying its allies—especially the FVEY members—to ban Huawei's participation in their 5G development projects. As a particularly close ally of the US, the UK government's take on Huawei was highly influenced by attitudes and actions from the US perspective. Such a geopolitical relationship provides fertile ground for investigating the cross-border spillover effects of corporate legitimacy or illegitimacy. Therefore, I undertook a thematic analysis by looking at the news headlines as well as the leading paragraphs to group articles into three themes (see *Table 4.2*). First, articles grouping into the 'UK context' have keywords such as "the UK" or "Boris Johnson" in the news headlines and report the UK government's position, decision, and action on Huawei. Second, articles grouping into the 'FVEY context' have FVEY countries-related keywords, mainly the US government and officials, in the news headlines and report on the relationships between the UK and its FVEY allies in forming the Huawei decision and potential consequences. Third, there is a small set of articles reporting on Huawei in 'other contexts', such as Europe and Asia.

Overview of media reporting focusing on three contexts

	2019		2020								Total
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
UK	2	4	25	6	5	3	8	5	43	3	104
FVEY	2	3	39	17	3	3	9	13	6	5	100
Others	1	2	3	0	0	0	0	1	2	0	9

Media reporting on Huawei focusing on the UK context

	2019		2020								Total
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Guardian	0	0	7	2	1	0	0	0	10	0	20
Independent	1	0	6	0	1	1	1	2	10	0	22
FT	0	1	3	2	1	0	0	1	6	0	14
Times	0	2	3	2	1	1	2	1	8	2	22
Telegraph	1	1	6	0	1	1	5	1	9	1	26
Total	2	4	25	6	5	3	8	5	43	3	104

Media reporting on Huawei focusing on the FVEY context

	2019		2020								Total
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Guardian	1	1	11	6	1	0	2	3	1	0	26
Independent	0	0	6	8	1	0	1	2	1	1	20
FT	1	2	3	2	0	2	1	2	1	3	17
Times	0	0	12	0	0	1	2	3	0	0	18
Telegraph	0	0	7	1	1	0	3	3	3	1	19
Total	2	3	39	17	3	3	9	13	6	5	100

Media reporting on Huawei focusing on other contexts

	2019		2020								Total
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Guardian	0	1	1	0	0	0	0	0	1	0	3
Independent	0	0	0	0	0	0	0	0	0	0	0
FT	1	1	2	0	0	0	0	1	1	0	6
Times	0	0	0	0	0	0	0	0	0	0	0
Telegraph	0	0	0	0	0	0	0	0	0	0	0
Total	1	2	3	0	0	0	0	1	2	0	9

Table 4.2: Three contexts of Huawei's media coverage

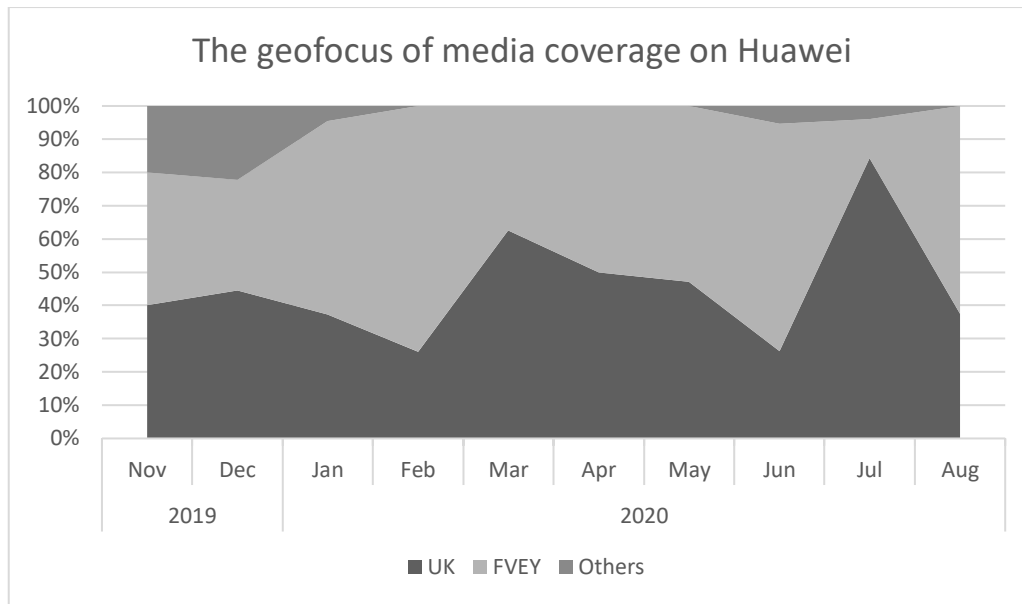


Figure 4.4: The geographic focus of media coverage on Huawei

The result of the thematic analysis shows that the geographic focus varies over time (see *Figure 4.4*). Nearly half of the news articles in the five newspapers focused on the FVEY context when reporting the Huawei dispute in the UK. In January/February 2020, when the UK government partially banned Huawei in its 5G network development with a 35% market share cap, news reporting focusing on the FVEY context surpassed the UK context. The media tended to question the government's decision by quoting the US government's harsh stance on banning Huawei. For example, *Telegraph* quoted a US politician saying that giving a green light for Huawei "is like allowing the KGB to build its telephone network during the Cold War" (*Telegraph*, 29 Jan). The logic of partially banning Huawei and ramifications for the UK–US relationship was discussed widely in the media. For example, *FT* noted that "Given that Britain leaves the EU on Friday and is looking to strike a swift post-Brexit trade deal with the US, the decision raises tensions in the "special relationship" at a highly sensitive time." (*FT*, 29 Jan).

Then, from March to June 2020—the window period before the UK government's final decision on Huawei in July 2020—there was an increasing proportion of news articles focusing on the FVEY context, particularly after the US government announced cutting off its domestic supply chain from Huawei in May 2020. For example, *Times* stated that the US has turned the technology sector into the frontline

of the economic war by “hitting China’s technology champion with a range of sanctions” (*Times*, 28 May). And, the newspaper points out that the UK government’s swinging policy is “a lack of strategy on China” (*Times*, 20 Jul), which “would endanger the Anglo–American ‘special relationship’” (*Times*, 1 Jun).

Finally, when the UK government announced the full ban on Huawei in July 2020, the proportion of news articles focusing on the FVEY context dramatically declined. The explanation might be that as the UK kept pace with the US on Huawei, the media no longer needed to de-legitimize Huawei by leveraging the stance of the US. Instead, the media devoted space to discussing the aftermath of the UK government’s U-turn policy-making. For instance, the media pointed out that Britain’s “golden era” with Beijing is long gone (*Telegraph*, 15 Jul), and the media were more frequently justifying the UK’s tougher stance on China by accusing Beijing’s crackdown on Hongkong and other human rights abuse issues.

Based on the thematic analysis of the news coverage, it is found that there is a significant illegitimacy spillover effect in media reporting on Huawei. The media was leveraging the hard stance of the US government on Huawei as the warrant to challenge the UK government’s soft ban on Huawei. In this process, host governments and politicians have become major news sources in the media framing of Huawei. Such media framing is more often seen around January 2020 when the UK did not follow the US lead to fully ban Huawei, and in the run up to June 2020 when the UK government’s reconsideration of Huawei policy was in the balance.

4.8 Voices of Huawei and the Chinese government in the media

Looking through the media frames of the five newspapers, it is also found that the voices of Huawei and the Chinese government are not absent. Although their voices are not the focus of the five media frames this study identified, it is still important to examine to what extent the corporate and governmental responses have impacts on the dominant media framing. *Table 4.3* summarizes the interaction between the identified constructs of media frames and the response from Huawei and the Chinese government during the research period.

Elements of media framing			Responses of Huawei	Responses of Chinese government	
First-order categories	Second-order categories	Frequency	Exemplars	Frequency	Exemplars
China threat	Negative home country image	Low	"..... and the country of origin [China] has also been mentioned," he said. "That's a fact of life, there's nothing we can do about that" (<i>Times</i> , 29 Jan)	No	
Human rights problems		No		No	
Undeveloped institutions		No		No	
Unreliable supply chain	Negative home country corporate image	Middle	"We are working closely with our customers to find ways of managing the proposed US restrictions so the UK can maintain its current lead in 5G" (<i>Telegraph</i> , 6 Jul)	No	
Government intervention		Low	However, Ed Brewster, head of communications for Huawei UK, told Times Radio that his company did not serve the interests of any government (<i>Times</i> , 15 Jul)	Low	"Huawei is a privately-owned company, nothing to do with the Chinese government and the only problem they have is they are a Chinese company" (<i>Times</i> , 10 Feb)
Unfair competition		No		No	
Free market principle	Value distance between host and home countries	No		No	
Political ideology		No		No	

Table 4.3: The voice of Huawei and the Chinese government in the media

(Continue: Table 4.3)

Elements of media framing		Responses of Huawei		Responses of Chinese government	
First-order categories	Second-order categories	Frequency	Exemplars	Frequency	Exemplars
UK–China relationship	Geopolitical relationships	Low	"Restrict Huawei 5G equipment, or to remove existing 4G equipment will not only incur very significant costs, but prejudice trade relationships with China" (<i>Telegraph</i> , 23 May)	High	Mr Liu had warned earlier this month that there would be "consequences" if Britain started to treat China as a hostile country rather than an ally (<i>FT</i> , 14 Jul)
UK–US relationship		Low	"Regrettably our future in the UK has become politicised, this is about US trade policy and not security" (<i>Independent</i> , 14 Jul)	Low	"It's wrong for the United Kingdom to discriminate against a Chinese company because of pressure from the United States" (<i>Times</i> , 20 Jul)
US–China relationship		Low	In his most strident comments yet on the trade war between the two superpowers, Eric Xu said that Washington would open a "Pandora's box" if it intensified its campaign against Huawei (<i>Times</i> , 1 Apr)	No	
Policy of independence	Domestic interests in host country	Middle	"We want to tell the people, the UK needs to have the best possible technology for their gigabit broadband. I'm still very confident the UK government will opt for a solution based on the facts and evidence" (<i>FT</i> , 7 Jun)	No	
Economic costs		High	"We are investing billions to make the prime minister's vision of a 'connected kingdom' a reality, so that British families and businesses have access to fast, reliable mobile and broadband networks wherever they live" (<i>Guardian</i> , 30 Jun)	Middle	"The China business community are all watching how you handle Huawei. If you get rid of Huawei it sends out a very bad message to other Chinese businesses" (<i>Independent</i> , 13 Jul)

This study started by detecting Huawei's voices in the five selected newspapers, including the corporate spokesperson and managers from both headquarters and subsidiary levels. The findings show that the voices of Huawei can only be matched to several constructs of media framing, with the remaining constructs being less or even not responded to in the media texts. First, Huawei's response was more about the economic costs that the UK government and society should pay for when banning Huawei from its 5G network. Huawei aimed to maintain its legitimacy by highlighting its previous success in the UK market and its advanced 5G technology. Second, Huawei aimed to defend its legitimacy concerns about the unreliable supply chain, especially after the US announced new sanctions in May 2020. Third, Huawei tries to call for an independent decision when the UK government is to make a policy U-turn. However, constructs of negative home country image, value differences, and geopolitical relations have been rarely or even never responded to by the company.

Then, this study moved on to detect the voices of the Chinese government presented in the media texts. Such an intervention is due to Huawei's country of origin and geopolitical relevance being significant concerns for Huawei's legitimacy in the UK market. The findings show that the voices of the Chinese government, mainly from its diplomats, only covered a few constructs in the media framing. First, most of the voices of the Chinese government focus on the UK–China relationship, warning about the consequences of the UK's tough stance on Huawei. Along with these voices, the media often implied a hawkish and hostile image of the Chinese government that it would retaliate if the UK banned Huawei from its 5G network. Second, Chinese diplomats also mentioned the economic costs that the UK would bare for prohibiting Huawei. Further, they emphasized the unfair British business environment that could negatively influence future investments from Chinese companies. Nonetheless, other constructs related to negative home country image, negative home country corporate image, and value difference have been rarely responded to by the Chinese government via the media.

As a result, the gaps between the focus of media framing, and the responses from the focal company and its home country government can be observed in the media texts. As analyzed, all five selected newspapers tend to de-legitimize Huawei by framing it as an untrusted firm. The deconstruction of Huawei's legitimacy is mainly

caused by highlighting the negative home country image and negative home country corporate image. Yet, neither Huawei nor the Chinese government has an adequate media response to those accusations.

4.9 Discussion of findings

Throughout the analysis of Huawei's legitimacy challenges in the UK, this case study finds a mechanism that LOR triggers negative media coverage of Chinese MNEs, and that the geopolitical context and media framing make LOR more salient and harmful for Chinese MNEs in developed countries. Next, this study aims to discuss the findings with existing literature on LOR, corporate legitimacy and corporate media coverage.

4.9.1 MNEs' LOR in a geopolitical context

Responding to Q1a, the identified constructs of media framing of Huawei's legitimacy (i.e., negative home country image, negative home country corporate image, value distance between home and host countries, geopolitical relationships) are closely related to the firms' LOR. MNEs, especially those from emerging markets, are believed to face additional LOR despite general LOF in the host countries (Ramachandran and Pant, 2010; Marano et al., 2017). IB scholars point out that MNEs may suffer from LOR due to the host country government's policies and misgivings about firms from a particular country (Cuervo-Cazurra et al., 2007). In this regard, this study lends support to Moeller et al.'s (2013) argument that the home country has an impact on an organization's social judgment in a host country and such impact is attributed to local actors' positive and/or negative predispositions toward the organization's home country.

Besides, Fang and Chimenson (2017) have emphasized two reasons for the negative media coverage of Chinese firms in Western countries, one is China's negative image in the West and the other is suspicion of the Chinese government. Indeed, in this study, the negative images from the home country show two features,

first, they are borne by the whole MNE not merely its subsidiary in the host country. Second, they are not merely about the focal firm but result from a long-term stereotype perception of firms from specific countries in the eyes of the host market.

Further, the Huawei case helps to explain under what condition LOR can become a prior disadvantage for MNEs through the lens of a geopolitical perspective (Shi et al., 2016). LOR becomes more important for MNEs when there is geopolitical tension between the host and the home country. The geopolitical context confirms the argument that while foreign firms might be discriminated against by host governments to protect domestic industry, discrimination against firms from a particular country can be more likely driven by either ideological or strategic concerns (Ramachandran and Pant, 2010).

Moreover, the geopolitical context in the Huawei case not only includes the host and home country but involves a third country which is the US. Tost (2011) suggests that a firm gains legitimacy from a new stakeholder and requires endorsements from other stakeholders who have already judged the firm as legitimate. Thus, the Huawei case shows a significant phenomenon of across-country illegitimacy spillovers, which means a firm loses legitimacy in one country might affect its legitimacy in other countries (Stevens and Newenham-Kahindi, 2017). By examining the bilateral and multilateral relationships between home and host countries, the media implies its favored Huawei policy for the UK government to consider about.

In addition, in the Huawei case, the geopolitical context is reflected in the value distance between the host and home countries. The difference between the UK's free market principle and China's state capitalism approach also becomes a direct factor to justify the negative corporate image in terms of unfair competition and government intervention. The finding is in line with Kolk and Curran's (2017) argument that ideology contest, such as free trade versus protectionist tendencies by the government, plays a key role in influencing public policy on Chinese MNEs. Democracy and autocracy, another pair of value differences shown in the analysis, are more apparent to demonstrate the impact of political ideology in the (de)construction of MNEs' legitimacy. It is argued that if the government is perceived illegitimate by society, it is more difficult for the firm to keep legitimate in the eyes of society (Bucheli and Salvaj, 2013). MNEs, as business entities, will not be labeled as

a democratic company or an authoritarian company in general. However, in the geopolitical context, political ideology is used as a tool to delegitimize the firm by the media, which means the company is also treated as a political entity in this context. Thus, the finding of geopolitical relationships might be another important but less examined condition to determine the legitimacy challenges faced by MNEs in developed countries.

4.9.2 Media framing of MNEs' LOR

In response to *Q1b*, this study develops a novel framework of media framing of MNEs' LOR, which differs from existing literature on media framing (Clemente and Gabbioneta, 2017; Entman, 2012). The analysis of the Huawei case comprised two main sets of results. First, this study analyzed how five different British broadsheet newspapers presented Huawei's legitimacy challenges and identified five constructs (second-order categories) that form the backbone of the media frame of MNEs' LOR. Second, this study compared the results with the elements of the corporate scandal media frame proposed by Clemente and Gabbioneta (2017), and Entman's (2012) more general scandal media frame (see *Table 4.4*).

There are some commonalities between Clemente and Gabbioneta's (2017) elements and ours: nature of the scandal, locus of responsibility, reputational costs, and endorsement of a remedy correspond to what we label as negative home country image, negative home country corporate image, value distance between host and home countries, and domestic interests in the host country, respectively. The media framing of MNEs' LOR also echoes the key elements in Entman's (2012) general scandal frame: problem definition, causal relationship, moral judgment, and endorsement of a remedy. Nonetheless, the media framing of LOR shows new features that differ from the extant media framing of corporate scandals. First, in terms of the framing of problem definition, the home country replaces the focal organization to become the focus for the media to (de)construct the corporate legitimacy in the media frame. It can be explained that the extant corporate scandal frame is based on an organization's wrongdoing while the framing of LOR is based on an organization's stereotypical image of its home country.

First-order categories	Elements of a corporate LOR frame (Second-order categories)		Elements of a corporate scandal frame (Clemente and Gabbioneta, 2017)		Elements of a scandal frame (Entman, 2012)
China threat Human rights problems Undeveloped institutions	Negative home country image	Home country-based: long-term stereotype image	The nature of the scandal	Organization-based: corporate wrongdoing	Problem definition
Unreliable supply chain Government intervention Unfair competition	Negative home country corporate image	Organization-based: long-term corporate-country stereotype image	Locus of responsibility	Organization-based: executives' responsibility	Causal relationship
Free market principle Political ideology	Value distance between host and home countries	Home country-based: blame firm's COO	Social-control agents' judgment	Organization-based: blame firm's wrongdoing	Moral judgment
UK-China relationship UK-US relationship US-China relationship	Geopolitical relationships	Host and Home country-based: legitimacy spillovers	—	—	—
Policy of independence Economic costs	Domestic interests in host country	Host country-based: how government interferes	Scandal reputation repair	Organization-based: how firm repairs scandal	Endorsement of a remedy

Table 4.4: Comparing the media frame of MNEs' LOR and scandal

Second, in terms of the framing of causal relationships, the locus of responsibility is given to individuals such as the company's top executives in the corporate scandal framing. Yet, in the framing of LOR, the responsibility is given to the focal company or a group of companies that comes from its home country. It appears as a spillover of a negative image from a country level or an industrial level to the firm level. Third, in terms of the framing of moral judgment, the frame highlights the value distance between the host and the home country while the extant corporate scandal frame only focuses on the judgment of the firm's wrongdoing in the host country. Therefore, Huawei's perceived "wrongdoing" is not caused by its specific corporate behavior but by its COO. Fourth, in terms of the framing of endorsement of a remedy, the corporate scandal frame emphasizes how the firm can repair its reputation while the frame informs how the host country government needs to interfere in response to the firm's legitimacy dispute.

More importantly, the novel framework of media framing of LOR contains a new element of geopolitical relationships, which is independent of the other two frames. From a geopolitical perspective, Shi et al. (2016) have found that a company may face a strong level of opposition in a foreign country that has a different religious belief and political system from its home country. This study supports this argument. Besides, it can be argued that the new element of geopolitical relationships serves as setting the context for the media framing of corporate LOR. In a geopolitical context, the media is (de)constructing legitimacy from two dimensions, one is the company's (Huawei) legitimacy and the other is its home country's (China) legitimacy. These two dimensions of legitimacy are not interplayed in the media framing of corporate scandal framing, on the contrary, they are intersectant in the media framing of LOR. Therefore, it can be argued that the impact of LOR becomes salient for Chinese MNEs only when the media frames the company in a geopolitical context. In this regard, the media framing of corporate LOR differs from corporate scandal mainly due to the geopolitical context in which the company's legitimacy challenge goes beyond the organizational level to a broader national and supranational level (Kostova and Zaheer, 1999).

Lastly, by comparing the media frames used the five British newspapers, it is found that different media have their preference for using such constructs to build specific

media frames, thereby de-legitimizing the firms. Such differences can result from the media's political stance and journalism traditions. However, in the geopolitical context, even the media with different political positions could appear a similar de-legitimation orientation toward an MNE from a certain country. In this way, the constructs identified in the media framing of corporate LOR indeed have certain functions of de-legitimization from a discursive perspective (Vaara et al., 2006).

4.9.3 New pathway for overcoming LOR: MNEs' voice strategies

Responding to Q1c, this study aims to propose a new pathway, namely, MNEs' voice strategies, for MNEs to overcome LOR in developed countries. This study shows that the media plays a crucial role in (de)constructing the legitimacy of Huawei in the UK. It is important for MNEs to understand the media framing and skillfully use the media as a toolkit to overcome LOR and defend legitimacy in host countries. To establish the voice strategy, MNEs need to understand how the media (de)construct their legitimacy through media framing, and what elements are comprised in the media framing. This pathway enables MNEs to solve the lack of information and information opaqueness (Kostova and Zaheer, 1999; Li et al., 2019), through continuous commitment to media communication. The approach of MNEs' voice strategies focuses on establishing a long-term communication mechanism through public media to deliver positive information about MNEs and their home country image to stakeholders in host countries.

Moreover, building voice strategies can help MNEs better conduct the two approaches of institutional entrepreneurship and organizational identity (Ramachandran and Pant, 2010). First, the media is considered the fourth power in the Western developed countries and has a crucial influence on public opinion and policymaking (Fiss and Hirsch, 2005; Matthes, 2009). As Chipman (2016) called it a "foreign policy" for MNEs to deal with relationships with both host and home country governments, given the impact of geopolitics including government administrative orders aimed at corporations. In this regard, MNEs with more discursive power can use the media to defend negative allegations, safeguard legitimate rights and lobby the host country's government to make a favorable policy (Entman, 2012).

Second, the media is a vehicle for transferring its internal organizational identity to an external corporate image. With voice strategies, MNEs can more effectively convey their organizational identity to the public and mitigate misunderstood and misinterpreted corporate image. Morano et al. (2017) suggest that CSR reporting can provide additional information for host country stakeholders to evaluate the company more rationally. Accordingly, establishing the voice strategy through media can improve the information transparency of EMNEs, yet the contents are not limited to CSR reporting. Extant studies, though limited, emphasize that EMNEs face legitimization challenges associated with two key stakeholders which are governments and the media (Meyer et al., 2014; Fang and Chimenon, 2017). The new pathway of MNEs' voice strategies addresses this key but less investigated stakeholder—the media—for MNEs to overcome LOR and acquire legitimacy in the host countries, which needs to be further investigated.

4.10 Summary

In summary, this case study makes multiple contributions to extant research and theories. First, this study contributes to the theory of LOR faced by MNEs (Ramachandran and Pant, 2010). This study finds LOR has become a major disadvantage of MNE's negative media coverage in developed countries, especially in the geopolitical context. LOR is presented in the media in the forms of constructs such as negative home country image, negative home country corporate image, value distance and geopolitical relationships. These constructs could provide a general framework for scholars to investigate the construction of MNEs' LOR in developed countries. Second, this case study contributes to the research on the theory of corporate media coverage (Fang and Chimenon, 2017), by crystalizing the process of media framing of MNE's LOR and deconstructing the firms' legitimacy. The media frames identified from the media texts can serve as a framework for observing MNEs' LOR in host countries. Third, this study proposes a new pathway of voice strategies for MNEs to overcome LOR and acquire legitimacy in host countries, which addresses a key but less investigated stakeholder—the media—into account.

Chapter 5

TikTok's Legitimacy Challenges in the US

5.1 Introduction

Case 1 of Huawei's legitimacy challenges in the UK explores why and how Chinese MNEs are confronting increasing negative media coverage in the host country. The findings suggest that LOR triggers negative media coverage of Chinese MNEs and that the geopolitical context and media framing make LOR more salient and harmful for Chinese MNEs in developed countries. This study generates a contextualized explanation for Chinese MNEs' legitimacy challenges in the media by identifying the cause (i.e., LOR), context (i.e., geopolitical rivalry), and process (i.e., media framing) in such a de-legitimization mechanism. In particular, the Huawei case focused more on the media-level analysis, aiming to answer the research question of how LOR is framed by the media, thereby posing legitimacy challenges for Chinese MNEs.

Yet, this study acknowledges that the Huawei case cannot sufficiently provide a comprehensive explanation of the research phenomenon. One limitation is that the Huawei case only focuses on the host country level, with less attention to the home country-level legitimization dynamism. But the context of geopolitical rivalry naturally has bilateral or multilateral relations involved, which indicates the importance of further examining the MNEs' legitimization dynamics from a home country level, if there are any. Another limitation is that looking at the legitimization response from the corporate level, Huawei's voice might be manipulated or even silenced by the host country's media.

Therefore, there is a need for further investigating Chinese MNEs' legitimacy challenges, paying more attention to the home-host country level and corporate level analysis. Watching the flooding media coverage of Trump over TikTok in late 2020, I found that it was indeed an ideal case for further investigating the research problem: how Chinese MNEs can understand and respond to media-constructed legitimacy challenges when facing increasing geopolitical tensions.

Indeed, Case 2 of TikTok's legitimacy challenges in the US shares a similar context with the Huawei case, which is involved in the story of the US–China geopolitical rivalry, particularly the US–China Tech Cold War. Several attributes of TikTok make it an ideal case for further investigating the research problem and overcoming the limitations in Case 1. These attributes include: (1) it is a legitimacy contestation with intensive media coverage; (2) it lasts around three months according to the media coverage, which makes it possible to examine the legitimation process and dynamics; (3) more evident MNE's voice is observed in the initial reading of TikTok's media coverage; (d) more voices from TikTok's host and home countries are observed in the initial reading of TikTok's media coverage.

Importantly, Case 2 is not a replication of Case 1. Rather than following Yin's (2018) replication logic or Eisenhardt's (1989) sampling logic, Case 2 aims to extend the knowledge generated from the Huawei case, by embracing more focus on the geopolitical context and voice dynamics in the media. Overall, Case 2 is not only an interesting case that matches this thesis's research inquiries, but also an opportunity for resolving the limitations of the Huawei case, thereby further answering the three research questions more comprehensively. In this way, the second case study of TikTok's legitimacy challenges in the US (or Trump's TikTok ban) follows a step-by-step approach in the research design of this thesis, as introduced in *Chapter 3*.

5.2 Case background

TikTok is a short video-sharing service owned by Chinese company ByteDance, which was founded by Chinese entrepreneur Zhang Yiming. TikTok is an international version of Douyin, which was originally launched by ByteDance in China in September 2016. TikTok entered the US market after it acquired another Chinese-owned social media service, Musical.ly, in August 2018. TikTok and Douyin provide almost the same service but target different user groups, namely domestic and overseas. Due to the policy restrictions in China, only international users outside mainland China can download the TikTok app and access its content. Since its launch, TikTok has grown rapidly and become one of the most popular social media

apps in various parts of the world. In 2020, TikTok surpassed 2 billion mobile downloads worldwide and attracted more than 100 million users in the US market.

As early as January 2019, TikTok had been described by an American think-tank as a “Huawei-sized problem” that posed a national security threat to the US, because of the app’s popularity with the US users (Global Times, 2019). Although experts have been split on the issue of whether TikTok posed a security risk, US President Donald Trump announced a decision ordering China’s ByteDance to divest ownership of TikTok. On 8 July, the US Justice Department’s announcement of a probe into TikTok’s potential violation of children’s privacy marked a pivotal moment in shaping the narrative around the platform. On 6 August, President Trump officially signed an executive order banning TikTok in 45 days if it was not sold by ByteDance. The order noted, “[T]his data collection [by TikTok] threatens to allow the Chinese Communist Party access to Americans’ personal and proprietary information — potentially allowing China to track the locations of Federal employees and contractors, build dossiers of personal information for blackmail, and conduct corporate espionage” (The White House, 2020). Initially, ByteDance agreed to divest TikTok for the purpose of preventing a ban in the US, with a preliminary deal with Microsoft, which was submitted to President Trump for review. Then, on 14 August, Trump signed a new executive order giving ByteDance 90 days to sell or spin off TikTok in the US.

Yet on 24 August, TikTok formally filed a lawsuit against Trump’s executive order in the District Court for the Central District of California. On 28 August, the China government’s Commerce and Science and Technology Ministries updated their export control policy, restricting the export of “technology based on data analysis for personalized information recommendation services” (Ministry of Commerce of People’s Republic of China, 2020). Although the China government asserted that the new rules were not aimed at any specific company, it was widely recognized by the market and experts that it was an effort from the China government to delay or prohibit a full sale of TikTok in the US. Under the new rules, ByteDance must undergo the China government-reviewed licensing procedure if parts or the whole of TikTok were sold to a company based outside of China. On 13 September, ByteDance informed the stop of the preliminary Microsoft deal, as Microsoft’s proposal to acquire TikTok’s algorithm and other artificial intelligence technology,

would be opposed by the China government. On the same day, TikTok reported that it had chosen Oracle to negotiate a new deal, which could satisfy the requirements of both the China and the US government. On 18 September, Trump approved a deal between TikTok and major American companies (Oracle and Walmart) and would delay the US government's ban on TikTok in the US market. On 19 September, the Chinese government also gave preliminary approval on the Oracle-Walmart deal of TikTok, but it is believed that TikTok's advance technology on algorithm would not be permitted to be sold, based on the previous upgraded export control by the Chinese government. Experts said that such a deal on TikTok must be approved by both the China and US government, and so retained many uncertainties.

On 27 September, the US judge temporarily blocked Trump's executive order that would effectively ban TikTok and allow TikTok to remain available in the US app stores. Yet, the judge declined to block the additional Commerce Department restrictions that could have an even larger impact on TikTok's US operations, which were set to take place on November 12. On 12 November, the US Commerce Department stated that it would not try to enforce the restrictions against TikTok. Then, the TikTok ban had gradually gone outside of public attention after President Donald Trump stepped down. In June 2021, the new US President Joe Biden signed an executive order revoking Trump's ban on TikTok, but still ordered further investigation of TikTok for national security threats.

By reviewing the story timeline (see *Figure 5.1*), it is not difficult to find that TikTok was highly involved in geopolitical turmoil between the US and China. The deal of divesting TikTok was halted and then revoked due to the changing intervention from both the US and China governments. As a result, TikTok was allowed to retain its operations in the US. Although surviving Trump's executive order, TikTok's legitimacy has been significantly challenged in the US market. Debates about TikTok's legitimacy challenges have been intensively presented by the media, both in the US and globally. Also, TikTok and Bytedance have endeavored to defend their legitimacy through different media channels. Therefore, the media coverage on Trump's TikTok ban provides a rich opportunity for investigating the dynamics of voices from different parties and revealing TikTok's and Bytedance's voice strategies for countering the legitimacy complexities in such a contested period.

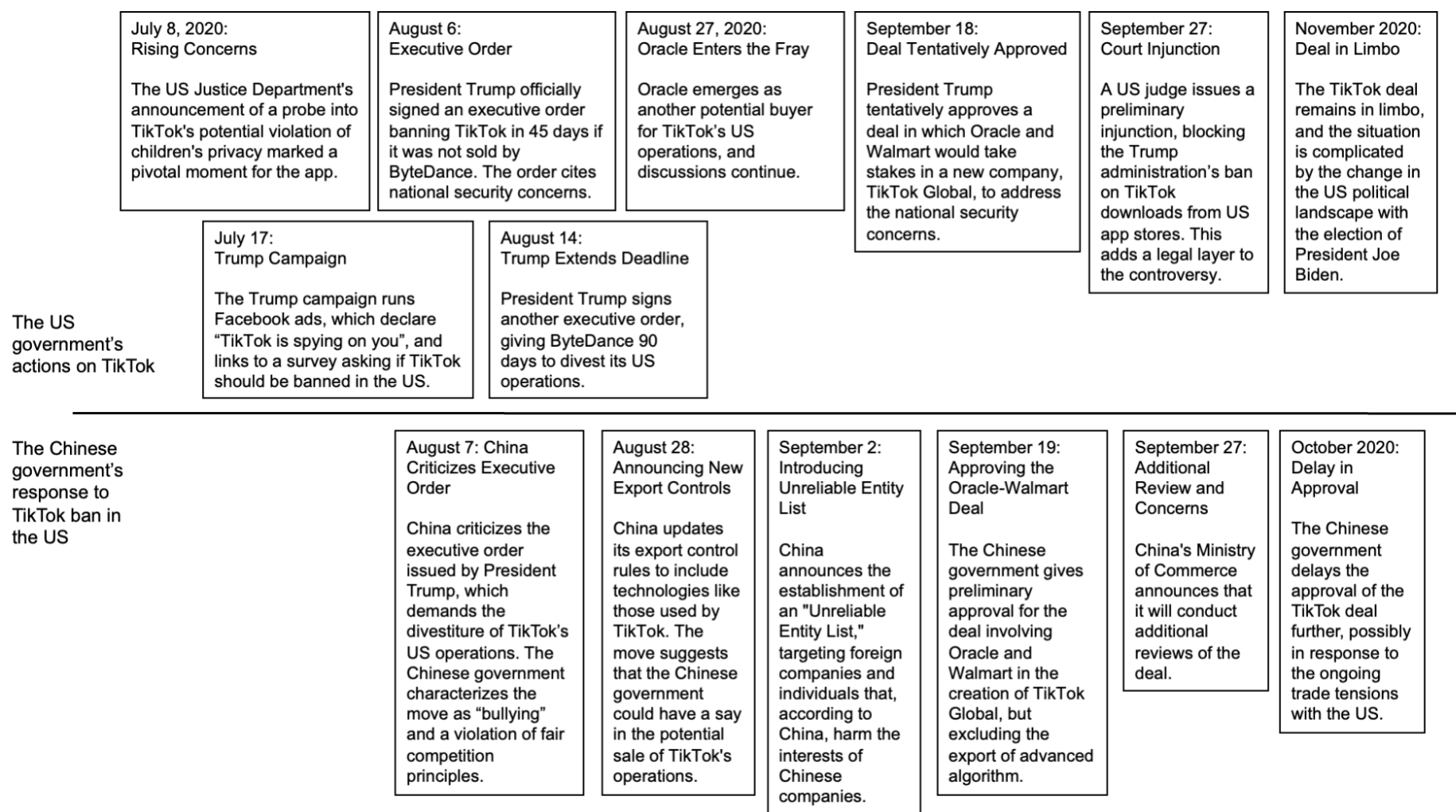


Figure 5.1: Timeline of Trump's TikTok ban in the US in 2020 (Source: collected through public information by the author)

5.3 Data collection

Same with the Huawei case, data from the TikTok case is collected from established newspaper media. The reasons for selecting traditional, newspaper media are based on the salient agenda-setting function of newspapers that has higher motivation of informing policy making, which has been explained in the methodology chapter and the Huawei case and, thus, is not repeated here. Specifically, media data in this study is collected from four established and well-known newspapers, with locations ranging from the focal firm TikTok's host country to its home country. The four selected newspapers are *The New York Times* and *The Wall Street Journal* which are operated in the US, and *South China Morning Post* and *Global Times* which are operated in China. Differing from the Huawei case, this study diversifies the base locations of the selected newspapers in the TikTok case. Doing so is based on findings in the Huawei case that indicate an apparent cross-border illegitimacy spillover effect (between the US and the UK), which means that MNEs might need to defend their legitimacy in the wider global stage due to the multilateral nature of the geopolitical rivalry. Moreover, as findings show that there was less voice from Huawei in the British newspapers, it is possible that the MNE's voice can be silenced by the media in the focal host country. Thus, in the TikTok case, the author aims to extend the observation of MNE's media status from the host country to the home country as well.

Regarding the four selected newspaper media, *The New York Times* (NYT) is an ideal choice for research due to its prominent position in the media industry, extensive circulation, and influential online presence. As one of the most widely recognized and respected newspapers in the United States, it boasts a large readership with a daily print circulation exceeding one million and millions of online subscribers. NYT has a center-left or liberal political stance, providing in-depth reporting, investigative journalism, and diverse opinions on a wide range of topics. With its comprehensive coverage and extensive online access, NYT is a well-regarded resource for research purposes.

The Wall Street Journal (WSJ) is a renowned American newspaper with a center-right or conservative political stance. It has a substantial circulation, including both print and digital subscribers, and is highly regarded for its business and financial

coverage. *WSJ* offers comprehensive reporting on global markets, economics, politics, and business news. While its editorial board often leans conservative, the newspaper is committed to journalistic principles and provides a mix of news, analysis, and opinion pieces.

South China Morning Post (SCMP) is a major English-language newspaper based in Hong Kong, focusing on regional and international news. While it aims to provide balanced reporting, some critics argue that the newspaper's ownership by Chinese tech company Alibaba Group may influence its coverage of certain topics. It covers a wide range of topics, including politics, business, culture, and current affairs. The *SCMP* has gained prominence for its coverage of China-related issues, including Hong Kong's political situation and the country's broader influence.

Global Times (GT) is a state-owned newspaper (with English-language version) in China known for its nationalist and pro-government stance. It often reflects the views and positions of the Chinese Communist Party and serves as a platform to express the Chinese government's official narratives. The *GT* covers domestic and international news, with a particular focus on issues relevant to China's interests. While it can provide insights into the Chinese government's perspectives, more critical coverage of the Chinese government or its policies is relatively rare in the *GT*.

Therefore, the selected four newspaper media could be treated as the representative in both the US and China, with a balanced consideration on issues such as industry positions, political stance, fame and popularity. I searched for media articles in these newspapers on Trump's TikTok ban between July and October 2020. During the data collection, the keyword "TikTok" in the news headline, is used to collect news materials in the *Nexis UK* and *ProQuest* datasets. Then, the searched results are further filtered by ruling out irrelevant news; for example, TikTok is not the main reporting subject.

As a result, 198 news articles are collected in total, with 61 from *NYT*, 69 from *WSJ*, 28 from *SCMP*, and 40 from *GT* (see *Table 5.1*). The table shows that very few news articles are published in July, but the amount of news coverage then substantially increased during August and September and then dropped back down to a low level in October.

	<i>NYT</i>	<i>WSJ</i>	<i>SCMP</i>	<i>GT</i>	Total
July	9	9	1	1	20
August	30	28	10	20	88
September	21	24	13	19	77
October	1	8	4	0	13
Total	61	69	28	40	198

Table 5.1: Overview of weekly news coverage on TikTok from July to October 2020
(Source: *Nexis UK; ProQuest*)

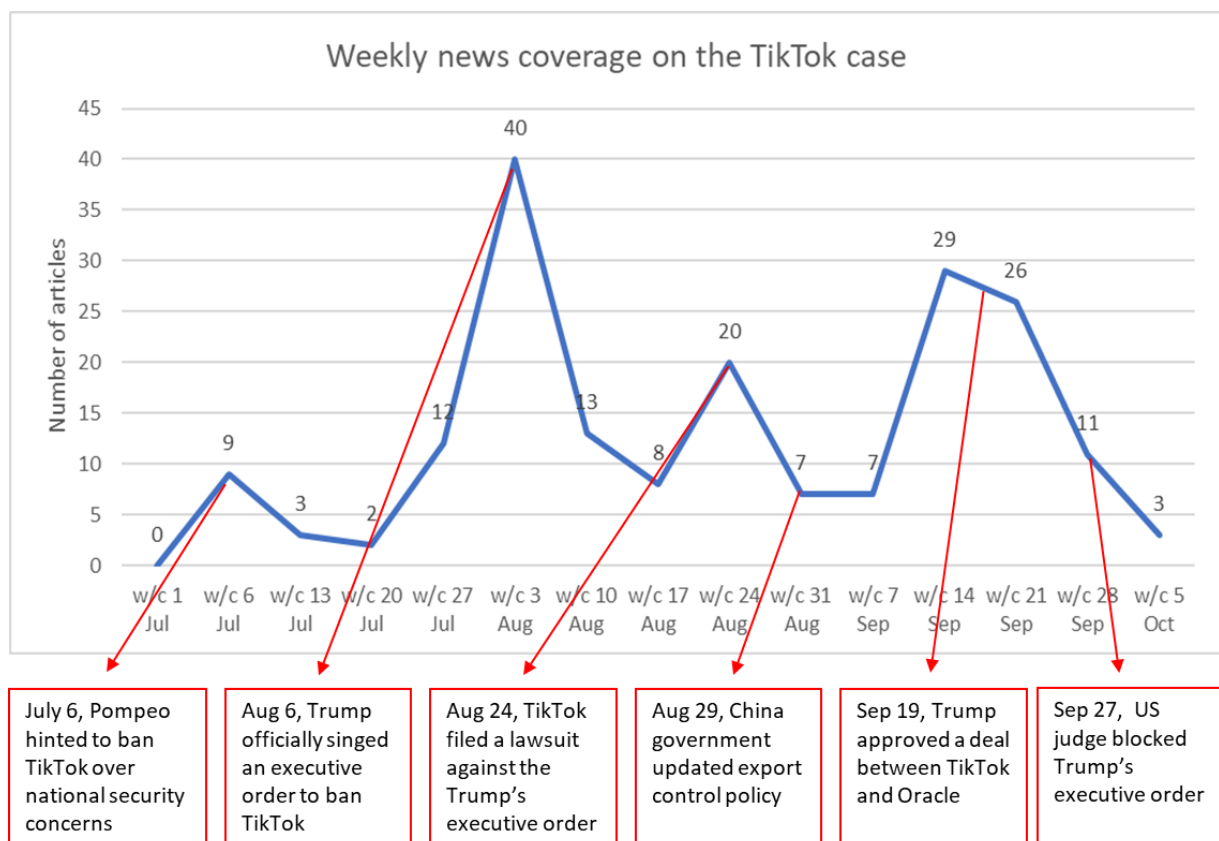


Figure 5.2: Major events and the media coverage of the TikTok case (Source: *Nexis UK; ProQuest*)

Figure 5.2 shows the weekly distribution of news coverage on Trump's TikTok ban between July and early October 2020. TikTok obtained attention from the media in the week of 6 July when Pompeo (Secretary of State) hinted to ban TikTok over national security concerns in the US. The news coverage peaked in the week of 3 August when Trump signed the executive order to ban TikTok. In the week of 24 August, the news coverage had a significant rise when TikTok sued the Trump administration and China released new export control rules. In the week of 14 and 21 September, the news coverage surged again when Trump approved TikTok's deal with Oracle and Walmart. Finally, the news coverage on TikTok gradually went down after the US judge blocked Trump's executive order on 27 September. Based on reviewing the timeline of Trump's TikTok ban, the observation period of this case study is located between 6 July to 5 October 2020, with a closed loop of the TikTok case reported by the four selected newspapers.

5.4 Analytical process

This case study follows the principle of the Gioia methodology for coding and analyzing the data (Corley and Gioia, 2004; Gioia et al., 2013), with an iterative coding process, moving back and forth between the data and theories.

I started by inductively analyzing each media article to get familiar with its content and to identify any initial pattern that could be followed throughout the data corpus (Suddaby and Greenwood, 2005). At this stage, I constructed initial codes by staying with the original data, expanding and collapsing the categories to capture the data corpus (Murray and Nyberg, 2021). In this process, codes were created and entitled based on the quotes and sources in the media texts. All direct and indirect quotations reported in the news articles are grouped into certain categories. Direct quotations are always indicated using quotation marks and indirect quotations are usually together with phrases like "according to". Vague quotations that are without explicit news sources such as "an anonymous source said" or "a source close to the company said" were excluded as no concrete person or organization could be identified. In this way, a detailed account of the TikTok case can be constructed, that is, who said what and when. Such an account is organized in the software *NVivo12*,

allowing the author to group data into distinct categories, which can be prepared for further coding such as comparison and subgrouping. In addition, the software has search functions and other tools that are useful for repeated coding and analysis (Silverman, 2013).

The initial coding and analysis enable this author to examine the difference in voices between the US media and the China media. In line with the principle of inductive data analysis (Miles and Huberman, 1994), the coding of data and the development of categories are undertaken in an iterative process of examining the interpretation of central themes and, over time, aggregate dimensions that link to existing theories. The early coding is detailed and based on the case phenomenon to create first-order codes, then the inductively created first-order codes are grouped into thematically related second-order categories.

Following the analytical approach above, this study identified a media battlefield of legitimization contestation on TikTok (as shown in *Figure 5.3*). Some of the supporting quotations of the coding are provided in the texts, with others listed in tables (see *Table 5.2, 5.3, 5.4, 5.5, 5.6, and 5.7* in *Section 5.5*). Such analysis helped to interrogate the data inductively to identify the legitimization dynamics among firms, the government, and the media over time. Then, this study further conducted a thematic analysis of TikTok's media coverage in each of the four newspapers, based on the patterns identified from the first stage analysis. Then, a matrix was developed to reveal the evolvement of the media framing of the four newspapers (as shown in *Figure 5.4*).

Finally, I integrated the findings of content analysis to further analyze the legitimacy challenges faced by TikTok, linking with three core research questions of 1) how LOR is framed by the media, thereby posing legitimacy challenges for Chinese MNEs; 2) how the voices of different stakeholders are framed by the media in constructing the legitimacy of Chinese MNEs; and 3) how Chinese can MNEs form voice strategies to mitigate legitimacy challenges in the geopolitical context. Such analysis responds to the research gaps in this thesis.

5.5 A media battlefield of legitimization contestation

Analysis shows that there is an apparent legitimization battlefield between the US and China media, wherein there are competing legitimization framings (see *Figure 5.3*). Findings suggest that the voices (legitimation claims) of the US government are more frequently used in the US media framings while the voices (legitimation claims) of the China government are more frequently used in the Chinese media framings. Comparing how the focal MNE's responses are framed by the media, the voices (legitimation responses) of TikTok are more frequently used in the US media framings while the voices (legitimation responses) of ByteDance are more frequently used in the Chinese media framings. Besides, the voices of other stakeholders involved in Trump's TikTok ban are not evenly appearing in each phase of the TikTok case, which indicates the different emphases of both the US and Chinese media in reporting the TikTok case. By amplifying certain voices and silencing other voices, the media appears to "make sense of" and "give sense to" the TikTok case (Entman, 1993; Vaara and Tienari, 2008).

As a result of analysis, three key phases are identified through the media texts: phase 1: legitimization contestation on TikTok over national security concerns (from 6 July 2020 to 5 August 2020); phase 2: legitimization contestation on TikTok over political and economic coercions (from 6 August 2020 to 28 August 2020); phase 3: legitimization contestation on TikTok over geopolitical rivalry (from 29 August 2020 to 5 October 2020). These three phases not only echo the key events in the TikTok case but also reflect the different focus on the legitimization contestation on TikTok. Briefly, phase 1 focuses on the debate of national security concerns on TikTok before Trump's executive order is announced. Phase 2 focuses on the impact of the announced executive order on TikTok, regarding the political and economic aspects. Phase 3 focuses on the impact of the new intervention from the China government on the TikTok issue. *Figure 5.3* shows the process of how legitimate contestations evolve and develop over time.

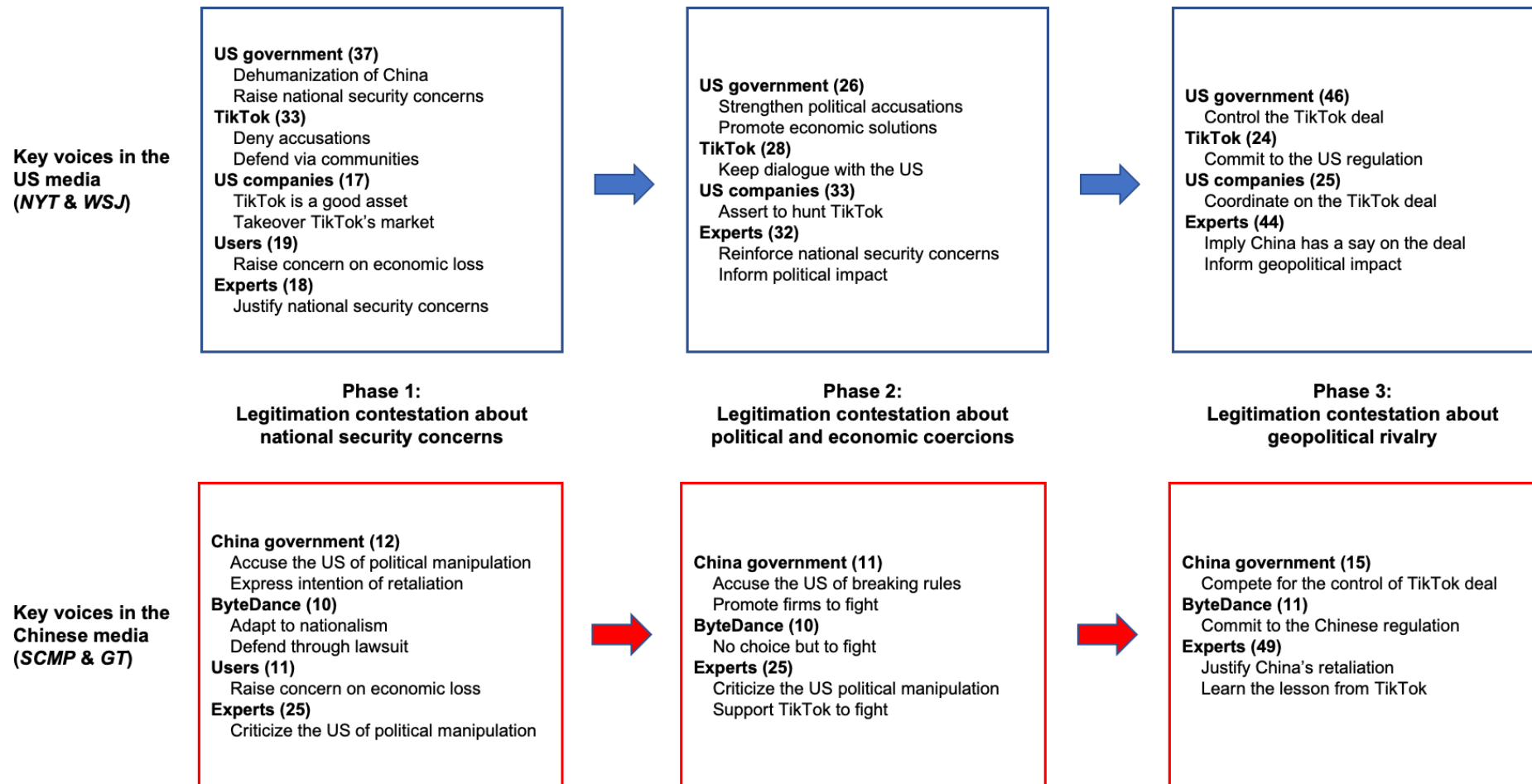


Figure 5.3: A media battlefield of legitimacy contestation on the TikTok case¹

¹ The number in the “()” means the total frequency of the appearance of the referred voice in the media texts, including through both direct and indirect quotations.

Representative exemplars	First-order coding	Second-order coding
The US government		
Whether it's TikTok or any of the other Chinese communications platforms, apps, Infrastructure, this administration has taken seriously the requirement to protect the American people from having their information end up in the hands of the Chinese Communist Party. (15 Jul, NYT)	Dehumanization of China	Legitimation claims
"There are a number of administration officials who are looking at the national security risk as it relates to TikTok, WeChat and other apps that have the potential for national security exposure, specifically as it relates to the gathering of information on American citizens by a foreign adversary," White House chief of staff Mark Meadows told reporters recently. (27 Jul, WSJ)	Raise national security concerns	
TikTok		
"We have no higher priority than promoting a safe and secure app experience for our users," a TikTok representative said in a statement. "We have never provided user data to the Chinese government, nor would we do so if asked." (17 Jul, NYT)	Deny accusations	Legitimation responses
In a statement posted on TikTok Saturday, Vanessa Pappas, TikTok's U.S. general manager, assured users about the future of the platform. "I want to say thank you to the millions of Americans who use TikTok every day," she said. "We're not planning on going anywhere." (1 Sep, WSJ)	Defend via communities	
US companies		
"If I had the opportunity to buy TikTok, I'd buy TikTok," he said. "There's so much value on that platform right now that is completely untapped." (3 Aug, NYT)	TikTok is a good asset	TikTok ban is business
Instagram has "approached a diverse range of creators about Reels in several of the countries where it's currently being tested," company spokeswoman Sarissa Thrower said. "We remain committed to investing in both our creators and their experience." (14 Aug, WSJ)	Takeover TikTok's market	
Users		
"I have 7 million followers on TikTok, but it doesn't translate to every platform," said Nick Austin, 20. "I only have 3 million on Instagram and 500,000 on YouTube. No matter what it's going to be hard to transfer all the people I have on TikTok." (10 Jul, NYT)	Raise concern on economic loss	TikTok ban is business
When I asked if she could share how much money she has made through TikTok ... She came back to the phone: "I made more than I would have made babysitting." (4 Aug, WSJ)		
Experts		
"These companies cannot claim that they don't follow the orders of the party, that's just not credible," said Derek Scissors, a resident scholar at the American Enterprise Institute who tracks Chinese investment worldwide. "Chinese firms don't have a choice." (15 Jul, NYT)	Justify national security concerns	TikTok ban is politics
Let's solve for the problems at hand," she said. "If the concern is data security, the best way to secure the data is to put TikTok under the microscope, and put in place really robust and enforceable rules about how they're using and retaining data." (27 Jul, NYT)		

Table 5.2: Data structure of the US media on the TikTok case in phase 1

Representative exemplars	First-order coding	Second order coding
The China government		
In response, foreign ministry spokesman Wang Wenbin said yesterday that the move against TikTok was "a blatant act of -bullying" and "complete political -manipulation". (5 Aug, SCMP)	Accuse the US of political manipulation	Legitimation claims
The Chinese government on Tuesday warned the US of "consequences" if it opens the "Pandora's Box" with what a Chinese official called "political manipulation" and a crackdown on a Chinese company. (5 Aug, GT)	Express intention of retaliation	
ByteDance		
In the second memo unveiled on Tuesday afternoon, Zhang sought to address those criticisms, saying he "understands that people have very high expectations for a company that was founded by a Chinese and spreading US' 'mafia-style tactic' on TikTok strips last layer of decency globally, but they don't have the full and accurate information and anger exists among the public toward the many actions from the US government." (5 Aug, GT)	Adapt to nationalism	Legitimation responses
In a separate statement, ByteDance said it would “actively use the rights granted to us by the laws to protect the legitimate rights and interests of the company”. (5 Aug, SCMP)	Defend through lawsuit	
Users		
One TikTok user wrote that TikTok is like a family. "I will always cherish TikTok for being something that's like the most supportive bestie you've never had. It can really touch your heart and I will be almost at the point of crying when it's taken down," the user wrote. (1 Aug, GT)	Raise concern on economic loss	TikTok ban is business
Experts		
"This is a Chicago mafia-style way of doing things, pure and simple: Pointing a gun at your head and ordering you to make a deal," Shen Yi, a professor at the School of International Relations and Public Affairs at Fudan University, told the Global Times on Thursday, "there is no point in discussing the legality of the move because there is none. It's utterly immoral." (5 Aug, GT)	Criticize the US of political manipulation	TikTok ban is politics
With relations between China and the West continually evolving, and with some Western economies starting to see China as a major rival, it is crucial for China to re-assess its position and reflect on its strategies amid this increasingly uncertain global framework. (8 Aug, GT)		

Table 5.3: Data structure of the Chinese media on the TikTok case in phase 1

Representative exemplars	First-order coding	Second order coding
The US government		
"It's all fun and games until the communists start data harvesting," Senator Ben Sasse, Republican of Nebraska, said in a statement. (7 Aug, NYT)	Strengthen political accusations	Legitimation claims
Asked Tuesday if Oracle would be a good buyer for TikTok, President Trump said: "Well I think Oracle is a great company and I think it's owner is a tremendous guy, a tremendous person. I think that Oracle would be certainly somebody that could handle it." (19 Aug, WSJ)	Promote economic solutions	
TikTok		
"By banning TikTok with no notice or opportunity to be heard (whether before or after the fact), the executive order violates the due process protections of the Fifth Amendment," the complaint says. (25 Aug, WSJ)	Keep dialogue with the US	Legitimation responses
We far prefer constructive dialogue over litigation," the company said in a statement. But given the executive order. (26 Aug, NYT)		
US companies		
A spokesman for Microsoft declined to comment. But in a statement issued last Sunday, the company offered a vague promise that it was committed to "providing proper economic benefits to the United States, including the United States Treasury." (7 Aug, NYT)	Assert to hunt TikTok	TikTok ban is business
Walmart said it believes a partnership with Microsoft would address U.S. concerns about TikTok. Unlike big tech companies that have been in the Trump administration's crosshairs, Walmart has close ties to the White House. (28 Aug, WSJ)		
Experts		
Analysts say China's national security law imposes broad obligations for citizens and corporations to assist in such investigations, a category that includes political and ideological threats in China. (25 Aug, WSJ)	Reinforce national security concerns	TikTok ban is politics
The president does use the power of the federal government against individual companies in ways that are different than ever before," Ms. Gardiner said. "It's very antidemocratic." (7 Aug, NYT)	Inform political impact	

Table 5.4: Data structure of the US media on the TikTok case in phase 2

Representative exemplars	First-order coding	Second order coding
The China government		
The Chinese Foreign Ministry criticized the US practice of abusing the national security concept and using state power to wantonly suppress non-American businesses like TikTok, pointing out that the moves violate market principles and WTO rules. (17 Aug, GT)	Accuse the US of breaking rules	Legitimation claims
But a Chinese official in Beijing involved in supervising ByteDance operations in China, said TikTok's lawsuit was "a symbolic move", citing a failed attempt by Huawei to challenge a federal law limiting its operations in the US. "But it is still the right move [to sue]," the official, who spoke on condition of anonymity, said. "ByteDance shouldn't surrender without a fight." (24 Aug, SCMP)	Promote firms to fight	
ByteDance		
"To ensure that the rule of law is not discarded and that our company and users are treated fairly, we have no choice but to challenge the executive order through the judicial system," the Beijing-based company confirmed with the Global Times on Sunday. (24 Aug, GT)	No choice but to fight	Legitimation responses
In a statement on Thursday, the Beijing-based company said that though the company was in talks with some companies on a "cooperation plan" to address US concerns, no final deal has been reached yet. "The above plan does not involve a sale of operations or technology and a final deal also has not been signed yet," ByteDance said, defying a US order to sell its operations or face a ban. (17 Aug, GT)		
Experts		
However, Song said the crackdown and forced sale of TikTok's US operations "further underscores the fact that the US market is not a free, fair and transparent market, but one in which the state can intervene under the premise of national security and harm the interests of other companies and other countries." (12 Aug, GT)	Criticize the US political manipulation	TikTok ban is politics
The value of the challenge will also be good for TikTok in its reported dealings with US companies to sell its US assets, though this is not what the company wants, Zhou said. "Fighting helps boost the value of its assets in the potential sale, whereas caving in will have the opposite effect." (24 Aug, GT)	Support TikTok to fight	

Table 5.5: Data structure of the Chinese media on the TikTok case in phase 2

Representative exemplars	First-order coding	Second order coding
The US government		
"My big concern is if all we're doing is repackaging it and still keeping it as a predominantly Chinese government-run company, that would not set well with the original goals the president outlined," Mr. Meadows said at the White House. (18 Sep, WSJ)	Control the TikTok deal	Legitimation claims
Mr. Trump said that the Chinese firm would "have nothing to do with it, and if they do, we just won't make the deal." Mr. Trump said Oracle would have control over TikTok, adding, "If we find that they don't have total control, then we're not going to approve the deal." (22 Sep, NYT)		
TikTok		
"We're pleased that the court agreed with our legal arguments and issued an injunction preventing the implementation of the TikTok app ban" (28 Sep, NYT)	Commit to follow the US regulation	Legitimation responses
A spokeswoman for TikTok said late Sunday that it was pleased the court agreed with its legal arguments to halt the ban. "We will continue defending our rights for the benefit of our community and employees," she said. TikTok also plans to continue its discussions with the U.S. government to reach an agreement, she said. (28 Sep, WSJ)		
US companies		
In a statement, Safra Catz, Oracle's chief executive, said the company was "100 percent confident in our ability to deliver a highly secure environment to TikTok and ensure data privacy to TikTok's American users and users throughout the world." Walmart said in a statement that it was "excited about our potential investment in and commercial agreements" with TikTok Global. It said Mr. McMillon would serve on the company's board. (20 Sep, NYT)	Coordinate on the TikTok deal	TikTok ban is business
In a statement, Oracle and Walmart said TikTok Global would create more than 25,000 jobs in the U.S. and lead to more than \$5 billion in new tax dollars to the U.S. Treasury. (21 Sep, WSJ)		
Experts		
"At a minimum they're flexing their muscles and saying, 'We get a say in this and we're not going to be bystanders,'" said Scott Kennedy, a senior adviser at the Washington-based Center for Strategic and International Studies who studies Chinese economic policy. (30 Aug, NYT)	Imply China has a say on the deal	TikTok ban is politics
"Threatening TikTok has been the most prominent step so far in a U.S. trajectory toward technology decoupling" with China, said Paul Gallant, an analyst at Cowen and Company. "I think it puts everybody in the U.S. tech sector on notice that they need to scrutinize even their seemingly innocuous connections to China." (20 Sep, NYT)	Inform geopolitical impact	

Table 5.6: Data structure of the US media on the TikTok case in phase 3

Representative exemplars	First-order coding	Second order coding
The China government		
"ByteDance will have to go through the approval process in China as the TikTok deal in the United States involves transferring of such technologies," said the [Chinese] official, who declined to be identified. (3 Sep, SCMP)	Compete for the control of TikTok deal	Legitimation claims
Beijing updated its technology export control list last month to require official permission for technologies such as TikTok's algorithm to be sent offshore. A government source, involved in regulating ByteDance but not directly involved in technology export controls, earlier told the Post "ByteDance can sell all of - TikTok but the algorithms". (22 Sep, SCMP)		
ByteDance		
Addressing concerns that the deal may involve TikTok providing its source code for Oracle's use, ByteDance said in yesterday's post the current proposal "does not involve the transfer of any algorithms and technologies" although Oracle would have this study to access the source code of TikTok USA for security checks. (22 Sep, SCMP)	Commit to the Chinese regulation	Legitimation responses
ByteDance said last week it had applied for a technology export licence to comply with China's recently revised tech export rules, even though it has said the current proposal "does not involve the transfer of any algorithms and technologies". (28 Sep, SCMP)		
Experts		
In fact, Beijing's decision to impose export controls was a "huge strategic win" for TikTok and a "poison pill" that killed the sale to Microsoft because it excluded the source code and algorithm from any deal, said Dan Ives at Wedbush Securities. (17 Sep, SCMP)	Justify China's retaliation	TikTok ban is politics
"No matter in what way the deal is finalized, there is little chance that ByteDance would sell its AI algorithm technologies," said Meng, pointing out that algorithm is where the next battleground of high technologies would take place and China would not give away its advantages over US on the part. (26 Sep, GT)		
"We are seeing increased decoupling [between China and the US]... it's decoupling from hard technology, like semiconductors, it's decoupling now from data, and finally decoupling now from platforms and apps. I think it is possible that we could see an aggressive US administration going after." (19 Sep, SCMP)	Learn the lesson from TikTok	
"For companies as well as the government, this is a new lesson, which we must learn from, even as we have to pay tuition," he said. (22 Sep, GT)		

Table 5.7: Data structure of the Chinese media on the TikTok case in phase 3

5.5.1 Phase 1: Legitimation contestation about national security concerns

Phase 1 ranges from 6 July when Pompeo hints that TikTok might be banned in the US, to 5 August before Trump's executive order is announced. The media coverage shows a significant rise during this period. Findings show that the US media more frequently employed the voices from the "US government", "TikTok", "US companies", "users", and "experts" in their news articles (see *Table 5.2*). On the contrary, the China media more frequently employed the voices of the "China government", "ByteDance", "users", and "experts" in their news articles (see *Table 5.3*). In phase 1, it is found that the legitimation contestation is focused on the US government's national security concerns over TikTok and whether TikTok should be banned in the US market is heatedly debated in the media.

5.5.1.1 Legitimation contestation in the US media

In the host country media, the US government made two legitimation claims to justify their motivation for banning TikTok in the US market. The key accusation proposed by the US government is on "national security concerns", which is firstly raised by data privacy concerns. Regarding the data privacy concerns, on 8 July, the US Justice Department's announcement of a probe into TikTok's potential violation of children's privacy marked a pivotal moment in shaping the narrative around the app. The Justice Department probe spotlighted an important facet of TikTok's legitimacy, that is, the protection of minors' privacy. Such concerns are rapidly captured and employed by China hawk politicians. For example, Mike Pompeo, US Secretary of State, asserted that TikTok was a "Trojan horses for Chinese intelligence", thus, the US government must "protect the American people from having their information end up in the hands of the Chinese Communist Party" (15 Jul, *NYT*). It can be found that the national security concern of the US government on TikTok is not about data leaking, but more than that is about leaking to whom, in this case, to the Chinese government.

In return, TikTok made two legitimacy responses to the US. One was to "deny accusation" from the US government. For example, TikTok insisted that they "have never provided user data to the China government, nor would we do so if asked" (17 Jul, *NYT*). Another was to "defend through communities", for example, TikTok's

executive said, “I want to say thank you to the millions of Americans who use TikTok every day,” and “we’re not planning on going anywhere” (3 Aug, *WSJ*). In these legitimization responses, TikTok aimed to prove its innocence, in other words, it was not an “evil” or “enemy” company in the eyes of the US government. Secondly, TikTok was claiming that it was a “good” company that benefited the communities and brought social-economic contributions to US society.

In addition to the US government and TikTok, there were three more stakeholders, whose voices were often observed in the media. The first stakeholder was from the “US companies”, who are potential acquirers of TikTok’s US operation, echoing Trump’s call for selling TikTok to a “very American company”. They are continuously claiming their ambition and capability of acquiring TikTok in the US market. For example, one potential acquirer said that “If I had the opportunity to buy TikTok, I’d buy TikTok” (3 Aug, *NYT*). Other US companies such as Instagram were claiming prepared for taking over TikTok’s market once it is banned. Through such voices, the media indicates that TikTok is a political threat in the eyes of the US government, at the same time, a business opportunity for US companies, given that TikTok has a huge user-based, advanced algorithm and significant market share in the US.

The second stakeholder was from “users”, or “TikTokers”. Regarding the proposed TikTok ban, users were mostly concerned about their potential economic loss. For example, TikTokers were worrying about losing followers if they transfer to another platform when TikTok is banned (10 July, *NYT*). In their eyes, such followers provide opportunities for them to make their livelihood or simply make money (4 Aug, *WSJ*). However, national security concerns, either the data privacy from a societal side or the Chinese government intervention from a political side, were not the prior consideration of the TikTokers, as shown in the media reports. Thus, it can be observed that there is a gap between the users’ narrative and the government’s narrative shown in the media. Although before Trump’s executive order, TikTokers across the US rallied to TikTok’s defense, posting videos with the hashtag #Save TikTok, which has been viewed more than 730 million times (3 Aug, *NYT*), their voices were less presented in the media, compared with the voices of politician, business elites and experts whose voices are more aligned with the narratives of the US government.

The third stakeholder was from “experts”, who served as evaluating and forecasting the TikTok case. Their voices are mostly focused on debating the national security concerns raised by the US government, and debating on how to tackle such problems. Such voices are more aligned with China hawk narratives, although some limit voices are following China dove narratives to hint the impact of deteriorating the US-China relation.

5.5.1.2 Legitimation contestation in the Chinese media

In the home country media, the China government proposed an anti-attack legitimation claim of “political manipulation” to counter the US government’s accusations. For example, a spokesperson for the Chinese Foreign Ministry called the US crackdown on TikTok “pure political manipulation” based on “baseless” accusations (5 Aug, *GT*). Here, the term “political manipulation” indicates that the China government treats the TikTok issue as being politicized because the US government’s national security concern is not on data leaking itself, but leaking to China, which has been indicated in the US government’s claims. Further, the China government made another anti-attack legitimation claim of “intention of retaliation”, by warning that the US might suffer the consequences “if it opens the Pandora's Box” (5 Aug, *GT*).

It is interesting to find that such claims were rarely echoed by TikTok’s voice but frequently echoed by its parent company ByteDance. For example, Zhang Yiming, ByteDance’s founder, said he “understands that [Chinese] people have very high expectations for a company that was founded by a Chinese and spreading US’ ‘mafia-style tactic’ on TikTok strips last layer of decency globally” (5 Aug, *GT*). Here, ByteDance recognized the existence of nationalism at home, thus, Zhang’s voice seemed to “align with the nationalism” in the home country. Meanwhile, ByteDance said in a statement that it would “actively use the rights granted to us by the laws to protect the legitimate rights and interests of the company” (5 Aug, *SCMP*). ByteDance's response shows that it is not only facing legitimacy pressure from the US government, but there is also legitimacy pressure at home including from the China government and the public.

In addition, the voices from other stakeholders in the Chinese media showed a more aligned attitude to the potential TikTok ban. All the users² who appeared in the Chinese media expressed their concern due to potential economic loss, similar with the voices in the US media. Besides, experts were often used in the Chinese media, and most of them argued that the TikTok ban would “deteriorate the geopolitical relations” between the US and China. For example, one expert said: “But in many, if not most, of the cases, the measures by the Trump team really don't do anything to solve the problem. In some cases, they are making things worse” (14 Aug, *SCMP*).

5.5.2 Phase 2: Legitimation contestation about political and economic coercion

Phase 2 ranges from 6 August when Trump signed the executive order, to 28 August before the China government updates the export regulation. On 6 August, President Trump officially signed an executive order banning TikTok from the US market in 45 days if it was not sold by ByteDance. In phase 2, the media coverage reached a peak when the executive order was released, then gradually cooled down, and then rose again when ByteDance sued the US government on the executive order. Findings show that the US media more frequently employed the voices from the “US government”, “TikTok”, “US companies” and “experts” in their news articles (see *Table 5.4*). On the contrary, the Chinese media more frequently employed the voices of the “China government”, “ByteDance” and “experts” in their news articles (see *Table 5.5*). The voices of “users” were very few in the media in this phase, showing that the legitimate contestation was around the political and economic coercions on TikTok, which was triggered by Trump’s executive order.

5.5.2.1 Legitimation contestation in the US media

In the host country media, one major legitimation claim by the US government was to “strengthen political accusations” on TikTok. There are more accusations about TikTok’s national security concerns seen in the media texts. Moreover, those accusations are not merely about data leaking but also linked with extended

² As TikTok is not accessible for people from mainland China, the “users” appeared in Chinese media are “TikTokers” from overseas market, especially the US.

accusations about the daily lives of US citizens and international rules. For example, a US official posed a question to the mothers of America, “It’s 10 p.m. Does the Chinese Communist Party know where your children are at?” (7 Aug, *NYT*), another criticized China for “stealing American intellectual property, violating its commitments to the World Trade Organization and raiding American factories” (17 Aug, *NYT*). Another legitimization claim was to “promote economic solutions” for the TikTok issue, the US government was actively promoting its solution of selling TikTok to a “very American company” (e.g., Microsoft, Oracle, and Walmart, etc.) (3 Aug, *NYT*).

In response, TikTok’s voice implicated that it is using both “stick” and “carrot” as weapons for saving legitimacy. On the one hand, TikTok said “the executive order violates the due process protections of the Fifth Amendment” when suing the US government (25 Aug, *WSJ*). Meanwhile, TikTok frequently used the word “dialogue” in the media, for example, “we far prefer constructive dialogue over litigation” (26 Aug, *NYT*), which showed TikTok’s willingness of keeping negotiating to achieve the economic solution claimed by the US government.

Regarding voices from other stakeholders in the US media, one salient voice was from “US companies”, who showed a more aggressive ambition of buying TikTok, or “hunting TikTok”, in the US market. Findings show that US companies (e.g., Microsoft, Oracle, Walmart, etc.) were continuously claiming their capability and suitability of acquiring TikTok’s US operations. For example, Walmart said, “it believes a partnership with Microsoft would address U.S. concerns about TikTok” (28 Aug, *WSJ*). Such voices echoed their view in phase 1 that TikTok is a valuable asset, but showed a more aggressive rhetoric in phase 2. Another salient voice was from “experts”. While most of them were echoing the US government’s national security concerns on TikTok (26 Aug, *WSJ*), others were debating the impact of Trump’s TikTok ban; for example, one expert said, “The president does use the power of the federal government against individual companies in ways that are different than ever before,” which is “very antidemocratic” (7 Aug, *NYT*).

5.5.2.2 Legitimation contestation in the Chinese media

In the home country media, the voices of the China government also presented tougher rhetoric on Trump’s executive order. One legitimization claim of the China

government was to accuse Trump's executive order of breaking international rules. For example, the Chinese Foreign Ministry "criticized the US practice of abusing the national security concept and using state power to wantonly suppress non-American businesses like TikTok, pointing out that the moves violate market principles and WTO rules" (17 Aug, *GT*). It is important to argue that, in phase 2, the China government no longer treated the TikTok case as an independent business case but as a challenge that risked many more Chinese firms involved in the deteriorating US-China relations. Thus, the China government insisted that "China will firmly safeguard the rights and interests of its enterprises" (08 Aug, *SCMP*). Accordingly, the second legitimization claim of the China government was to "endorse firms to fight", by calling for TikTok and ByteDance to "fight" instead of "surrender" (24 Aug, *SCMP*).

Along with the messages sent by the China government, ByteDance decided to sue the US government on 24 August. ByteDance said that "we have no choice but to challenge the executive order through the judicial system" (24 Aug, *GT*). Again, in phase 2, it can be observed that TikTok and ByteDance were facing dual legitimacy pressures from the host and home governments. While TikTok tended to respond to concerns abroad, ByteDance seemed to pay more attention to its legitimacy pressure at home.

Regarding other voices, "experts" were found as the only salient stakeholders in the Chinese media, most of their voices were closely consistent with the voices from the China government, that is, to keep criticizing the TikTok ban as the US government's political manipulation. For example, one expert argued that the TikTok ban showed that "the US market is not a free, fair and transparent market, but one in which the state can intervene under the premise of national security and harm the interests of other companies and other countries". Such voices were echoing the legitimization claim of "against international law" by the China government. Others encouraged TikTok to challenge and fight with the US government (24 Aug, *GT*), which was reinforcing the "fight not surrender" claim from the China government.

5.5.3 Phase 3: Legitimation contestation about geopolitical rivalry

Phase 3 ranges from 29 August when the China government updates the export regulation, to 5 October after the US judge contemporarily holds the executive order. In late August 2020, the China government tightened its export controls on advanced technology transformation, which was considered the game-changer in Trump's TikTok ban. The substantial intervention of the China government further pushed the TikTok issue into geopolitical turmoil. Thus, phase 3 focuses on the escalating host-home government competition on controlling the TikTok deal. Findings show that the US media were frequently employing the voices from the "US government", "TikTok", "US companies" and "experts" in their news articles (see *Table 5.6*). On the contrary, the Chinese media were frequently employing the voices of the "China government", "ByteDance" and "experts" (see *Table 5.7*). Still, voices of "users" were rare in this phase, showing that the legitimation contestation was more around the geopolitical rivalry between the US and China.

5.5.3.1 Legitimation contestation in the US media

In the host country media, the US government was focusing on the TikTok deal. The US government publicly backed the new deal of selling TikTok to Oracle and Walmart, after the Microsoft deal was suspended by TikTok. For example, Trump sent a clear support message that "I think that Oracle would be certainly somebody that could handle it" (28 Aug, *NYT*). On 19 September, the Trump's administration approved the deal between TikTok and Oracle, in an interview, Trump said "I have given the deal my blessing", but at the same time put pressure on TikTok to guarantee the American companies "are going to have total control" over the newly established TikTok Global (20 Sep, *NYT*).

In response, TikTok showed less voice about the deal—it might be argued that TikTok had recognized that it was less possible for the deal given the Chinese new regulation. More voices of TikTok appeared after the US court's injunction decision, when TikTok tended to reiterate its commitment to the US market. For example, TikTok said that "We're pleased that the court agreed with our legal arguments and issued an injunction preventing the implementation of the TikTok app ban" (28 Sep, *NYT*), and "continue defending our rights for the benefit of our community and

employees” (28 Sep, *WSJ*). Meanwhile, TikTok showed a positive stance of keeping dialogue with the US government, by saying it would make “extraordinary efforts to try to satisfy the government's ever-shifting demands and purported national security concerns” (28 Sep, *NYT*).

Regarding other voices in the US media, “US companies” were continuing to hunt TikTok followed by Trump’s solution in the executive order. For example, Oracle said it was “100 percent confident in our ability to deliver a highly secure environment to TikTok and ensure data privacy to TikTok's American users and users throughout the world” (20 Sep, *NYT*). Such voices were in line with the legitimization claims of the US government in phase 3. Besides, there were more voices from “experts” seen in this phase. However, their views were divided on how the TikTok deal could be made in the US. Most experts warned that the deal might not be possible because of the updated export regulations by the China government. For example, one expert said that “at a minimum [China] they're flexing their muscles and saying, ‘We get a say in this and we're not going to be bystanders’” (30 Aug, *NYT*). Given the intervention of the China government, “experts” in this phase more frequently mention the political impact of the TikTok ban and the impact on further US–China relations. For example, one expert said, “Threatening TikTok has been the most prominent step so far in a U.S. trajectory toward technology decoupling with China” (20 Sep, *NYT*).

5.5.3.2 Legitimation contestation in the Chinese media

In the home country’s media, the China government showed its motivation and ability to influence the TikTok deal. For example, one China official said, “ByteDance will have to go through the approval process in China as the TikTok deal in the United States involves transferring of such technologies” (3 Sep, *SCMP*). Such voices showed that the China government was competing with the US government on the ownership of the planned entity of TikTok Global. Such direct intervention was not seen in the previous two phases. That means, TikTok’s deal with a “very American company” must “go through the approval process in China”, and TikTok must follow the government mandate. Another China official said that “The goal of the forced sale was to seize control of an influential Chinese company and Trump's apparent step back was just a ‘big trap waiting for you to jump’” (28 Sep, *SCMP*).

In response, ByteDance said it was applying for a technology-export license in China to comply with the new tech-export rules. For example, ByteDance said the deal proposal "does not involve the transfer of any algorithms and technologies" although Oracle would have the authority to access the source code of TikTok USA for security checks (22 Sep, *SCMP*). Such responses were against the legitimization claims of the Trump administration which was to back the deal based on US rule.

Regarding other voices, findings show that the Chinese media were overwhelmingly using voices of "experts" in their news articles. Echoing the legitimization claims from the China government, experts suggested that there was no way to the new deal due to the intervention by the China government. For example, one expert said, "In fact, Beijing's decision to impose export controls was a 'huge strategic win' for TikTok and a 'poison pill' that killed the sale to Microsoft because it excluded the source code and algorithm from any deal" (17 Sep, *SCMP*). Further, there was more analyses on the geopolitical relations between the US and China in the media texts. For example, one expert said, "I think it is possible that we could see an aggressive US administration going after [more Chinese companies]" (19 Sep, *SCMP*). Another expert said, "For companies as well as the government, this is a new lesson, which we must learn from, even as we have to pay tuition [fees]" (22 Sep, *GT*). In short, the media are using these voices to set the agenda of the US-China rivalry for the audience, as well as informing and forecasting the future of a more normalized national competition.

5.5.4 The decreasing presence of users' voice in the media

Notably, it is interesting to find that "users", another stakeholder whose voices were often used in phase 1, were rarely involved in the media in phase 2 and 3. This issue needs a contextualized explanation. In phase 1, national security concerns are the primary driver behind the debate over TikTok's presence in the US. These concerns were predominantly raised by the US government and some politicians who perceived the app's Chinese ownership as a potential security risk due to data privacy and data protection issues. In this phase, the media focused on the discussions related to national security, and the concerns about users' data and

privacy were instrumental in shaping the initial narrative. The analysis reveals that users' sentiment is largely driven by the economic stakes associated with their potential loss under the TikTok ban. Such public sentiments are not fully in line with the US government's narrative, as well as the orientation of the media framing focusing on the geopolitical rivalry between the US and China. Although users might be one of the most important stakeholders in the TikTok case, their concerns might not match the media's agenda at that time.

Then after Trump signed the executive order, the main debate in the media was no longer about whether banning TikTok or not, but about how to divest TikTok and how to make a deal to satisfy the interests of the US government as well as the US companies who desired to purchase TikTok's business in the US market. Therefore, as moving to phase 2 and phase 3, the focus of the media battlefield shifted, and it appears that users' voices become less prominent in the debate. This shift can be attributed to several factors. First, as the focus of the debate shifted from national security concerns to the political and economic coercion, and then more intensive geopolitical rivalry, the media's attention may have pivoted towards these broader issues. Second, the media may have prioritized covering the responses from governments, MNEs, industry and experts during the latter phases, which could have inadvertently led to a reduced emphasis on users' perspectives.

Another possible explanation could be that users' voices were overshadowed by the dominant themes of geopolitical rivalry and international politics. As the TikTok case became increasingly entangled in the US-China Tech Cold War, the media might have centered more on the broader implications of the rivalry between the two nations, thus potentially marginalizing individual users' perspectives. It is important to note that the media battlefield is not static and can evolve based on changing circumstances, interests, and events. Therefore, the shifting focuses of the media battlefield, from national security concerns to economic coercion and international politics in the latter phases of the TikTok case, might lead to a reduced emphasis on users' voices. Such shift could be attributed to the broader geopolitical context and the prioritization of other key stakeholders' responses. Nevertheless, understanding the evolving media battlefield is crucial to grasp the complexities of the TikTok case

and its implications for the broader dynamics of geopolitical rivalry and MNEs' legitimation challenges.

5.6 A shifting matrix of media framing

In-depth data analysis has shown that the voices in the US media and Chinese media have different emphases on their legitimation and de-legitimation of Trump's TikTok ban across the identified three phases. Based on the analysis of varying voices in the media texts, this study identifies that the media tends to frame the TikTok case into two pairs of dimensions. The first pair is the business–politics focus. The second-order categories in the data coding shows that some voices in the media have an underlying assumption that “TikTok ban is business”, while others have that “TikTok ban is politics”. The second pair is the domestic–international focus. Data analysis shows that some voices are focusing on the domestic context, focusing on the domestic economic and political impact of the TikTok case in the US. On the contrary, other voices are focusing on the international context, emphasizing that the TikTok case is involved in US–China relations.

Following the identified two pairs of dimensions, a thematic analysis is conducted for further exploring and investigating the media framing of Trump's TikTok ban. The thematic analysis focuses on examining the news headlines and the leading paragraphs to group news articles into two pairs of themes (see *Table 5.8*). Based on the thematic analysis, a matrix of media framing on Trump's TikTok ban is then created, and for each three phases (see *Figure 5.4*). As shown in the matrix, there are four types of media framing, which are “domestic business”, “domestic politics”, “international politics”, and “international business”. Next, this study will compare the differences in media framing between the selected US and Chinese media.

	Phase 1				Phase 2				Phase 3			
	<i>NYT</i>	<i>WSJ</i>	<i>SCMP</i>	<i>GT</i>	<i>NYT</i>	<i>WSJ</i>	<i>SCMP</i>	<i>GT</i>	<i>NYT</i>	<i>WSJ</i>	<i>SCMP</i>	<i>GT</i>
Domestic	14	14	5	4	11	17	4	6	12	16	3	4
International	5	4	0	15	8	1	2	3	10	12	11	15
Business	7	7	1	1	8	12	0	2	9	8	2	1
Politics	12	11	4	18	11	6	6	7	13	20	12	18

Table 5.8: Overview of the thematic analysis of the four newspapers³

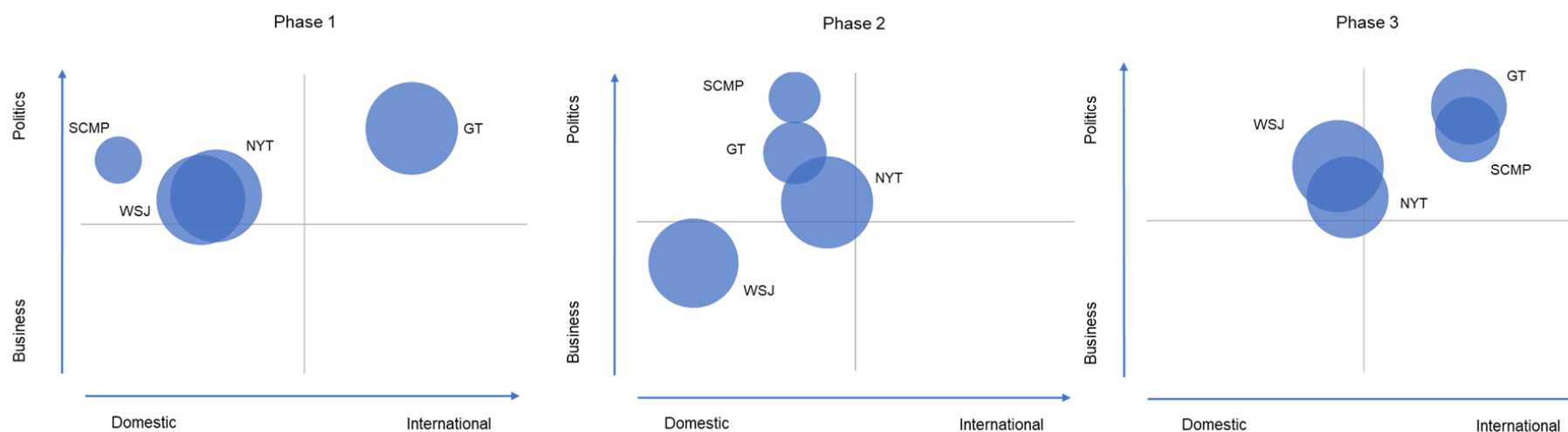


Figure 5.4: A shifting matrix of media framing on the TikTok case

³ The numbers in table indicate counts of news articles located in each examined theme.

5.6.1 Media framing in Phase 1

In Phase 1 (before Trump signed the executive order in July 2020), the framing of news articles on Trump's TikTok ban reveals a different focus between US and China media. The US media (*WSJ* and *NYT*) predominantly framed the issue within the context of "domestic politics" (e.g., "*TikTok Data Use Brings U.S. Scrutiny*"⁴, 8 Jul, *WSJ*; "*What to Do About TikTok*", 27 Jul, *NYT*). This aligns with the concerns over national security and data privacy raised by the US government, which prompted the TikTok ban. Yet, both *WSJ* and *NYT* had a notable consideration of the business dimension as well. Their similar framing reflects the multifaceted nature of the TikTok case, where national security concerns intersected with economic interests and business implications. More specifically, *WSJ* framed the TikTok case from a domestic politics perspective, focusing on the prominent role of policymakers, government agencies, and politicians in shaping the discourse around TikTok's operations in the US. Similarly, *NYT* tended to emphasize the potential risks posed by TikTok's data practices and its Chinese ownership. *NYT* seemed to highlight the implications for national security and the need for regulatory action to protect American interests. Overall, the media framing of *WSJ* and *NYT* in phase 1 as "domestic politics" with consideration of the business dimension underscores the significance of the geopolitical context and its impact on TikTok. This framing reflects the intricate interactions between political decisions, national security concerns, and business interests, highlighting the complexity of the case.

On the other side, the Chinese media, especially *GT* (as *SCMP* had a relatively lower media coverage in phase 1), tended to emphasize the theme of "international politics" in their framing of the TikTok ban (e.g., "*TikTok ban extension of US economic, political assaults*", 3 Aug, *GT*). This perspective reflects the Chinese government's position and the broader geopolitical tensions between the US and China. *SCMP* discussed the ban's implications for US–China relations, technological competition, and China's role as a global tech player. *GT*, known for its nationalist stance, portrayed the TikTok ban as an act of interference by the US in China's technological advancements and a part of the broader US–China rivalry.

⁴ The quotations in Section 5.6.1, 5.6.2, and 5.6.3 refer to the headline of the news article

5.6.2 Media framing in Phase 2

Phase 2 (after Trump signed the executive order in August 2020) saw a notable shift in media framing. Phase 2 focused on the legitimization competition on TikTok over political and economic coercions, it can be found that the US media showed different orientations to report on the TikTok case. *WSJ* tended to frame the TikTok case under the theme of “domestic business” (e.g., “*Financial and tech firms eye TikTok*”, 10 Aug, *WSJ*). They explored the intricacies of potential acquisitions of TikTok’s US operations by American companies, such as Microsoft and Oracle. The focus was on the economic factors and market dynamics surrounding the deal, including competition, regulatory challenges, and potential benefits for the acquiring companies. *WSJ* delved into the financial aspects of the negotiations, examining the potential impact on the involved companies and the broader technology landscape. In contrast, *NYT* maintained a more balanced framing, though focusing more on the theme of “domestic politics” (e.g., “*So what does Trump have against TikTok*”, 7 Aug, *NYT*). Despite Trump’s initial approval of the deal, their coverage continued to highlight the political and economic coercions faced by TikTok in the US. *NYT* tended to explore the political dynamics surrounding the deal, including Trump’s motivations, potential conflicts of interest, and the impact on US-China relations.

On the other side, *SCMP* and *GT* maintained their emphasis on the political aspects of the TikTok case, framing it as an extension of the US attempts to curb China’s technological advancements and global influence (e.g., “*Fight against Trump’s TikTok veto heats up*”, 11 Aug, *SCMP*; “*ByteDance to sue US govt over TikTok ban on Monday*”, 24 Aug, *GT*). In particular, the more salient framing of “domestic politics” indicates that under Trump’s executive order, TikTok was subject to political and economic coercions in the US. However, the differing movements in their framing indicate distinct editorial approaches and perspectives. For *SCMP*, the shift towards the “international” dimension suggests an increasing focus on the broader implications of the TikTok case beyond the US domestic market. Such shift indicates *SCMP*’s effort to position the case within the context of international relations and the broader dynamics of the US–China geopolitical rivalry. For *GT*, the shift from “international” to “domestic” indicates a recentering of its framing on the implications of the TikTok case for China’s domestic audience. Such shift emphasizes how the

US government's actions against TikTok could be seen as an attack on Chinese companies and how it might affect China's domestic tech industry and national pride. Overall, the differences in framing reflect the distinct editorial approaches of the Chinese media and their roles in shaping public perceptions and government responses in their respective countries.

5.6.3 Media framing in Phase 3

Phase 3 (after the China government updated its export regulation). witnessed a significant shift in media framing as all four newspapers—*WSJ*, *NYT*, *SCMP* and *GT*—converged on the theme of “international politics” (e.g., “*U.S. and China Battle Over TikTok*”, 1 Sep, *NYT*; “*Beijing’s export control list clouds sale of TikTok*”, 1 Sep, *SCMP*). This shift can be attributed to the China government’s update of export regulations on advanced technologies, including algorithms. The updated regulations mandated approval from the Chinese government for the TikTok deal, despite initial approval from Trump. The changing media framing highlighted the intertwining of political and business dimensions in the case, as the governments of both countries sought to exert control and influence over the outcome.

The convergence in media framing around “international politics” indicates the recognition that the TikTok ban had broader geopolitical implications beyond domestic concerns. The newspapers delved into the intricate interplay between political, economic, and technological factors within the context of US–China relations and the intensifying competition for global technological leadership. They examined the motivations, strategies, and power dynamics of both the US and Chinese governments, recognizing that the TikTok case had become emblematic of the wider geopolitical rivalry between the two nations. The media coverage indeed emphasized the strategic importance of advanced technologies, such as algorithms, and how their control and transfer became central to the US–China rivalry.

Interestingly, throughout the three phases, none of the four newspapers framed the TikTok case within the quadrant of “international business”. This absence can be attributed to the evolving nature of the case, where concerns over national security, data privacy, geopolitical tensions, and government interventions took precedence. The TikTok case became a symbol of broader US–China competition, prompting the media to focus more on political and geopolitical aspects rather than primarily analyzing it as an international business matter. The framing choices made by the newspapers were likely influenced by the changing dynamics of the case, its geopolitical significance, and the priorities of their respective audiences.

In summary, the shifting matrix of media framing reflected the changing dynamics and developments in the TikTok case. It highlighted the newspapers’ adaptation to new information and events, such as the new TikTok deal and the update in export regulations. The framing shifted from initial focuses on domestic politics and business to the convergence of international politics as the geopolitical rivalry between the US and China intensified. The media framing aligned with the evolving context, allowing the public to gain a broader understanding of the multifaceted dimensions of the TikTok case and its implications for both countries.

5.7 TikTok’s LOR in the US–China Tech Cold War

Like Huawei, TikTok’s legitimacy challenges are also related to LOR and relevant factors. The constructs of LOR identified from the Huawei case in the UK can also be used to explain the legitimacy challenges faced by TikTok in the US. For instance, both Huawei and TikTok were de-legitimized by their negative home country image in the eyes of host countries, that is, an ambitious and aggressive image of China in competing for technological high-ground, global-wide, which challenged the leading position of the West in certain hi-tech sectors. Similarly, both Huawei and TikTok suffered from negative home country image in host countries, which is a deep assumption that Chinese MNEs might serve as an agent of the Chinese government. Besides, value distance is evident in the TikTok case based on the analysis above, which can be treated as a basic contextual condition for Chinese MNEs doing business in Western countries.

However, it can be noticed that one construct of LOR, geopolitical relationship, might be not sufficiently analyzed in the Huawei case, as the previous case study only focuses on the company's LOR in the host country (i.e., the UK). The TikTok case does provide more opportunity to deepen and enrich our understanding the concept or theory of MNEs' LOR, as this case study involves more data from both the host and home countries of the focal MNE. Given that LOR is indeed an important legitimacy challenge for Chinese MNEs, I would use the three contexts of LOR (Ramachandran and Pant, 2010)—host country context, home country context, and organizational context—to further analyze the TikTok LOR in the context of geopolitical rivalry.

5.7.1 TikTok's LOR in the host country context

Existing literature suggests that MNEs' LOR in the host country context lies in the disadvantage pertaining to adverse host country institutional attributions (Ramachandran and Pant, 2010). For example, MNEs' conflicts with the regulative, normative, or cultural-cognitive factors of the institutional environment in the host country (Kostova and Zaheer, 1999). Besides, international marketing literature pays attention to the role of consumer animosity in creating LOR of MNEs, such as negative country image and negative product-country images (Klein, 2002; Verlegh and Steenkamp, 1999). From a product-country perspective, Ramachandran and Pant (2010) argue that a significant role in the LOR of MNEs would be played by negative perceptions, stereotypes, or beliefs regarding product or service quality associated with their country of origin.

However, the TikTok case suggests that the company's LOR are not only from its product level disadvantage as it is perceived as holding a world-leading algorithm technology. The actual problem for TikTok is the accused national security concerns raised by the US government which is shaped by the rising tide of techno-nationalism. The US, driven by national security concerns over data privacy and economic competition, has increasingly scrutinized the Chinese tech company. In the realm of techno-nationalism, controlling key and advanced technologies is deemed crucial for national interests. TikTok, being a social media platform that deals with

vast amounts of user data and cutting-edge algorithms, falls directly into this critical technology category. The geopolitical rivalry between the US and China amplifies TikTok's LOR. The perception that Chinese tech companies might be beholden to the interests of the Chinese government fuels suspicions, leading to increased scrutiny and, in TikTok's case, calls for divestment or acquisition by American companies. The broader geopolitical context heightens the significance of TikTok's origin, making it susceptible to challenges that extend beyond traditional market competition.

In the realm of techno-nationalism, the differing stances on China, whether characterized as "China hawks" or "China doves", are not necessarily indicative of a fundamental difference in their views on China. Instead, these positions are influenced by election strategies and the broader need for political parties to distinguish themselves, especially during a contentious election period. Both Republicans and Democrats perceive China as a "strategic threat" or "strategic competitor", emphasizing the strategic positioning that goes beyond intrinsic policy differences. The host country context of TikTok's LOR is shaped by a complex interplay of economic and geopolitical considerations. While the Trump administration's emphasis on national security concerns contributes to the scrutiny of Chinese tech companies, the broader political discourse underscores the interconnectedness of economic and geopolitical factors. The US–China Tech Cold War has become a pivotal backdrop against which the host country evaluates the activities of Chinese MNEs.

5.7.2 TikTok's LOR in the home country context

Existing literature emphasized that the disadvantages related to the home country context of LOR can be based on the underdeveloped home country institutional intermediaries (Ramachandran and Pant, 2010), for example, poor access to well-developed financial markets (Hitt et al., 2000) and poor access to a skilled talent base (Aulakh et al., 2000). However, the TikTok case presents a departure from this conventional understanding, indicating that the nature of LOR can be influenced by factors beyond institutional development.

First, unlike the conventional notion that LOR is primarily a result of underdeveloped institutional intermediaries, TikTok's LOR is influenced significantly by its home country's position in catch-up technology and technological competition. China, particularly in the tech sector, has rapidly evolved to become a formidable competitor on the global stage. The case study shows that TikTok's advanced algorithms and user-centric approach exemplify China's catch-up prowess; that is why the Chinese government was tightening the technology export control in dealing with the TikTok issue in the US. As China strengthens its technological capabilities, Chinese MNEs, including TikTok, face heightened scrutiny and expectations. Second, the geopolitical dynamics between China and the host country (in this case, the US) play a crucial role in shaping TikTok's LOR. The platform becomes a focal point in the broader context of US-China relations and techno-nationalism. As shown in the TikTok case, sanctions and anti-sanctions between the company's host and home countries are escalating along with the development of the TikTok issue. As the Chinese government are more deeply engaging in the geopolitical rivalry with the US, TikTok will suffer more LOR in doing business abroad. Thus, TikTok is facing the same legitimacy challenges with Huawei as they are both involved in the geopolitical tensions between the US and China.

Therefore, the TikTok case challenges the conventional emphasis on institutional distance as a primary driver of LOR. While institutional intermediaries in the home country undoubtedly play a role, the case highlights that the changing dynamics of technological competition and geopolitical influence can significantly shape the perception and reception of Chinese MNEs in host countries.

5.7.3 TikTok's LOR in the organizational context

Existing literature argues that organizational structures, processes, and routines can become disadvantages for the MNE when they lead to cognitive maladjustment in the host country (Ramachandran and Pant, 2010). As cognitive legitimacy is mainly related to comprehensibility and take-for-grantedness (Suchman, 1995), the challenge for MNEs facing LOR in the host country "is not that their activities may not be comprehended at all, but that they may be misunderstood comprehensively"

(Ramachandran and Pant, 2010, p.250). Thus, LOR is associated with adverse stereotypes about MNEs from a particular country that becomes taken-for-granted. Therefore, scholars suggest that MNEs' identity and image can substantially affect their LOR in host country markets. Overcoming LOR in the host country context may require MNEs to make a gradual process of identity change, thereby building an attractive image among host country stakeholders (Gioia et al., 2000).

In terms of the organizational context of TikTok's LOR, this case study provides a better chance for investigating the challenges arising from the focal MNE's dual identity and the difficulties of maintaining a single national identity amidst geopolitical tensions. The organizational context plays a crucial role in understanding TikTok's LOR, especially concerning its national identity. ByteDance's global expansion strategy has encountered challenges due to the intricacies of managing a dual identity — one that aligns with its Chinese roots and another attempting to resonate with international audiences. Maintaining a single national identity has proven challenging for TikTok. On the one hand, distancing itself from ByteDance in certain markets, particularly the U.S., has been a strategic move to address local sensitivities. TikTok has sought to emphasize its independence from ByteDance, with separate management and decision-making processes. On the other hand, this attempt to establish a distinct identity has encountered skepticism, as the company's roots and governance structure are inherently tied to China.

The TikTok case underscores the difficulties faced by the firm in convincing host countries of its single, non-contested national identity. Even as TikTok makes efforts to present itself as a separate entity from ByteDance, the overarching narrative of being a Chinese-owned company persists. The geopolitical climate, marked by increasing scrutiny of Chinese tech companies, further complicates TikTok's efforts to project a singular national identity that resonates positively in host countries. TikTok faces the paradox of being both a global platform and a Chinese-owned entity. This duality becomes more pronounced amid geopolitical rivalries, where national identities are scrutinized, and concerns over data security and privacy are heightened. Thus, double identity has not been entirely persuasive in mitigating TikTok's Liabilities of Origin. Despite efforts to establish autonomy, TikTok's connection to ByteDance remains a focal point for critics and regulatory bodies. The

persistent association with China, in a climate of growing techno-nationalism, continues to fuel concerns and challenges TikTok's legitimacy in key markets.

5.8 Discussion of findings

The findings of Case 2 can provide novel insights for answering the research questions and shed light on existing IB literature. Based on the analysis of stakeholders' voices in the media and the media framing analysis above, this section discusses the findings following an IB-centric framework, thereby illustrating how different voices are orchestrated in media framing (see *Figure 5.5*). The framework contains four legitimization dynamics (i.e., host-home government dynamic, host government-MNE subsidiary dynamic, home government-MNE headquarter dynamic, MNE headquarter-subsidary dynamic), within the media framing.

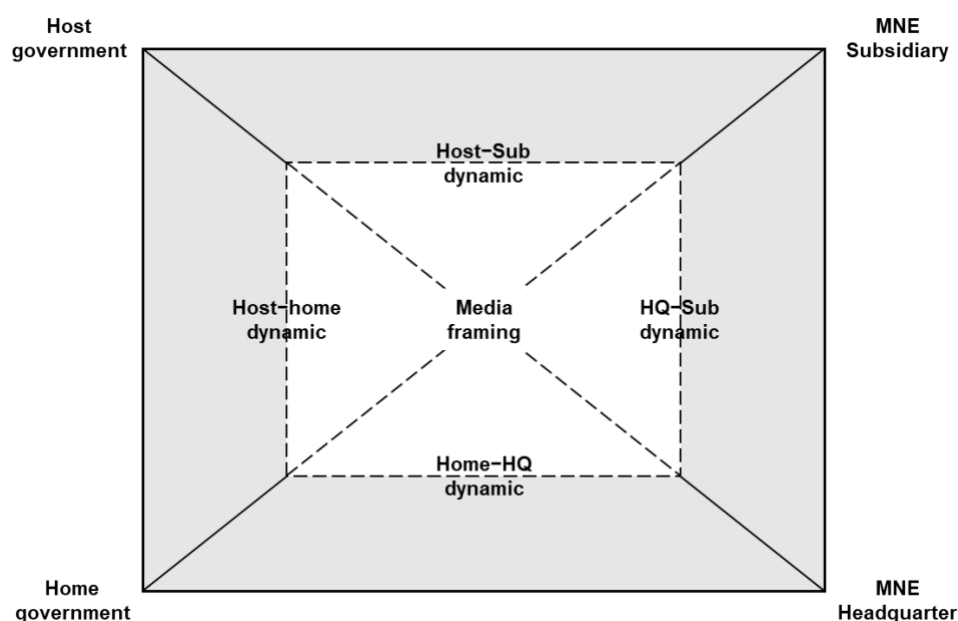


Figure 5.5: MNEs' legitimization dynamics within media framing

Next, each of the four dynamics will be unpacked for answering *the three core research questions*. Although the TikTok case has specific characteristics, the findings help to identify overall patterns that contribute to the understanding of the legitimization dynamics in the media. This framework provides valuable insights into

how media framing, influenced by political and economic factors, can shape the narratives surrounding events like the TikTok ban. They demonstrate the complex interplay between international business, media framing, and international relations theories, offering a nuanced understanding of the differing perspectives and interests of US and China media outlets.

5.8.1 The host-home government dynamic

The first legitimization dynamic is between MNEs' host and home governments (shown as the "Host-Home dynamic" in *Figure 5.4*). In the media framing, such a dynamic refers to the relations between MNEs' host and home countries. Sanctions on MNEs are happening more often along with escalating geopolitical rivalry, which is argued to have a profound impact on current IB settings (Witt, 2019a; 2019b). In the context of geopolitical rivalry (e.g., US-China Tech Cold War), states are imposing sanctions on hi-tech MNEs to restrain both political and economic influence from a rival state.

During the Trump administration, the TikTok case unfolded against the backdrop of escalating US-China trade disputes and the emergence of a Tech Cold War. The administration's concerns about TikTok were not confined to national security alone but were intricately entwined with broader geopolitical maneuvering. President Trump, embodying a China Hawk approach, viewed TikTok not only as a potential security threat but also as a leverage point in the wider US-China trade negotiations. The aggressive stance against Chinese tech companies, including TikTok, was part of a strategy to curb China's technological rise, reflecting the intensifying competition in the global tech landscape.

During the process of sanctions, MNEs might not only face legitimacy challenges from the sanction-provider state but also from the sanction-receiver state. Such dual legitimacy pressures are evidenced in Case 2 that, the MNE's host and home governments kept making competing legitimization claims, which implied political mandates for the focal MNE to follow up. Also, Case 2 shows that the actions and decisions of MNEs become intertwined with broader geopolitical rivalries, national

security interests, and foreign policy agendas. Balancing the demands and expectations of both governments poses huge challenges for MNEs.

Importantly, the media might play a role in providing a legitimization battlefield to “make sense of” and “give sense to” the contested issue (Entman, 1993, Vaara and Tienari, 2008). Media framing and agenda-setting influence public opinion, shape policy debates, and construct a particular version of reality. Media outlets act as information intermediaries, disseminating news, analysis, and perspectives that can sway how host and home governments perceive MNEs. Media framing can influence how MNEs are seen within the broader geopolitical context, impacting their legitimacy and social license to operate. As shown in Case 2, all four newspapers preferred to hold a politics-focused than business-focused media framing. The unfolding geopolitical rivalry serves as a timely and appropriate agenda for the media to build a voice battlefield, in which voices from various stakeholders can compete to legitimize or de-legitimize the TikTok issue.

Thus, the host–home government dynamic is a multifaceted interaction that shapes the operating environment for MNEs. It involves policy frameworks, regulations, and expectations of both host and home governments. The media plays a significant role in constructing and influencing perceptions of MNEs within this dynamic. MNEs must navigate dual legitimacy pressures, recognize the partiality of media-framed reality, and actively manage their media presence to align the constructed reality with their actions. Understanding and effectively managing the host government–home government dynamic is crucial for MNEs operating in the complex and ever-evolving landscape of international business and international relations.

5.8.2 The host government–MNE subsidiary dynamic

The second dynamic is between the host government and the MNE subsidiary (shown as “Host–Sub dynamic” *Figure 5.4*). As sanctions toward business are becoming more normal in current IB settings (Meyer et al., 2022), Case 2 does again confirm the key finding in Case 1 that Chinese MNEs’ legitimacy challenges become more associated with LOR than LOF given that increasing geopolitical tensions between China and Western countries. Scholars point out that LOF concerns where

the company is not from, while LOR concerns where the company comes from (Ramachandran and Pant, 2010). Kostova and Zaheer (1999) suggested that the stereotype image and taken-for-granted assumptions about MNEs' home country might be used to judge firms' legitimacy. As shown in the case study, the US government's national security concern over TikTok is not merely data leaking itself, but leaking to "whom" (i.e., the China government and China Communist Party). That means, in this case, TikTok can deny anything but the fact that it is a Chinese company. Indeed, the core message of Trump's executive order is to force TikTok to be sold to "very American companies", that is, to change TikTok's ownership or country of origin.

In the context of geopolitical turbulence, liberalist scholars have a consensus on two factors that can lower the risk between states: economic interdependence and democracy (Witt, 2019b). However, Case 2 shows that traditional legitimization responses focused on economic interdependence and social benefits may not be sufficient. When facing geopolitical rivalry, the more deeply Chinese MNEs are operating in the host country, the more dangerous it will be perceived by the host government, especially in the hi-tech industry and related to data security issues. Therefore, MNE subsidiaries must adopt a comprehensive approach that goes beyond economic contributions to address these concerns. Proactive engagement with the host government, regulatory compliance, and transparent communication become essential in building trust and assuring stakeholders of the MNE subsidiary's commitment to safeguarding national interests.

The Trump administration's labeling of TikTok as a national security risk served a dual purpose. On one hand, it aligned with genuine concerns about data privacy and security, a sentiment echoed by the China Hawks advocating for a robust stance against Chinese firms. On the other hand, it strategically positioned TikTok as a bargaining chip in trade talks with China. By leveraging national security concerns, the administration sought concessions from China in the ongoing trade disputes. This nuanced approach, where national security issues were woven into broader economic and geopolitical considerations, exemplifies the multifaceted nature of the US-China Tech Cold War. Within the White House, a complex interplay of views emerged. While Trump predominantly saw TikTok as a tool for negotiation, China

Doves within the administration were apprehensive about the potential negative economic consequences for American companies. This internal tension reflected the delicate balance between addressing security concerns and maintaining a healthy economic environment. TikTok, in this context, became emblematic of the challenges posed by the intertwined realms of national security, economic interests, and the geopolitical competition between the US and China. The case serves as a microcosm of the broader strategy employed by the US to assert dominance in the global technology arena during this tumultuous period.

Extant literature suggests that facing more adverse business–government relationships in the host countries, MNEs can use diverse types of nonmarket strategies to maintain their legitimacy, such as corporate diplomacy and IB diplomacy (Sun et al., 2021; Doh et al., 2022). Such strategies involve proactive engagement with the host government, building relationships with local stakeholders, and contributing to the host country's economic and social development. However, those efforts are not always perceived by the public and other stakeholders in the host country. Given the agenda-setting function of the media, the effectiveness of such nonmarket strategies can be influenced by media framing. Media outlets perform as information intermediaries and legitimacy evaluators, and their portrayal of MNE subsidiaries can shape public opinion, government responses, and regulatory outcomes. It implies that MNE subsidiaries must carefully manage their media communication to ensure that their nonmarket initiatives are accurately and positively reported by the media, thus enhancing their legitimacy in the host country.

5.8.3 The home government–MNE headquarter dynamic

The third dynamic is between the home government and MNE headquarter (shown as “Home–HQ dynamic” in *Figure 5.4*). One key aspect of this dynamic is the home government's response to sanctions or restrictive measures imposed by host governments would influence the sanctioned MNEs' legitimation practice. Involved in the geopolitical turmoil, MNEs might face legitimacy challenges not only from the host government but also from the home government. Stevens et al. (2016) argues that host and home government motivation of intervention might be influenced by the

perceived legitimacy of MNEs in the eyes of social groups (e.g., the media). As shown in Case 2, MNEs' headquarters in the home country might face the challenge of balancing their commitment to national security and economic interests while maintaining a global perspective and sustaining their global legitimacy and operations.

This dynamic can be linked to international relations theories, including liberalism and realism (Moravcsik, 1997; Waltz, 1979). Liberal theories emphasize cooperation, free markets, and non-interference in the operations of MNEs, assuming that economic interests will prevail over geopolitical rivalries (Witt, 2019a; 2019b). However, the realities of geopolitical tensions have led to a shift toward a realist perspective, which recognizes the influence of power dynamics, national interests, and strategic considerations in shaping the behavior and responses of both host and home governments (Meyer and Li, 2022). As shown in the TikTok case, MNEs may find themselves with limited power to counter sanctions or adverse actions imposed by host governments. This highlights the importance of leveraging the support and intervention of the home government to navigate unfavorable circumstances. In Case 2, without the direct intervention of the Chinese government, TikTok might face significant challenges in rejecting the deal and maintaining control over its operations. Thus, MNEs need to recognize the crucial role of the home government in protecting and advocating for the interests of its MNEs when they encounter adversarial actions from host governments.

In addition, the role of the media becomes important when discussing the home government–MNE headquarter dynamic. Importantly, in China, the media is heavily controlled by the state, nationalistic sentiments and government narratives strongly influence public opinion and shape media framing. As the media is typically a voice agent of the China government, how firms make a voice in the media could be considered as being talking to the government. Thus, Chinese MNEs must recognize this unique media environment in their home country and adapt their communication strategies accordingly. To echo the legitimacy pressures and align with the home government's stance, MNEs' headquarters may engage in strategic communication efforts aimed at conveying their commitment to the home country's national interests.

5.8.4 MNE headquarter–subsidiary dynamic

The fourth dynamic is between an MNE's headquarter (HQ) and subsidiary (Sub), which plays a crucial role in responding to the dual legitimacy pressures faced by MNEs operating in the context of geopolitical rivalries (shown as "HQ–Sub" see *Figure 5.4*). MNEs' headquarter and subsidiary must collaborate effectively to address the expectations and demands of both host and home governments while maintaining their legitimacy.

This dynamic implies that MNEs' headquarter and subsidiary need to align their strategies and communication approaches to address the concerns raised by each government. This involves carefully managing relationships with stakeholders and engaging in nonmarket strategies such as corporate diplomacy and IB diplomacy (Chipman, 2016; Doh et al., 2022). For example, Doh et al. (2022) emphasizes that communication is a key practice of MNEs' IB diplomacy, through communicating with key stakeholders. These theories emphasize the use of diplomatic tactics, relationship building, and strategic communication to manage international business challenges. Thus, MNEs can develop proactive and adaptive media communication strategies that enhance their legitimacy and protect their interests in the face of geopolitical rivalries.

As shown in Case 2, much of TikTok's voices in the media comes from its foreign executives from the subsidiary-level, rather than its (ByteDance's) Chinese executives from the headquarter-level. By leveraging the expertise and credibility of these spokespersons, TikTok aimed to enhance its legitimacy and build relationships with local stakeholders. However, MNEs' headquarter and subsidiary may face dilemmas regarding the extent to which they align their messages. This requires careful coordination and adaptation in media communication, considering the institutional distance, different media environments, and local team dynamics.

Furthermore, the competing media framing between MNEs' host and home country adds another layer of complexity to the MNE headquarter–subsidiary dynamic. The host country media may often adopt a critical stance towards MNEs originating from the rival country, while the home country media may adopt a more favorable stance towards MNEs, presenting them as victims of unfair treatment or championing their

role in the national economy. This divergence in media framing can impact the perceptions and legitimacy of MNEs operating in the host country. These competing media framings pose challenges and dilemmas for MNEs in managing the headquarter–subsidiary dynamic. The headquarter must strike a delicate balance between responding to the demands of the home government and addressing the concerns raised by the host country’s media framing, which requires careful coordination and communication between MNEs’ headquarter and subsidiary.

In Case 2, the voices of “experts” are the most frequently used news sources in the media, thus, MNEs might invest in building relationships with local experts and key opinion leaders to foster a more nuanced understanding of their legitimacy. Although journalists and editors all have their underlying political stances and value judgments, they are always not showing them directly and explicitly in news reporting, because the principle of news professionalism requires the media to stick with fact-based news reporting. Therefore, the media practitioners might prefer to let “experts” speak for them, leaving the media in a “neutral” and “objective” position. Yet, selecting certain news sources over others is certainly not value-free, and is guided by the underlying political stance and value judgment of the specific media. Thus, MNEs can pay more attention to the voices of “experts” in the media to understand the underlying political stance and form their voices based on the favorable voices in the media. This can help bridge the gap between media framings and facilitate more balanced and accurate portrayals of the MNEs in both host and home countries.

5.8.5 MNEs’ legitimization dynamics within media framing

Although the four dynamics discussed above are not new in IB literature, how they are interplayed within media framing has not been studied in existing literature. The TikTok case illustrates how voices of different stakeholders (especially the MNE and government) are orchestrated in the media framing. The findings show that voices from both MNE and government are frequently quoted in media articles. The dynamics of those voices are framed into a legitimization battlefield, which echoes the context of US–China geopolitical rivalry. This study indicates the media’s role of

sensemaking, which means the process of providing audience with a revised frame for understanding events (Gioia and Chittipeddi, 1991). Sensemaking refers to the media's role in interpreting complex events and issues to make sense of them for the public. When MNEs face legitimacy challenges in the host country due to geopolitical rivalries, the media's sensemaking role comes into play. Media outlets seek to understand and interpret the motives, actions, and consequences of MNEs' operations in the context of the larger geopolitical landscape. This sensemaking process can influence public perception, framing MNEs' activities as either legitimate or illegitimate in the eyes of the governments and the public.

In Case 2, the media is playing the role of making sense of the TikTok case as a geopolitical rivalry between the US and China. In the media battlefield, audience can perceive the legitimation contestation among the voice dynamic discussed above. Specifically, TikTok was continuously sending messages to ease the legitimacy concerns raised by the US government; ByteDance was collaborating with the Chinese government to convey consistent narratives; TikTok and ByteDance tended to distinguish their voices amid addressing dual legitimacy pressures; And the US and Chinese government were fighting for their control on the TikTok deal. Thus, it can be argued that the four IB-centric dynamics are important for the media to make sense of MNEs' contest, especially given the context of geopolitical rivalry in which MNEs and governments are standing at the foreground.

This study also indicates the media's role of sensegiving, which means the process of shaping public opinion by providing a narrative or explanation of events (Gioia and Chittipeddi, 1991). Prior studies suggest that the media is a powerful sensegiver, by recognizing its role in call attention to corporate scandals and influencing their trajectories (Adut, 2005; Wiesenfeld et al., 2008; Entman, 2012). Media sensegiving is often taken by framing (Gamson and Modigliani, 1989), which sets agendas and makes salient some aspects of events in a way that promotes a preferred interpretation of the issue (Breit and Vaara, 2014). Although prior research has shown that media framing changes over time (e.g., Chyi and McCombs, 2005; Muschert, 2009), the dynamic of how it happens has not adequately studied. Case 2 helps to uncover the dynamics of how the media gives sense to MNEs' contest. As

orchestrating the voices of different stakeholders, the media gives more salience to the “TikTok ban is politics” agenda rather than the “TikTok ban is business” agenda.

In case 2, the findings show that both the US and Chinese newspapers are moving toward a “political” agenda over time. In setting such agenda, the media also leverages the voices of experts to promote certain definition, causal explanation and moral judgment (Entman, 1993), which can be key for audience to understand the TikTok contest. Considering MNEs' legitimacy dynamics, media sensegiving becomes crucial in influencing how the host and home governments, as well as other stakeholders, perceive the actions and intentions of MNEs. The media framing of MNEs' activities, responses to geopolitical tensions, and interactions with both host and home countries can shape the legitimacy narratives surrounding these firms.

Overall, the media's sensemaking and sensegiving functions are mutually reinforcing across the MNEs' legitimacy dynamics. As the media makes sense of complex geopolitical issues and frames MNEs' activities, their narratives can either bolster or challenge the legitimacy of these firms. For instance, when the media in the host country frames Chinese MNEs as potential threats to national security, it can reinforce the legitimacy pressures faced by MNEs' subsidiaries operating in that country. Conversely, when the media in the home country portrays MNEs as victims of geopolitical rivalries, it can strengthen the calls for support and protection from the home government. Thus, in the context of geopolitical rivalry, media framing plays a pivotal role in shaping the legitimacy dynamics of MNEs. Through its dual functions of sensemaking and sensegiving, the media can succeed in constructing the legitimacy contestation surrounding MNEs' dispute in geopolitical tensions.

5.9 Summary

In summary, Case 2 of TikTok's legitimacy challenges in the US reveals the legitimacy dynamics among different stakeholders in the media. Case 2 helps to answer the research question of how the voices of different stakeholders (especially governments and MNEs) are framed by the media in (de)constructing the focal MNE's legitimacy. Findings show that the media can serve as a battlefield in which legitimacy contestation is interplayed among government legitimacy claims,

corporate legitimization responses, and other key stakeholders' voices. The legitimization contestation kept upgrading along with the increasing intervention by both TikTok's host and home governments, which indeed reveals the importance of the geopolitical context.

Then, a thematic analysis was conducted based on the dimensions identified from the voices analysis, and a matrix of media framing on the TikTok case was developed. It further articulates the media's role as a legitimacy evaluator for MNEs. Findings show that the politics-oriented media framing overwhelmed the business-oriented media framing in the TikTok case, which again reveals the importance of geopolitical context and how the media framed the TikTok case through such context. Moreover, by comparing the differences in media framing between the US and China media, findings show that both the US and Chinese media tends to follow the legitimization narratives from their governments. With the salience of the political agenda set by the media, it is notable that the dual legitimacy pressures faced by TikTok were indeed reflected in certain media framing.

Further, based on the findings of the voices analysis and media framing analysis, this study applied an IB-centric framework to discuss MNEs' legitimization dynamics within the media framing and in the geopolitical context. Four dynamics were highlighted in such a legitimization mechanism (i.e., the host-home government dynamic, the host government-MNE subsidiary dynamic, the home government-MNE headquarter dynamic, and MNE headquarter-subsidiary dynamic), with their interplay with the media framing and the geopolitical context.

Yet, it should be acknowledged that the TikTok case, as well as the Huawei case before, might not be sufficient enough for addressing the research problem of how Chinese MNEs can understand and respond to media-constructed legitimacy challenges when facing increasing geopolitical tensions. It is because the MNEs' voices in the media can only partially reflect the corporate communication practices when facing geopolitical tensions. Importantly, the four dynamics discussed in the TikTok case can provide a useful lens for looking at firm-level voice strategies. In the next chapter, this study will further explore MNEs' voice strategies by interviewing PR managers from both MNEs and PR agencies, linking with theories corporate including nonmarket strategies (Boddewyn, 2003; Sun et al., 2021; Doh et al., 2022).

Chapter 6

Chinese MNEs' Voice Strategies

6.1 Introduction

This chapter focuses on exploring and understanding Chinese MNEs' voice strategies. Following Case 1 and Case 2, I conducted supplementary interviews to further explore how Chinese MNEs can tackle legitimacy challenges through communication practices when facing geopolitical complexities.

As Case 2 of TikTok's legitimacy challenges in the US further answered the research question of how the voices of different stakeholders are framed by the media in constructing the legitimacy of Chinese MNEs (Q2). Findings have revealed that Chinese MNEs are facing dual legitimacy pressures from both home and host countries, as reflected in the identified media battlefield of legitimation contestation on the TikTok case. Further, Case 2 articulates the media's role of legitimacy evaluator in the TikTok case, and again reveals the significance of the geopolitical context in the media framing of corporate legitimacy. Moreover, Case 2 discusses MNEs' legitimation dynamics through an IB-centric framework, emphasizing four dynamics within the media framing (i.e., the host–home government dynamic, the host government–MNE Subsidiary dynamic, the home government–MNE headquarter dynamic, and the MNE headquarter–Subsidiary dynamic). These four dynamics provide a roadmap for further exploring Chinese MNEs' strategies for tackling legitimacy challenges when facing geopolitical complexities.

Indeed, Case 1 and Case 2 cannot sufficiently reveal the firms' communication behaviors from a managerial perspective because of using secondary media data. Therefore, I decided to interview PR managers, from both Chinese MNEs and PR agencies, who have knowledge and expertise in corporate communication and media engagement. Besides, conducting these supplementary interviews also has its advantage, that is, the function of triangulation as introduced in the methodology chapter. Briefly, interviews can not only extend the knowledge generated by the two case studies but also confirm the previous findings through data triangulation,

thereby generating a more holistic and comprehensive understanding of Chinese MNEs' voice strategies.

As a supplementary study to previous, this chapter aims to further investigate the third research question of: *How can Chinese MNEs form voice strategies to mitigate legitimacy challenges in the geopolitical context?* Specifically, I am interested to explore how firms consider the impact of geopolitical rivalry, how firms consider the corporate-media relationship, and how firms deploy internal and external resources?

Following the step-by-step approach in this thesis, an open-ended interview protocol was developed based on research questions, extant literature, as well as the findings of the previous two case studies. Through semi-structured interviews, this study aims to surface firm-level views and insights into what voice strategies can be used by MNEs and the thinking behind it. Plus, this study can get insights into how MNEs are dealing with legitimacy challenges when facing up to rising geopolitical rivalries.

As a result, I interviewed ten PR managers, half from MNEs and half from PR agencies. Through an abductive analysis approach, four strategic themes emerged from the analysis, which is “strategic alignment in the home country”, “contextual adaptation in the host country”, “global media engagement and agility”, and “organizational design and collaboration”. Based on these themes, two aggregated dimensions were identified: “external orientation and resilience” and “internal capabilities and efficiency”. These more theoretical dimensions highlight the importance of external adaptability and resilience, as well as internal alignment, capabilities, and efficiency in successfully implementing voice strategies. Finally, the findings of the supplementary interviews enable the author to put forward a framework of MNEs' voice strategies in the geopolitical context.

6.2 Data collection

6.2.1 Criteria of interviewee selection

In order to explore and investigate Chinese MNEs' voice strategy followed by the two case studies, it might be ideal to interview managers from Huawei and TikTok. However, I found it extremely difficult to get their agreement for an interview due to these firms' high sensitivity to geopolitical tensions between the US and China. Given the difficulties of accessing Huawei and TikTok, an alternative option might be to interview managers from other Chinese MNEs in the hi-tech industry, which is a frontline of the US–China Tech Cold War. Regarding MNEs' voice strategies, PR managers are more appropriate for interviews because they are taking responsibility for firms' communication practices, engaging with both internal and external stakeholders. Moreover, based on my former working experience as a PR manager in China, Chinese MNEs often recruit external PR agencies or collaborate directly with media institutions to undertake communication practices, which has also been echoed by the participants in their interviews later. Further, existing literature has shown the crucial role of PR managers in forming and complementing firms' communication strategies during crises (e.g., Claeys and Cauberghe, 2012; Claeys et al., 2016).

Thus, this study opted for in-depth interviews with experienced communication practitioners. For PR managers from MNEs, interview participants are selected from Chinese MNEs located in the hi-tech industry where there sees rising geopolitical tensions along with the unfolding US–China Tech Cold War. Only managers who have direct responsibilities for their companies' communication activities (e.g., PR, marketing, branding, etc.) are invited to take part in the interviews, according to the research focus on Chinese MNEs' voice strategies and practices. For PR managers from PR agencies, interview participants are selected from well-established PR agencies, including subsidiaries of international PR agencies and independent domestic PR agencies. Experienced and senior consultants with expertise in corporate communication, as well as having experience serving both domestic and foreign MNEs are preferred to be selected. All selected PR agencies might better have both domestic and foreign clients.

6.2.2 Background of interview participants

In total, ten in-depth interviews were undertaken with middle-senior managers, who have PR-related positions and specialized in the field of public relations, marketing, branding, analytics, or consultancy agencies. The interviews lasted on average about 60 minutes (range 42-84 min). All interviews were conducted between September and November 2022. Thus, the ten selected interview participants included both internal communication managers of Chinese MNEs' communication departments ($N = 5$) and external consultants of well-established PR agencies ($N = 5$). Participants had an average of 8.2 years of PR-relevant experience, ranging from a minimum of 3 to a maximum of 15 years of experience and represented a wide distribution of roles and industries (see *Table 6.1*).

Interviewee (IN)	Interview date	Position	Industry	PR-related experience ; years	Duration; minutes
IN1	09/09/2022	Senior Account Executive	PR agency	3	51
IN2	14/09/2022	Senior Account Manager	PR agency	4	53
IN3	18/09/2022	PR Director	Electric vehicle	15	61
IN4	25/09/2022	Branding Director	PR agency	10	64
IN5	19/10/2022	Global PR Director	Smartphone	7	63
IN6	19/10/2022	Marketing Manager	Aviation	3	62
IN7	19/10/2022	Senior Planning Manager	PR agency	9	42
IN8	29/10/2022	Integrated Strategy Communication Manager	Automotive	4	84
IN9	05/11/2022	General Manager of Branding and Marketing	PR agency	12	59
IN10	06/11/2022	Director of Overseas Retail	New retail	15	72
Total					611

Table 6.1: Background of interviews

Table 6.1 presents the background of the ten interviews. They were undertaken online and recorded using an audio recorder to aid transcription. All participants signed an informed consent form before the start of the interview, which provided a brief introduction about the interview topic, objectives and procedure. Confidentiality was guaranteed to participants—at their request—to make them feel free to discuss the perceived confidential and sensitive information. Therefore, all interview participants are noted anonymously in this study, with their names and employers' names sealed. Below, some non-confidential background information about each interview participant is provided to illustrate that their expertise and experience are relevant to this research.

Interview participant 1 (IN1) is *Senior Account Executive* in a leading Chinese PR consultancy agency, based in Beijing with global operations. She has three years of corporate communication working experience. Her clients have included, but are not limited to, some leading Chinese Internet groups such as Baidu and JD. Particularly, she has worked with some Chinese smartphone and online education companies on their overseas media communications. The target markets are mostly located in South-eastern Asia. Her job responsibilities include social media communication, integrated marketing communication, as well as organizing corporate press conferences. In the interview, IN1 provided rich information on how a PR consultancy agency collaborates with Chinese MNEs to implement overseas communication strategies and practices. In addition, IN1 gives examples to illustrate the decision-making process of how Chinese MNEs form overseas communication.

Interview participant 2 (IN2) is *Senior Account Manager* from a Chinese PR consultancy agency, based in Beijing. She has four years of corporate communication working experience and is now a team leader in the annual PR package service for some world-leading Chinese and foreign MNEs in the internet sector, such as Tencent and Microsoft on their overseas communication. In the interview, IN2 introduced her completed and ongoing projects for Chinese MNEs, giving detailed agency- and firm-level information ranging from strategy-making to implementation. Particularly, IN2 compared the communication strategies between Western and Chinese MNEs based on her knowledge and experience, which was valuable to this study.

Interview participant 3 (IN3) is *PR Director* of a Chinese state-owned electric vehicle company, based in Wuhan. She has fifteen years of corporate communication working experience, particularly in the automotive industry, and formerly served for Sweden's Volvo and China's NIO. Her current job is to lead the company's whole communication practices including PR, marketing, and branding in both domestic and foreign markets. Her company is currently entering the Norwegian market and is planning for other European markets. In the interview, IN3 gave a full picture of how her company undertook overseas communication and explained how the company dealt with various challenges to achieve an effective communication outcome. She also discussed both successful and failed communication practices from other international automotive companies based on her decade-long working experience.

Interview participant 4 (IN4) is *Branding Director* in a Chinese PR consultancy agency, based in Shanghai. He has ten years of corporate communication working experience in both a PR agency and a media company. His clients include MNEs' China subsidiaries from diverse industrial sectors such as automotive, banking, luxury retail, etc. For Chinese MNEs, he has served some joint venture MNEs (e.g., SAIC Volkswagen). His job responsibilities include designing and implementing corporate integrated marketing communication, customer community branding, and CSR campaigns. In the interviews, he also gave an agency-perspective understanding of Chinese MNEs' overseas communication strategies evidenced by his rich project experience. In particular, IN4 focused more on the function of branding in corporate communication practices than other interview participants.

Interview participant 5 (IN5) is *Global PR Director* in a leading Chinese consumer electronics manufacturer, based in Guangzhou. She has a journalism background and thereafter gathered seven years of corporate communication working experience in multiple Chinese high-tech MNEs, such as Lenovo and Huawei. Her current job is to lead global corporate communication and PR crisis management. Her company is one of the global largest smartphones manufacturers and has expanded to more than 50 countries. In the interview, IN5 gave rich information on corporate communication, media relations and crisis management, evidenced by her former and current working experiences. Her interview was focused on corporate media communication aspects like corporate spokesperson policy.

Interview participant 6 (IN6) is *Marketing Manager* in a Chinese state-owned aviation company, based in Guangzhou. She has three years of corporate communication working experience in corporate media communication and integrated marketing communication. Her company has several overseas subsidiaries located on different continents. Her current job responsibilities include planning corporate marketing and communication activities, and managing corporate social media accounts, involving teamwork with foreign subsidiaries. In the interview, IN5 shared fruitful details based on her daily routines in corporate communication practices. In particular, she talked more about how the company can use social media platforms to circulate information in different markets. She also introduced some decision-making processes based on her administrative duties in the department.

Interview participant 7 (IN7) is the *Senior Planning Manager* in the Chinese subsidiary of an internationally 4A-ranked advertising agency, which is in Guangzhou. She has nine years of corporate communication working experience in branding and media advertising strategy. Her clients are mostly Chinese MNEs, especially from the fast-moving consumer goods industry, which are entering foreign markets and preparing to go abroad. The target markets are mostly Western European countries, plus some other countries such as Saudi Arabia and Mexico. Her major job duties are to help Chinese MNEs to position the brand and build market awareness in overseas markets. In the interview, she mainly shared knowledge and practice about corporate media purchases and media content production in overseas markets. IN7 introduced how a global PR consultancy agency can collaborate with Chinese MNEs to form communication strategies.

Interview participant 8 (IN8) is *Integrated Strategy Communication Manager* in a leading Japanese MNE subsidiary in China, based in Beijing. The company is in the automotive industry and has massive international business interests around the world. IN8 has four years of corporate communication working experience including both corporate internal and external communication. Her job responsibilities are to manage external PR agencies to deliver online and offline integrated marketing communication, as well as managing corporate social media accounts in China. In the interview, she introduced how the Japanese MNE forms and implements overseas communication strategies in China. Based on that, she provided a

comparative lens to discuss Chinese MNEs' communication strategies, which added unique value to this study.

Interview participant 9 (IN9) is *General Manager of Branding and Marketing China* for a Chinese digital media firm, based in Shanghai. She has twelve years of corporate communication working experience, and currently leads the media company's sales department. The media company has several domestic and foreign MNE clients from diverse industrial sectors such as high-tech, finance and retail. In her duties, IN9 not only provides corporate media purchasing services but also manages a team for planning and implementing corporate media strategies. In the interview, she gave the media's perspective on Chinese MNEs' communication strategies, as well as comparing with how foreign MNEs did so in China. Her interview intensively focused on corporate media coverage, media communication and crisis management.

Interview participant 10 (IN10) is the *Director of Overseas Retail* in a Chinese MNE in the retail sector, based in Guangzhou. She has fifteen years of marketing and sales working experience in retailing exclusively. Currently, her department is responsible for managing the company's overseas expansion, including business development, PR and marketing. The company is a privately owned grocery retailer selling typical Made-in-China products in overseas markets including Saudi Arabia, Kuwait, and Mexico, with an annual revenue of around 30 million dollars. In the interview, IN10 introduced how her company evaluated the business environment when entering a foreign market, and then built market awareness through communication and marketing strategies. In particular, she provided plenty of examples of successful and unsuccessful corporation communication practices.

6.2.3 Conducting semi-structured interviews

The interviews were semi-structured and open-ended, focusing on managers' knowledge and insights on broad questions concerning corporate communication strategies and practices. Participants were initially accessed through my previous working network, and with a snowballing effort for seeking more appropriate managers for interviews. Interviews were conducted based on a pre-prepared

interview protocol (see *Appendix C*). The interview protocol was developed based on the research questions generated from the literature review, and insights from the two case studies of Huawei and TikTok. The interviews were response-driven (Rubin and Rubin, 2005), including some structured questions listed in the interview protocol, and some more spontaneous response-driven questions to follow up specific situation of each interview. In this way, the interviews can involve close listening and have ample space for participants to share more information (Claeys and Opgenhaffen, 2016). During the interview process, I kept listening to the participants and posed follow-up, open-ended questions based on their answers, linking them to their specialist knowledge and expertise.

Furthermore, to make sure that the interview protocol can best reflect the research objectives and motivate participants to fully express their knowledge and opinions about the research topic, a total number of ten interviews have been conducted in two stages. The first stage is a preliminary phase; four interviews were conducted covering both internal and external PR managers. Then, these four interviews were briefly coded and analyzed to reflect the coherence and consistency of the questions in the initial interview protocol, as well as listing some potential follow-up, open-ended questions which are not appropriate in the written protocol. Based on the four preliminary interviews, more insights were obtained for gauging the follow-up, open-ended questions to deal with the uncertainties in the interviews. In the second stage, six further interviews were conducted. The two stages of interview complementation helped to make sure that the research objectives were better targeted and information richness was better achieved, thereby improving the interview quality.

Indeed, the participants showed different professional expertise in their interviews. Some of them tended to focus on firms' PR practices, while others focused on marketing or branding practices. For example, IN1 and IN2 are specialized in PR—as such, then asking more spontaneous response-driven questions about corporate media communication and crisis management became the direction of travel. IN4 and IN7 are specialized in branding—here, then asking more spontaneous response-driven questions about corporate branding practices that could shape firms' image and reputation in foreign markets was most effective. Also, some more responsive, open-ended questions were asked for both double-checking background

information and for digging out more supplementary information, thereby improving the validity of interviews in the end.

6.3 Analytical process

This study aims to conduct an iterative process of cycling among the interview data, the emerging theoretical insights, the findings from the previous two case studies, and the extant literature, until “no additional embellishment of emerging themes occurred” (Gioia et al., 2010, p.7). That means the analysis process is abductive, by moving forward and backward between data and theories. As all interviews were conducted in Chinese, the initial transcripts were organized in Chinese. Data coding was in the first instance based on the Chinese transcripts, making sure that the researcher would not miss any original meaning in the interview data. Then, the relevant quotations were translated into English when presenting the analysis and illustrating the findings. Overall, the analytical process contains four main stages.

In the first stage, the data were organized for each of the ten interviews, by carefully reading and correcting the initial transcripts (e.g., checking the typos and smoothing the sentences). In this process, coding was based on the interview protocol, which means making notes in the transcript to distinguish the contents that were answering the structured questions and that were answering the unstructured ones. During this stage, the Gioia approach was used to detect the terms and language from the interview data whenever possible, or simple descriptive phrases when a code was not available (Gioia et al., 2013; York et al., 2016). Such a coding process was conducted and organized in *NVivo12*, which is a computer-assisted qualitative analysis software. The objective at this stage was to thoroughly go through the data and include any relevant information, as well as avoid any loss of data richness. In this way, an initial database could be built for storing and observing at a later stage.

In the second stage, data are examined to identify all instances in which the interview data provided evidence of any corporate communication practice and voice strategies. I began to code and analyze the data using broad categories that were generated from the previous two case studies and from the existing literature. Specifically, the Huawei case has identified LOR, media framing and geopolitical

relations as key factors for influencing MNEs' legitimacy. And, the TikTok case has identified four legitimation dynamics in the media framing that could influence MNEs' voice strategies. Besides, concepts and theories from MNEs' nonmarket strategy were taken into consideration in the coding process. In all, the above terms were used as a coding grid to reflect the initial schema for categorizing firms' voice strategies. While accumulating evidence about the above terms, concepts and theories, data that did not fit those established categories were also noted, which allowed for further coding later.

In the third stage, I continued with a more inductive data analysis effort to examine the array of MNEs' voice strategies that did not conform to the initial schema (i.e., Case 1, Case 2, and the existing literature), aiming to better capture the nature of the data (Gioia et al., 2013). As the coding process advanced, I began to organize similar codes into thematic first-order categories and then developed more conceptually oriented second-order categories, and ultimately generated the more theoretically oriented aggregated dimensions (Gioia et al., 2013; Monaghan and Tippman, 2018; Marano et al., 2020).

In generating the first-order categories, the evidence-based principle was strictly followed to note supporting quotes from the raw data and select the most representative example for writing up the findings part. In developing the second-order categories and aggregated dimensions, this study aimed to explore whether the newly emerged categories were needed to make sense of MNEs' voice strategies, to what extent they can serve to answer the research questions, and how they can be linked with concepts and theories in the existing literature. This stage allowed for cycling "between emergent data, themes, concepts, and dimensions and the relevant literature" (Gioia et al., 2013, p. 21), thereby checking whether the findings had precedents and whether new concepts can be discovered.

In the fourth stage, the perceptions of MNEs' voice strategies between MNE-level and agency-level PR managers were compared for identifying the possible similarities and differences between the two groups of interview participants, seeking more comprehensive knowledge that reflected both views of MNEs and agencies.

6.4 Analysis and findings

Following the above analytical process, this study coded the interview data to generate the first-order categories, then combined them conceptually into second-order categories, and finally grouped them into the aggregated dimensions (see *Figure 6.1*).

As a result of data analysis, this study identifies two broad dimensions of Chinese MNEs' voice strategies facing geopolitical complexities, which are "external orientation and resilience", and "internal capabilities and efficiency" (shown as the aggregated theoretical dimensions in *Figure 6.1*). Specifically, the first dimension of "external orientation and resilience" emphasizes the ability of Chinese MNEs to navigate and adapt to external legitimacy challenges, which includes "strategic alignment in the home country" and "contextual adaptation in the host country" (shown as the second-order themes in *Figure 6.1*). External orientation and resilience address firms' ability to deal with legitimacy challenges from geopolitical complexities and effectively communicate their messages in diverse global contexts. The second dimension of "internal capabilities and efficiency" highlights the internal attributes and capabilities of Chinese MNEs in their voice strategies, which include "global media engagement and agility" and "organizational design and collaboration" (shown as the second-order themes in *Figure 6.1*). The internal capabilities and efficiency stresses firms' ability to have robust internal structures, effective communication processes, and cross-functional collaboration to drive efficiency and optimize communication effectiveness.

Next, this study will provide an in-depth and detailed analysis based on the four second-order categories and unpack them through the analysis of the first-order categories. Representative quotes and analysis for the first-order categories are presented in the texts of the following sections. Finally, an additional analysis is followed, comparing the similarities and differences between MNE-level and agency-level PR managers' perceptions of the identified voice strategies.

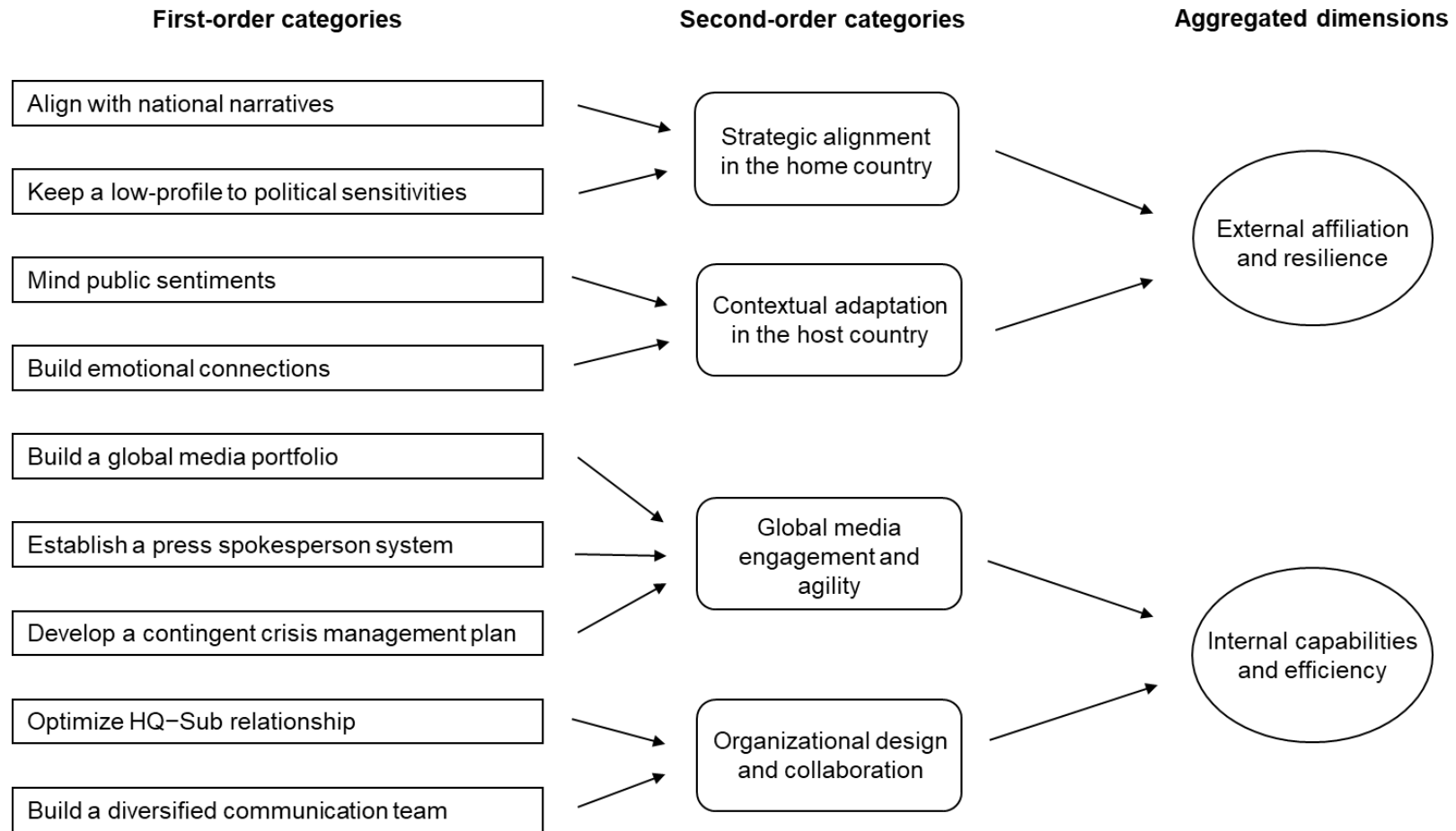


Figure 6.1: Data structure of supplementary interviews

6.4.1 Strategic alignment in the home country

The first conceptual theme identified from the interview data is “strategic alignment in the home country”. Interview participants (PR managers) admitted that the image, reputation and legitimacy of Chinese MNEs have been more influenced by that of their COO. Thus, it is important for firms to collaborate with the home country government to achieve mutual benefits. Meanwhile, Chinese MNEs can keep a low profile when there are more geopolitical sensitivities. This theme captures the overarching strategy employed by Chinese MNEs in their media communication to address legitimacy challenges in overseas markets amid rising geopolitical complexities. It highlights the need for firms to align their communication efforts with the interests of the home government, considering the dynamics of their relationship with the home government and the impact of rising geopolitical complexities.

6.4.1.1 Align with national narratives

Chinese MNEs are facing various nonmarket challenges in overseas marketplaces, especially in developed countries. Managers have frequently mentioned the stereotypical image of firms’ COO (i.e., China) has brought a negative impact on Chinese firms and brands. For example, one interviewee said that the media in the overseas market does care about questions such as *“Who are you and where are you”* (IN5). Moreover, another manager argued that:

“As related to national image, it is indeed not the issue that a firm or brand can deal with by itself ... [Country’s and firms’] fates are tied closely, they are on the same boat that they need to find resolutions together and with patience”. (IN4)

Thus, Chinese MNEs need to collaborate with the home country government to build both a positive national and corporate image. Further, this manager spoke highly of the importance of achieving such mutual benefits:

“National image can empower corporate image when it reaches a highly positive level, in turn, the corporate image can also empower the national image”. (IN4)

Thus, it can be argued that Chinese MNEs need to set a strategic objective of outputting positive accumulation on the national image and will benefit from it. With a consensus on calling for Chinese MNEs' joint effort with their home country government, interviewees have put forth several specific measures. One frequently mentioned strategy during the interviews is to "tell the Chinese story". One manager stated:

"We are sure to have certain political responsibility like telling Chinese story, and it is a common obligation for Chinese SOEs with overseas operation".

(IN6)

However, telling a Chinese story would be not as easy as telling a story in a Chinese way because *"your story can make sense in China but fail to do so in a foreign country"* (IN4). Managers suggested that Chinese MNEs need to obtain trust from the overseas market by making their corporate stories perceived by local stakeholders. For example, one manager gave an example of a Chinese tech firm telling their story by using the narrative of a garage start-up business. Such a narrative can *"convey message to foreigners in a way they can get the points, thereby having an effective communication and bringing trustiness"* (IN5). Also, Chinese MNEs can leverage the resource from *"national-level communication projects such as the Beijing Winter Olympic Games in 2022"* (IN4).

Therefore, managers have indicated that telling the Chinese story can have a long-term impact for Chinese MNEs to build a favorable image in the overseas market. As one manager emphasized:

"From a long-term perspective, building a positive and healthy brand culture and asset is quite important, which provides a support for you to weather the storm when facing crisis". (IN4)

Overall, Chinese MNEs need to recognize the importance of aligning their communication efforts with national narratives, and actively participating in joint efforts with the home country government to shape and promote a positive image of China. Indeed, the Chinese government has been actively promoting its international communication policy since 2020, aiming to build a stronger discursive power in a

global landscape (Xinhua, 2021). By aligning with national narratives, Chinese MNEs can enhance their legitimacy and counter potential negative perceptions.

6.4.1.2 keep a low-profile to political sensitivities

Interview participants also mentioned that Chinese MNEs need to keep a low-profile in some circumstances to hide from geopolitical tension. One circumstance for such practice is related to severe political or geopolitical issues. For example, one manager introduced that her company's smart technology in the advanced new energy area is involved in the national competition between China and Western countries, known as the Tech Cold War. She said:

"Indeed, we need to keep a bit low-profile in international communication, not mainly for our state ownership, but for our military background, which might generate sentiment in some countries". (IN3)

Similarly, another manager suggested that Chinese MNEs can hide themselves in the political environment, arguing that:

"It is not easy for you to clarify and save your position from the negative public sentiment in the foreign market". (IN4)

The second rationale for Chinese MNEs to keep a low-profile is that firms need to make a trade-off between the sentiments from home and host countries, which can be contradictory to each other. As discussed, Chinese MNEs to some extent might have duties to follow the mandates of the home government's international communication policies. However, one interviewee noticed that due to the escalation of the Tech Cold War, China has sometimes shown an aggressive stance and issued confrontational statements on political or geopolitical issues, known as *Wolf Warrior Diplomacy*. In this circumstance, keeping a low-profile can help the company hide behind the spotlight and have less attention from the public. She then concluded:

"No response is the best response because the company cannot challenge the bottom line of the home government," ... "if you speak something wrong [being against home government's stance], you will be suppressed at home;

[if being against with host government's stance], then you might be suppressed at host country". (IN1)

Another manager provides an authentic experience to show a Chinese MNE's cautious consideration under the heated global geopolitical tension — the war in Ukraine. Her company used to be often asked by the media the question about whether they would leave Russia or not, in response to Russia's invasion in the eyes of the West. She said:

"Now we are not willing to answer such questions regarding political stance. We have quit our operation from the Russian market, not for something of a political stance, but for Russia's weak market environment. As a commercial entity, what political stance can we have? We do not have it; we are only a commercial entity and only care about the business itself. However, the grand [geopolitical] environment makes us unable to speak business only. A new round of sanctions announced by the US makes the issue more sensitive, either in China or foreign markets. Thus, we give a 'no comments' response to the media". (IN5)

This is a typical story that many Chinese tech firms might experience under geopolitical tensions. The dilemma for the company here is that quitting the Russian market has a strong implication of showing the company's political stance, although it is not the real reason for quitting, the company might fail to clearly answer it and explicitly explain it. If giving a "YES" answer, the media is likely to frame that the company has responded to or followed the US sanctions to quit Russia (given the "*Russia's invasion in Ukraine*" narrative in Western countries). As a result, the company could suffer a backlash and raise public critiques at home because China always shows a neutral stance on Ukraine war (yet is involved in the eyes of the West). In contrast, a "NO" answer would generate a "political incorrectness" image with negative public sentiment for the company in Western countries, their important overseas market. This example indeed shows that Chinese MNEs might face dual legitimacy pressures when geopolitical tensions are high.

Overall, interview participants suggested that "keep a low-profile to political sensitivities" might be a useful way to be involved in the geopolitical turmoil. By

keeping a low-profile in geopolitical tensions, Chinese MNEs can navigate sensitive issues and potential controversies that may arise from geopolitical complexities.

6.4.2 Contextual adaptation in the host country

The second conceptual theme identified from the interview data is “contextual adaptation in the host country”. This theme highlights the voice strategies employed by Chinese MNEs in response to the host country environment, especially focusing on considering public sentiments and building emotional connections to overcome legitimacy challenges. Managers have frequently mentioned that Chinese MNEs lack effective communication in foreign markets where culture and value distances exist. By actively minding public sentiments, they can better tailor their voice strategies. Additionally, by building emotional connections through influencers and key opinion leaders (KOL), they can strengthen legitimacy and establish trust in the host country.

6.4.2.1 Mind public sentiments

Managers have a consensus that adaptation is important for Chinese MNEs in host countries where there are significant value and cultural differences. Interviewees have provided several examples to illustrate that it is not easy for Chinese MNEs to eliminate certain values and cultural distance. For example, one manager said:

“LGBT is quite supported in foreign countries, but not in China. For example, there are many firms taking part in the ‘Pride’ event, [Chinese MNEs] should be better not to join”. (IN1)

This manager suggested that it could be a dilemma for Chinese MNEs to adapt to foreign countries’ values, while at the same time, obeying their home country’s values and regulations. Realizing that the values and culture distance matter, another manager said:

“Understanding social values is quite important as your communication needs to penetrate consumers’ minds, otherwise, it would be easy to face problems”. (IN9)

Other managers emphasized that firms need to pay more attention to public sentiments when there is a higher level of animosity between home and host countries. One manager, who works in a Japanese MNE's Chinese subsidiary said:

“Before we start [any marketing campaign], we always pay attention to the sensitive dates”. (IN8)

For a Japanese company, it is indeed important to remember some dates when doing business in China, regarding the historical animosity, especially during the Second World War. She mentioned that sensitive dates such as 7th July (the starting date of Japan's general invasion of China) and 13th December (the date of the Nanjing Massacre in 1937) easily raise public sentiment; thus, her company would avoid conducting any public marketing campaign, and keep extremely cautious on posting social media contents on these dates. She suggested that Chinese MNEs also need to have a memo to note down the sensitive dates in the host markets:

“[Chinese MNEs should] respect the local culture and local people's ethics and historical complex, avoiding stimulate the public sentiment on the culture, value and history issues”. (IN8)

In addition to minding the public sentiment in the host country, Chinese MNEs can also find certain safe areas to speak out. Topics about CSR and more fashionable Environmental, Social, and Governance (ESG) can be targeted by Chinese MNEs. For example, managers mentioned:

“ESG communication is now mainstream for Chinese MNEs, because it is safe and for public welfare, it cannot be incorrect”. (IN9)

“Many Chinese firms are considering conducting ESG-related communication, as it is relatively simple and plain, not easy to offend the social taboo”. (IN5)

Overall, “mind public sentiments” emphasizes the need for Chinese MNEs to understand and respect the cultural nuances, norms, and values of the host country and local audience. By doing so, they can tailor their communication approaches to align with local expectations, avoid potential missteps, and foster greater acceptance and legitimacy.

6.4.2.2 Build emotional connections

In addition to minding public sentiment, managers suggested that Chinese MNEs need to build more emotional connections in the overseas markets. One manager explained:

“The fundamental core of communication is people”, one interviewee stressed, “the most important thing is to grasp the change of people”. (IN4)

He added the reason Chinese MNEs are lacking branding communication in the foreign market:

“Chinese brands are still in the lower and middle position of the global value chain that has limited PR budget for a low-profit margin. In this situation, communication often focuses on one spot such as new product releases. Thus, Chinese MNEs rarely can build a comprehensive brand image or brand culture, not even to mention the more advanced lifestyle branding”. (IN4)

Therefore, it becomes more crucial for Chinese MNEs to communicate with the host market more effectively even with their limited resources and budgets. Further, managers tend to have an agreement on leveraging the power of influencers, or KOLs to make a voice in the host market. For example, one manager said:

“What resource should a company pay attention to in doing corporate communication? From a PR perspective, I believe that KOLs must be very important. Without KOLs, you might spend much more effort [in corporate communication], which can be achieved by a sentence from a KOL”. (IN2)

It is argued that firms are outsiders in a foreign market and, thus, their messages will not be treated as being in the local people's position. Thus, finding a native KOL to speak for the company will be more persuasive to local people—more credible and dependable. As another manager said:

“How to make a brand dive into the local culture more quickly, it would be better to find KOLs from social media to represent the brand because such KOLs are good generate popular content, in this way, they can become a bridge to connect the brand and local people”. (IN4)

As KOLs are key for Chinese MNEs to build emotional connections with local stakeholders, choosing an appropriate KOL becomes a necessary capability for companies. One manager suggested:

“[Chinese MNEs] should have both offense and defense considerations, the offense aspect means KOLs’ credibility and popularity, while the defense aspect means KOLs’ safety”. (IN9)

Further, she introduced that more foreign MNEs in China became much more cautious over selecting KOLs as film celebrities like entertainment stars were often involved in the government’s anti-corruption movement; thus, they then preferred to have KOLs like artists and athletes who are not involved in any political turmoil.

Overall, “build emotional connections” highlights the importance of leveraging influencers and KOLs to engage with communication in the host market. By engaging with influencers and KOLs who have established credibility and a strong presence in the host country, Chinese MNEs can build emotional connections, gain trust, and enhance their legitimacy.

6.4.3 Global media engagement and agility

The third conceptual theme identified from the interview data is “global media engagement and agility”. Interview participants emphasized that media communication is important for Chinese MNEs, both for building a favorable corporate image and for weathering the storm when things go wrong. This theme emphasizes that Chinese MNEs need to be adaptable and responsive in their media strategies. It encompasses building a global media portfolio, establishing a press spokesperson system, and developing a contingent crisis communication plan. By being agile in their approach, firms can effectively navigate the evolving media landscape and leverage various channels to communicate their messages, engage with the media, and manage potential crises. Such voice strategies enable Chinese MNEs to build a positive media presence, manage reputation risks, and maintain legitimacy in the global market.

6.4.3.1 Build a global media portfolio

Managers have a consensus that, for MNEs' PR and communication strategy, media resource is one of the most important resources because firms need a channel from where they can make a voice in the foreign market. However, the question is what type of media resources should be targeted to achieve an effective communication outcome. One manager mentioned that Chinese MNEs need to first understand *"local people's habit of using media"* (IN2). At home, the Chinese government sets up the *Great Fire Wall*, prohibiting domestic people from accessing overseas media channels. Hence, there is a natural obstacle for Chinese MNEs to undertake overseas media communication due to familiarity. Another manager explained:

"In China, firms always use social media such as Weibo, Douyin and Bilibili, but young people in the UK prefer to use Instagram or Snapchat. The problem is the content you create for Weibo may not resonate on Instagram. And further, you do not understand the recommendation algorithm of foreign social media, which makes your content less likely to reach most of the users". (IN1)

Thus, Chinese MNEs must engage with more social media in the host country to cover their targeted audience. For example, one manager said:

"Our headquarter will operate the official corporate social media accounts like YouTube, Twitter and Instagram, and subsidiaries will manage their accounts in a specific country with its language to accumulate local followers". (IN5)

Apart from social media, managers mentioned that traditional media cannot be ignored even though social media is thought to be more popular for marketing and branding activities. For example, one manager mentioned:

"[Foreign market] might pay more attention to traditional media than Chinese market, for example, they are often doing communication through newspapers, magazines and TV". (IN2)

Managers added that it is because traditional media has some more credibility than social media. One manager explained:

“While monitoring the corporate news online, we do not really care about some negative contents from social media. But there was once a report from Reuters, it raised many journalists calling our company for inquiry”. (IN5)

Besides, the demographic reason (e.g., the aging population) in many Western countries makes traditional media like newspapers still a vital resource that Chinese MNEs cannot give up. Overall, “build a global media portfolio” highlights that Chinese MNEs need to leverage both traditional media and social media platforms to reach diverse audiences, thereby making their voice heard by a broader audience.

6.4.3.2 Establish a press spokesperson system

While building a media portfolio helps firms to have voice channels, it is more important to understand how firms can make voices through these channels and what kind of content they can send to the market. Interviewees emphasized that Chinese MNEs need a well-designed press spokesperson system to tackle legitimacy concerns and weather the storm during crises. One manager said:

“When you face a real crisis and you cannot defend your guilt, then you need to choose a spokesperson to apologize and ease the public sentiment”. (IN1)

Moreover, a mature spokesperson system is important in corporate daily routines, as appropriate voice-making can avoid some troubles in the first place. For example, one manager provided detailed examples showing how important a well-trained spokesperson is based on her experiences:

“During the Hongkong protest (in 2019), the media asked what the company’s attitude is if staff are going to participate in the protest, and our British colleague (in the company’s Hongkong subsidiary) answered that we support our staff’s freedom of political position. Then I argued with her that the media did not ask if you support freedom or not, they are asking what you are doing if staff have such situations, so you only need to answer that we don’t have such cases”. (IN5)

Here, IN5 is a well-trained PR Director and knows how to answer sensitive questions from the media, distancing her company from the political turmoil. However, as in this

example, the subsidiary manager seemed to put the company into a political dilemma to satisfy both the host and home countries' political pressure. Later, she endeavored to establish a multi-level spokesperson system in her company, along with an authorization policy:

“We have a multi-level spokesperson system, including S-level, A-level, and B-level. The S-level refers to the top managers (i.e., CEO, COO, CFO, etc.), and the A-level refers to SVP and VP of corporate major business line, as well as regional president (e.g., the Western Europe region). They can only speak on behalf of the company when being authorized by the HQ”. (IN5)

She further explains that the authorization policy varies based on specific situations:

“Some authorizations are long-term based which means the spokesperson can constantly speak on behalf of the company, while other authorizations are case based or single-authorized which means you can only receive the media interview for one specific case. Having this authorization policy, you also need to provide training for spokespersons. Particularly, before the media interview, we, the PR team, would give them training, telling them what kind of questions will be asked, what are the taboos they should notice, and some interview techniques, for example, how to tackle some troublesome questions”. (IN5)

Other managers echoed that sizeable Chinese MNEs might develop a spokesperson system in both domestic and foreign markets. But how such a system can work depends on challenges in host countries where the media environment is quite different from that in China.

Overall, “establish a press spokesperson system” emphasizes the importance for Chinese MNEs to designate spokespersons who possess the required expertise, communication skills, and media relations capabilities. Firms need to invest in training programs to ensure consistent and credible communication with the media, building trust and managing legitimacy globally.

6.4.3.3 Develop a contingent crisis communication plan

Apart from establishing a spokesperson system, MNEs need to build a contingent PR crisis management plan to tackle different types of corporate crises, especially those related to legitimacy challenges. In interviews, managers tended to distinguish the crises that Chinese MNEs might face in host countries in terms of two categories: with actual corporate wrongdoings and with perceived corporate wrongdoings. On the one hand, for crises triggered by actual corporate wrongdoings such as product quality problems or violating local laws, one managers said:

“[Firms should] immediately apologize with a sincere attitude and then make the compensations, the attitude is the most important thing”. (IN9)

On the other hand, MNEs might encounter some critiques and accusations because of issues over geopolitical tensions and home country stereotype images, their attitude in response might matter as well. One manager pointed out:

“We do need to clarify our responsibility and irresponsibility, correct and improve what we are responsible for, but for what is not in our control, we also need to have a good attitude to respond”. (IN2)

Another manager emphasized the important role of firms' leaders in crisis communication:

“First, we must not dodge the question, we must have a clear attitude [to the media], and you must have your top executive standing out to speak to the market with a clear attitude, if you feel you are wrong, then sincerely apologize”. (IN4)

Managers suggested that Chinese MNEs need to cultivate such characteristics, openness and integrity are the most important things in crisis PR management. Overall, “develop a contingent crisis communication planning” addresses the importance of preparedness for potential crises, either triggered by corporate wrongdoing or not. Chinese MNEs should develop comprehensive crisis communication plans that anticipate various scenarios, ensuring prompt and effective responses to defend legitimacy, mitigate negative impacts, and rebuild trust.

6.4.4 Organizational design and collaboration

The fourth conceptual theme identified from the interview data is “organizational design and collaboration”. This theme highlights the voice strategies of Chinese MNEs by focusing on the internal structure and organizational design aspects. It encompasses two key patterns: “optimize headquarter–subsidiary (HQ-Sub) relationship” and “build a diversified communication team”. Interview participants have paid high attention to the strategic organizational design to effectively undertake corporate international communication activities. By optimizing the HQ-Sub relationship, MNEs can align strategies and enhance communication in different locations. Additionally, by building a diversified communication team, they can leverage local insights, tap into local talent, and foster cross-department collaboration. These strategies contribute to the overall goal of maximizing the effectiveness of media communication efforts in the global market.

6.4.4.1 Optimize HQ–Sub relationship

Managers have mentioned various challenges in Chinese MNEs’ overseas communication due to unsophisticated and unmaturing relationships between HQ and Sub. One of these challenges is the separation and isolation of communication practices between the HQ and Sub. One manager took *Lenovo* (China’s leading laptop manufacturer) as an example of failing to establish its brand awareness after acquiring IBM’s PC product line:

“[Lenovo] has both a foreign and domestic communication system, which are separated and isolated in communication, because they do not tell a story of ‘Who is Lenovo’ on top of that”. (IN5)

Aiming for optimizing the HQ–Sub relationship, most managers suggested that HQ needs to take charge of the “top-level design” (IN4) and set the “great common divisor” (IN5) for firms’ international communication, and then give sufficient flexibility in execution in overseas markets. Specifically, an optimized top-level design might be that HQ should make the core message, such as a standardized brand symbol system and key slogan, then branches in different countries can decide how to make their voices based on local characteristics. Therefore, HQ needs to adopt an open mindset. One manager took Microsoft as an example and said:

“I think Microsoft has an advantage of openness, which means it permits subsidiaries to conduct local communication with insights on domestic consumers’ psychology. Such openness is based on a well-designed and balanced system”. (IN2)

In comparison, she said one of her Chinese clients did not have a systematic design at the HQ level:

“Different teams conducted [overseas] communication individually and separately, without an umbrella on the top level that resulted in a chaotic situation”. (IN2)

However, some other managers mentioned that HQ might face an information asymmetry problem, as one manager said:

“In our company, many things [about overseas communication] need to have HQ’s approval but they could not understand the foreign communication environment”. (IN8)

Another manager added that as HQ cannot give up its control, a flattening approval procedure can be important because:

“Without flattening procedure, there would be an alienation between HQ’s initial communication expectation and subsidiaries’ real execution in the end”. (IN9)

Therefore, managers suggested that it is important for Chinese MNEs to change the traditional top-down and centralized way of undertaking international communication, making a more flexible decision-making procedure for Subs to execute a more localized communication practice. Overall, “optimizing HQ-Sub relationship” emphasizes the importance of collaboration and effective communication between firms’ HQ and Sub, which is crucial for Chinese MNEs’ to send consistent messages and leverage local insights. In this way, Chinese MNEs can enhance their media communication effectiveness, ensuring efficient work assignments in forming voice strategies in the overseas market.

6.4.4.2 Build a diversified communication team

Apart from optimizing the HQ–Sub relationship, managers have highlighted that Chinese MNEs need to build a diversified international communication team to deal with the increasingly complex IB environment. First, it is crucial for Chinese MNEs to recruit local talents in their overseas subsidiaries, who are more familiar with the culture, values and sentiments of the host market. One interviewee said:

“It is necessary [to employ local talents] because only local colleagues could get the points of local values. It is indeed difficult to rely only Chinese employees on building an overseas brand”. (IN9)

Interviewees also took foreign MNEs operating in China as examples to indicate the importance of recruiting local talents to conduct corporate communication. One interviewee mentioned:

“Foreign MNEs always recruit local employees in China although with a foreign leader in the subsidiary, while it is not often the case for Chinese MNEs in the foreign markets”. (IN2)

Another interviewee working in a Chinese subsidiary of a Japanese MNE said:

“We are recruiting local employees in China, such a strategy has been gradually enhanced since past four years, that is, use local talents”. (IN8)

Second, managers suggested that it would be better to have a head from HQ to lead subsidiaries' communication practices, for *“ensure the consistency of the firm's core strategy” (IN1)*. While realizing the importance and urgency of building a localized team, interviewees warned of some barriers for Chinese MNEs to achieve it. For example, one manager pointed out:

“There is a problem that Chinese MNEs are not quite attractive to local talents ... that unless very interested in Chinese culture, people are not willing to work in Chinese companies”. (IN2)

Therefore, managers suggested that in addition to recruiting local talents, Chinese MNEs can collaborate with local agencies as well. As another manager said:

“As long as you are doing overseas business, you should find PR agencies with an international background”. (IN2)

Other managers also echoed this point by saying:

“As a 4A agency, we are rooted in different markets, thus, have a huge dataset to support our client’s decision about overseas communication. That is why going-global firms prefer to work with us”. (IN7)

“We are using a simple method that is to work with local agencies”. (IN10)

IN10 added that the local agency helped her company to quickly expand in the Saudi market by leveraging resources including local communication and advertisement.

Besides, building a diversified international communication team requires firms to break the departmental barriers. Interviewees suggested that Chinese MNEs’ overseas communication needs collaboration among different departments such as PR, government relations (GR) and legal departments. One manager said:

“We [PR managers] often work with legal departments when facing case-by-case problems. So do firms like Huawei, for example, the Meng Wanzhou case needed collaboration among PR, GR and strategy department”. (IN5)

By breaking down the departmental barriers, firms can integrate PR into a long-term and systematic corporate development path, as another manager emphasized:

“Don’t treat PR communication as a method to fix the problem, but as a business sector from the corporate start-up stage, just like the financial department”. (IN1)

Overall, “build a diversified communication team” emphasizes the importance of organizing a diverse and skilled communication team. Chinese MNEs need to recognize the value of recruiting local talents who possess cultural understanding, language proficiency, and knowledge of the local media landscape. They also need to collaborate with local PR agencies to leverage their expertise and networks. Furthermore, cross-department collaboration should be encouraged for building a diversified communication team to deal with more complicated legitimacy challenges.

6.4.5 Comparison of views between MNE and agency PR managers

In this study, there are two different groups of interview participants: MNE-level PR managers (IN3, 5, 6, 8, 10) and agency-level PR managers (IN1, 2, 4, 7, 9).

Accordingly, this study attempted to compare the contents discussed by the two groups, to see whether there were differences and then what these might mean for Chinese MNEs. The comparison is based on the first-order categories that have been identified and analyzed before.

Findings show that MNE-level PR managers discussed more about the voice strategies linked with firm-specific categories including “optimize HQ–Sub relationship”, “build a diversified communication team” and “establish a press spokesperson system”. In these aspects, MNE-level PR managers provided more detailed information and knowledge about organization structure, communication team building, and decision making for relevant strategies. Interestingly, most of them mentioned that they have worked with PR agencies to conduct the strategies. For example, when running a news conference, they usually make the agency contact journalists to attend. In addition, they would prefer to hire PR agencies who have served the MNEs in the same or a similar industrial sector.

In comparison, agency-level PR managers discussed more about the voice strategies linked with firms’ relationships with external stakeholders such as governments and the media. Findings show that agency-level PR managers offered richer information on categories including “align with national narratives”, “build emotional connections”, and “develop a contingent crisis management plan”. As consultants, agency-level PR managers help firms to understand the uniqueness of the specific overseas market and to embrace systematic thinking about decision-making for voice strategies. In particular, it has often been mentioned in interviews that PR agencies can support MNEs to obtain media resources as soon as possible when firms are entering the host country at an early stage. Therefore, it would be helpful for Chinese MNEs to outsource PR functions to experienced agencies, as interview participants often mentioned that sizable MNEs are always recruiting PR agencies to support their voice strategies, on both the decision and execution sides.

Regarding other categories including “keep a low-profile to political sensitivities”, “mind public sentiments” and “build a global media portfolio”. The findings show that MNE-level and agency-level PR managers both provided rich discussion on these topics. Still, it can be easily found that firm-level managers would give more information on decision-making information while agency-level managers would provide more information on strategy execution, which does make sense based on the nature and boundaries of their work and duties.

As the objective of the interviews in this study is to explore Chinese MNEs’ voice strategies in the geopolitical context, the different views from the two groups of PR managers indeed contribute to portraying a more holistic and comprehensive understanding of such strategies. It is important to notice that MNE-level and agency-level PR managers play complementary roles in the process of forming MNEs’ voice strategies. While MNE-level managers may have a deep understanding of the organization’s values, goals, and internal dynamics, agency-level managers can bring external perspectives, industry expertise, and specialized skills. Their collaboration allows for a comprehensive approach to crafting effective voice strategies. Furthermore, geopolitical complexities pose unique challenges for Chinese MNEs’ voice strategies that require a multifaceted approach that combines both MNE-level and agency-level perspectives. Therefore, there is an important implication that Chinese MNEs might benefit from hiring suitable PR agencies in the host countries by considering their resources on finance, talents, location and so on.

6.5 Summary

In summary, findings of supplementary interviews with PR managers from MNEs and agencies have provided rich, invaluable insights into the voice strategies for Chinese MNEs, when they are facing increasing geopolitical complexities and legitimacy challenges in overseas markets.

Four strategic themes emerged from the analysis. The first is “strategic alignment in the home country”, indicating that Chinese MNEs should recognize the importance of aligning their communication efforts with national narratives and effectively managing their relationship with the home country government. This involves telling the China

story in joint efforts with the government and keeping a low-profile to lower political sensitivities. The second is “contextual adaptation in the host country”, indicating that Chinese MNEs should understand the significance of contextual adaptation to host country conditions. This includes minding public sentiments influenced by cultural and value distance, as well as building emotional connections through influencers and KOLs. The third is “global media engagement and agility”, indicating that Chinese MNEs should focus on building a global media portfolio, establishing a press spokesperson system, and developing crisis communication plans. These strategies enable them to engage with media effectively, adapt to changing media dynamics, and navigate potential legitimacy crises with agility. The fourth is “organizational design and collaboration”, indicating that Chinese MNEs should optimize HQ–Sub relationships, build diversified communication teams, and foster cross-department collaboration. These internal factors contribute to the overall effectiveness of their voice strategies and enhance communication effectiveness. Based on these themes, two aggregated dimensions of Chinese MNEs’ voice strategies were identified: “external affiliation and resilience” and “internal capabilities and efficiency”. These more theoretical dimensions highlight the importance of external adaptability and resilience, as well as internal alignment, capabilities, and efficiency in successfully implementing voice strategies.

Chapter 7

General Discussion and Conclusion

This chapter makes a general discussion following the three empirical studies, aimed at generally answering the research questions in a comprehensive way. The chapter contains five parts. First, it summarizes the three empirical studies with a framework of MNEs' voice strategies in the context of geopolitical rivalry. Second, the theoretical contributions of this thesis are discussed, echoing the three research gaps identified from the literature review (i.e., MNEs' legitimacy challenges in the geopolitical context; media framing of MNEs' legitimacy; and MNEs' voice strategies). Third, this chapter discusses how this research generalizes through the context rather than the population by emphasizing the role of contextualization. Fourth, managerial implications are discussed for MNEs to use voice strategies to deal with the geopolitical complexities in the global market. Fifth, policy implications are discussed by emphasizing the impact of geopolitical rivalry and national soft power competition on MNEs. Finally, the limitations of this research are discussed and directions for future research are suggested accordingly.

7.1 A framework of MNEs' voice strategies in the geopolitical context

Based on the empirical findings in *Chapter 4, 5, and 6*, a conceptual framework of MNEs' voice strategies in the geopolitical context can be developed (see *Figure 7.1*). This framework is developed by uniting all the empirical and theoretical findings of the two case studies and supplementary interviews. As shown in the figure, the framework contains two parts which are named geopolitical rivalry and MNEs' voice strategies. This framework helps to address the core research problem in this thesis:

How can Chinese MNEs interpret and respond to media-constructed legitimacy challenges when facing intensive geopolitical tensions?

The dashed box of "geopolitical rivalry" demonstrates the dual legitimacy pressures on MNEs when there are geopolitical rivalries between their host and home

countries. Such legitimacy pressures are framed by the media and then transmitted to MNEs (shown as the black arrows in *Figure 7.1*). Regarding the geopolitical context, Case 1 and Case 2 contribute to crystallizing the legitimation dynamics of MNEs in the media framing. Case 1 examined Huawei's legitimacy challenges in the UK, revealing the cause (i.e., LOR), context (i.e., geopolitical rivalry), and process (i.e., media framing) in the mechanism of how the media could de-legitimize Chinese MNEs in the host country. Case 2 examined TikTok's legitimacy challenges in the US, by extending the research focus to the media from both firms' host and home countries, revealing that the media can serve as a battlefield in which legitimation contestations happen on both government-level and media level. Further, four legitimation dynamics in the media have been discussed in Case 2, which paves the way for exploring MNEs' voice strategies through supplementary interviews.

It should be noticed that there are two pairs of legitimation contestations in the geopolitical context. The first pair is the legitimation contestation between MNEs' home and host countries, which reflects the national power competition during geopolitical rivalry. The second pair is the legitimation contestation between MNEs' home media and host media. Even though the media might hold their own political and ideological stance, they are highly engaged with the government narratives. Case 1 showed that the five British media with different political stances all tended to portray Huawei as an untrustworthy company in the UK market. Case 2 showed that the both the US and Chinese media tended to follow the rhetoric from their governments, especially for the Chinese media as they are highly controlled by the government and the ruling party.

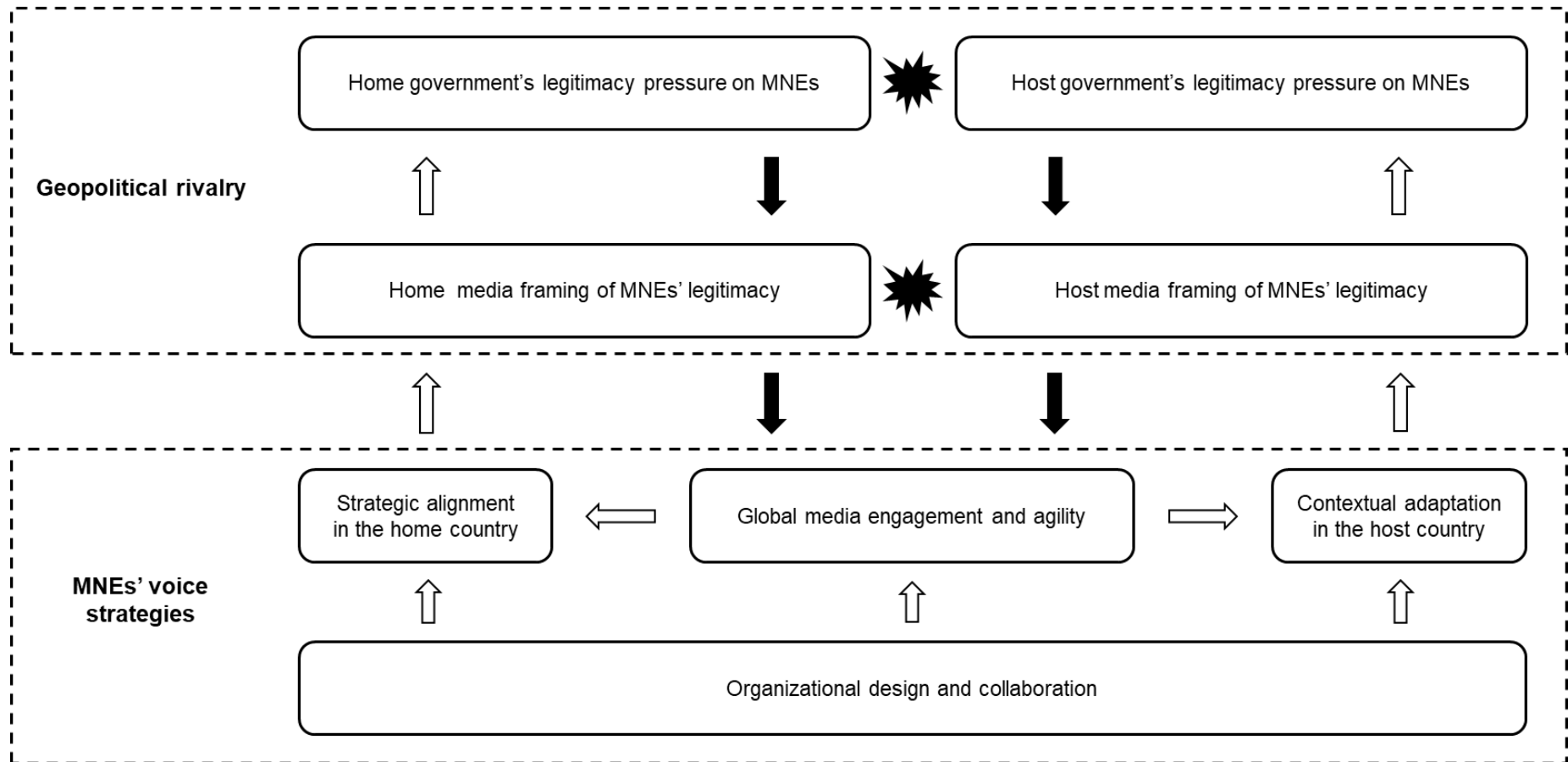


Figure 7.1: A framework of MNEs' voice strategies in the geopolitical context

The media, as the fourth estate, are argued to seek control of the narrative of MNE contests for both economic and institutional reasons (Graf-Vlachy et al., 2020; Roulet and Clemente, 2018). First, the media are economically incentivized to attract public attention by narrativizing corporate contests for generating public interest (Hersel, 2022). Second, the media can play an institutional watchdog role by providing the public with fact-checked and valid information, thus, the media could perform as an agent for institutional change (Hanitzsch, 2011; Hanitzsch and Vos, 2017). Third, the media can amplify and highlight MNEs' context with social norms and values, thereby intensifying the delegitimizing effect on firms (Deephouse, 2000; Desai, 2014). Recognizing the role of the media during MNEs' contests, this conceptual framework explains how MNEs might suffer media-related legitimacy challenges when facing up to rising geopolitical tensions in current IB settings.

In particular, the media has become a crucial vehicle for conveying the voices of governments. At the same time, the media could use media framing to reshape and reinforce such voices in particular ways. On the one hand, the media provides a platform that governments can use to make legitimization claims and MNEs can make legitimization responses. Such efforts also reflect the competition between governments and MNEs for pursuing discursive power, thereby shaping the perception of the public through the media. On the other hand, the media can actively make sense of and give sense to the legitimization contestation of MNEs, through agenda-setting and media framing. Indeed, established and influential media embraces more power to shape the views of the public on MNEs' legitimacy. Therefore, MNEs need to develop their capabilities of developing voice strategies, by understanding the legitimization dynamics in the media (i.e., the host–home government dynamic, the host government–MNE subsidiary dynamic, the home government–MNE headquarter dynamic, MNE headquarter–subsidiary dynamic).

The dashed box of “MNEs' voice strategies” indicates the firm-level communication practices to push back to those legitimacy challenges by the media (shown as the white arrows in *Figure 7.1*). MNEs' voice strategies might distinguish regarding the media environment in host and home countries. As MNEs' legitimacy challenges might initially emerge from the host government (e.g., via political accusations,

economic coercions, and other sanctions) in the geopolitical context (Meyer et al., 2023), MNEs need to develop the ability of contextual adaptation in the host country. Through sending messages via the media, MNEs could respond to the legitimation concerns of the host government as well as easing public sentiments. Meanwhile, MNEs might leverage the power of their home government to defend legitimacy. Therefore, MNEs' voice strategies need to make a trade-off between strategic alignment in the home country and contextual adaptation in the host country, thereby reconciling the dual legitimacy pressures from both sides. At the organizational level, MNEs need to boost their global media engagement and agility through a sophisticated organization design and collaboration. Such voice strategies show MNEs' external affiliation and resilience, as well as internal capabilities and efficiency when facing geopolitical complexities.

By proposing this framework, it can be argued that voice strategies can become an important nonmarket strategy for MNEs to navigate media-related legitimacy challenges when facing geopolitical complexities. In particular, the media as an important nonmarket stakeholder has been less investigated in the literature of either MNEs' nonmarket strategy or legitimacy theories (Sun et al., 2021; Doh et al., 2022). Importantly, the framework emphasizes the role of the media as both an information intermediary and legitimacy evaluator in influencing MNEs' legitimacy in the context of geopolitical rivalry. Based on this conceptual framework, this study would discuss the theoretical contributions, managerial implications, and policy implications next.

7.2 Theoretical contributions

In the literature review, three overlapping theoretical gaps have been identified, which are MNEs' legitimacy challenges in the geopolitical context, media framing of MNEs' legitimacy, and MNEs' voice strategies. By conducting two in-depth case studies and supplementary interviews, this thesis aims to fill these research gaps (see shown in *Figure 7.2*). Briefly, the first theoretical contribution of this thesis lies in developing the concept of LOR, as a key factor of MNEs' legitimacy challenges. The second theoretical contribution lies in articulating the role of media framing in

constructing MNEs' legitimacy. The third theoretical contribution lies in enriching the understanding of MNEs' voice strategies, which contributes to the nonmarket strategy literature. As a sub-section of "discussion of findings" are already generated in each of *Chapter 4*, *5*, and *6*, this section will be more focusing on how the research questions are answered, thereby filling the research gaps in this thesis.

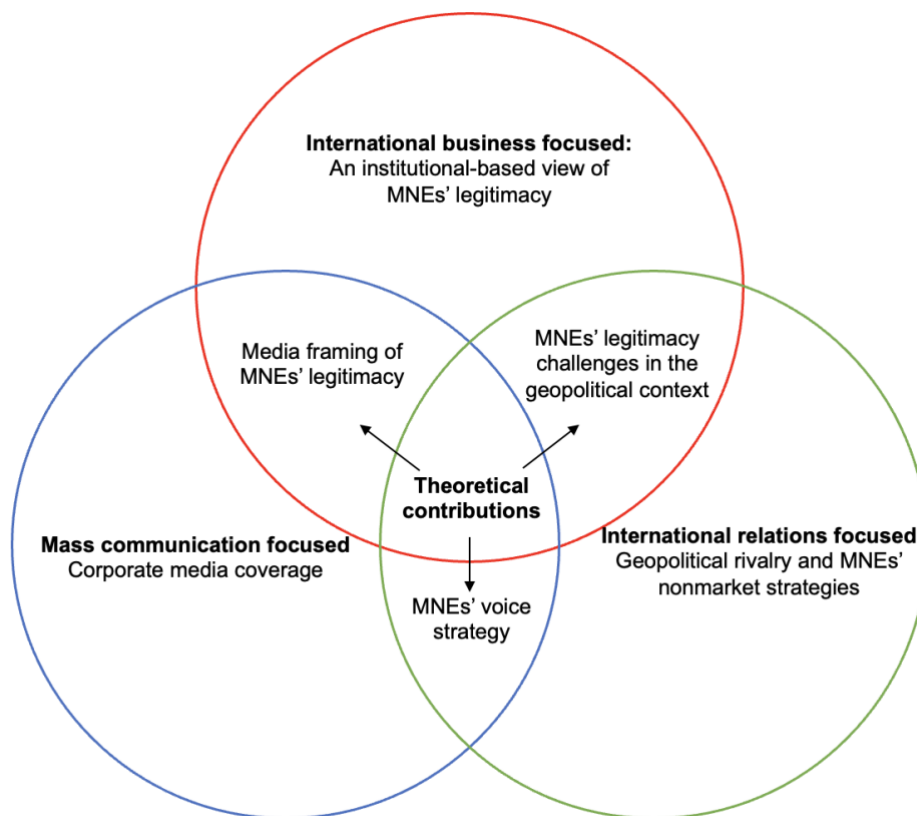


Figure 7.2: Theoretical contributions

7.2.1 MNEs' legitimacy challenges in the geopolitical context

Regarding the first research question: *How is LOR framed by the media, thereby posing legitimacy challenges for Chinese MNEs?* (RQ1). This thesis answers the question in three aspects. First, this thesis develops the concept of LOR, as a key factor of MNEs' legitimacy challenges in the geopolitical context. Kostova and

Zaheer (1999) argue that MNEs provide a suitable opportunity to study the complexity of legitimacy as MNEs operate in more than two countries. Scholars have argued that EMNEs might face additional LOR on top of general LOF in host countries (Ramachandran and Pant, 2010; Marano et al., 2017). Although previous research identified LOR as a crucial factor that could influence MNEs' legitimacy, less is known about the constructs of LOR, compared to those of LOF (e.g., Zaheer, 1995; Harvey and Novicevic, 2002; Griffith, 2006). Case 1 identifies five elements from the media that could be treated as constructs of MNEs' LOR, which are "negative home country image", "negative home country corporate image", "value distance between host and home countries", "geopolitical relationships", and "domestic interests in the host country". The findings of Case 1 suggest that LOR triggers negative media coverage of MNEs and that the geopolitical context and media framing make LOR more salient and harmful for MNEs in host countries.

Second, this thesis helps to explain under what conditions LOR becomes a disadvantage for MNEs. From a geopolitical perspective, a company may face a strong level of opposition in a foreign country that has different religious beliefs and political mechanisms to those of its home country (Shi et al., 2016). The findings from the two case studies show that LOR becomes more salient for de-legitimizing MNEs when there is a state of geopolitical tension between the host and home countries. In Case 1, geopolitical tensions pose a significant cross-border illegitimacy spillover effect on Huawei. British media extensively leveraged Huawei's lack of legitimacy in the US to de-legitimize the firm in the UK. Ramachandran and Pant's (2010) argued that LOR can be generated from three interrelated contexts, which are the host country context, home country context, and organizational context. Indeed, Case 2 articulates the legitimation dynamics among key stakeholders (MNEs' headquarter and subsidiary, home and host governments) and shows how these dynamics are constructed in the media framing. That means LOR should be understood as a dynamic concept for MNEs. Together, Case 1 and Case 2 suggest that LOR might become a salient disadvantage for MNEs when there are rising geopolitical tensions between firms' host and home countries.

In the context of geopolitical rivalry, especially evident in the US–China rivalry, the media from both countries engage in a fierce competition to secure the discursive

high ground. Each side seeks to frame international events and contentious issues in a manner that aligns with its national interests and narratives. This media competition becomes a crucial battleground for shaping public perceptions toward MNEs, both domestically and globally. Further, the framing of geopolitical events, trade disputes, or technology battles is not only a reflection of the political agendas of each nation but also a tool used to bolster national pride, garner domestic support, and influence global opinion. Thus, for MNEs, navigating the legitimacy challenges posed by media framing in this geopolitical context becomes paramount. MNEs often find themselves entangled in the broader narrative, especially when their operations straddle both competing nations.

In this competitive media environment, MNEs need to be acutely aware of how their actions and statements are framed by media outlets in both countries. A positive narrative in one country may be countered by a negative one in another, leading to legitimacy challenges. As Stevens et al. (2016) suggested, tensions between engaging politically with host-country governments and maintaining legitimacy in home-country societal stakeholders. This necessitates a nuanced communication strategy that acknowledges the geopolitical context, demonstrates sensitivity to local sentiments, and actively engages with the media to shape a balanced narrative. Moreover, MNEs may face scrutiny not only from the media but also from governments wielding economic and regulatory power as tools in the geopolitical rivalry. Media framing, in this sense, becomes intertwined with geopolitical power plays. Thus, the media competition in the US-China geopolitical rivalry significantly influences how multinational enterprises are perceived, posing legitimacy challenges. Navigating this landscape requires strategic communication and a keen understanding of the geopolitical dynamics at play. MNEs must recognize that their legitimacy is intricately linked to the broader narrative crafted by the media in the context of this intense geopolitical rivalry.

Third, this thesis suggests that LOR can become a major legitimacy challenge for MNEs, no matter if they are state-owned or privately owned. Scholars suggest that the legitimacy concerns about government involvement are more apparent for SOEs because they are perceived more as political agencies rather than commercial entities (Shi et al., 2016; Meyer et al., 2014). In this research, neither Huawei nor

TikTok is a SOE, but they are nevertheless highly framed by the media as political rather than commercial entities in host countries. That means in the context of geopolitical rivalry, MNEs tend to suffer from LOR-related legitimacy challenges regardless of their ownership. It might be more apparent for MNEs from hi-tech industries because of the strategic importance of technology competition, for example, in the US–China Tech Cold War.

As a result, RQ1 is answered in this thesis and the research gap of MNEs' legitimacy challenges in the context of geopolitical rivalry is filled, by developing the concept of LOR through the media lens. This thesis provides a contextualized explanation for MNEs' legitimacy challenges in the context of geopolitical rivalry, by identifying the cause (i.e., LOR), context (i.e., geopolitical rivalry), and process (i.e., media framing) in such a de-legitimization mechanism. In such a mechanism, LOR serves as the cause or triggering factor, geopolitical rivalry serves as the context in which LOR becomes a more salient disadvantage of MNEs, and media framing serves as the process of making sense of LOR to delegitimize MNEs.

7.2.2 Media framing of MNEs' legitimacy

Regarding the second research question: *How are the voices of different stakeholders framed by the media in constructing the legitimacy of Chinese MNEs?* (RQ2), this thesis answers the question by articulating the role of the media in framing MNEs' legitimacy, thereby contributing to the literature on corporate media coverage (Graf-Vlachy et al., 2020; Fang and Chimenson, 2017). Suchman (1995, p.574) defines legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions”. For MNEs, maintaining legitimacy in the host country is a process of keeping a “social license to operate” (Fiaschi et al., 2017, p.559). Deephouse (1996) argued that it is vital to frame two key social actors: one is government regulators, and the other is public opinion. Both Case 1 and Case 2 show that the media plays a key role in (de)legitimizing MNEs. By amplifying LOR, the media can withdraw the social license of MNEs, from regulative,

normative, and cognitive bases. From an institutional perspective, the media is indeed an informal institution that can help to set the rules of the game for MNEs. This research not only confirms that media coverage and media evaluation are considered as salient and vital sources of societal legitimacy perceptions (Aerts and Cormier, 2009), but also unpacks the hidden process of how the media influences MNEs' legitimacy.

Specifically, Case 1 indicates that the media, as a legitimacy evaluator, can influence MNEs' legitimacy through certain media framings. Entman (1993, p.52) defines media framing as "to select some aspect of a perceived reality and make them more salient in a communicating text, in such a way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation". Frames are constructed realities that help people to understand and interpret certain events (Entman, 2004; Pollock and Rindova, 2003). As discussed in *Chapter 4*, this study crystallizes the constructs of media framing of MNE's legitimacy and compares it with previous media framing of corporate scandal (Clemente and Gabbioneta, 2017), and general scandal framing (Entman, 2012). Detailed comparisons have been provided in *Table 4.5* in *Chapter 4*.

Case 2 uses an IB-centric framework to discuss the legitimation dynamics within the media framing (see *Figure 5.4* in *Chapter 5*). This framework contains legitimation dynamics in four relationships (i.e., host-home government, host government-MNE subsidiary, home government-MNE headquarter, MNE headquarter-subsidary), which can be orchestrated by media framing. This study provides valuable insights into how media framing engages with MNEs and governments to construct firms' legitimacy. Besides, this study also reveals in which way the media may manipulate (or frame information) so that the direction and strength of different voices can be changed in the battlefield of legitimation contestation on MNEs (see *Figure 5.2* in *Chapter 5*). Notably, although serving as an information intermediary, the media might intend to amplify certain voices while silencing others, by using certain media framing (see *Figure 5.3* in *Chapter 5*). Therefore, it is crucial to take the media framing as a prior consideration when studying corporate media coverage.

The relationship between media framing and politics is intricate and impactful, particularly in the reporting of politically contentious business stories. Media framing refers to the way news outlets present information, influencing public perception. In politics, framing is a potent tool used by both the government and media to shape narratives (Cappella and Jamieson, 1997; Shehata, 2014). When it comes to contentious business stories, the framing could significantly sway public opinion and political discourse. Governments often seek to frame issues in a way that aligns with their agenda or mitigates potential backlash. They may emphasize certain aspects of a business story while downplaying others to manage public opinion. On the other hand, media outlets, driven by various factors such as ownership interests, audience preferences, and competitive pressures, also play a pivotal role in framing. The framing of politically contentious business stories can, at times, reflect the media's own position and stance, leading to diverse perspectives on the same issue.

Considering the interplay between government and media framing, governments may strategically send information or control the narrative to influence media coverage. Simultaneously, media outlets may challenge government narratives or act as watchdogs, exposing controversies and holding those in power accountable. This dynamic relationship can result in a complex tapestry of framed narratives, where the interpretation of contentious business stories becomes a narrative battlefield. In essence, the relationship between media framing, politics, and the reporting of contentious business stories is dynamic and multifaceted. It reflects power dynamics, media influences, and the evolving landscape of information dissemination in the contemporary political landscape. Analyzing this relationship provides valuable insights into how public opinions are shaped, political discourse is framed, and the broader implications for understanding MNEs' legitimacy challenges in the context of geopolitical rivalry.

Although corporate media coverage has been studied through different perspectives such as economic, institutional, and social-psychological (Graf-Vlachy et al., 2020), the basic point in the thesis lies in how to consider the role of the media in MNEs' business environment. In general, the media plays two roles in providing corporate news outlets, which are information intermediaries and legitimacy evaluators. Bishop et al. (2020) argues that the media is a powerful social arbiter who can exert a strong

influence on organizational image construction process. The Huawei and TikTok case provide evidence to support this argument. Moreover, as a powerful social arbiter, the media not only influences MNEs' image but also constructs their legitimacy, which is a more profound social license for MNEs (Fiaschi et al., 2017). In particular, the media might use the powerful function of media framing and agenda-setting to shape firms' legitimacy, thereby providing and withdrawing the social license for them.

As a result, RQ2 is answered in this thesis by articulating the media's role of both information intermediary and legitimacy evaluator for MNEs. Taking the role of information intermediary, the media is an important platform for MNEs to observe and understand the legitimacy pressure from key stakeholders, especially from governments in the context of geopolitical rivalry. More importantly, taking the role of legitimacy evaluator, the media frames the voices from key stakeholders to make sense of and give sense to the issue or event about the focal MNE, thereby influencing firms' legitimacy. By answering the research question, this thesis manages to fill the research gap of the media framing of MNEs' legitimacy and brings mass communication into IB theory, advancing the research agenda by cross-fertilizing these two disciplines.

7.2.3 MNEs' voice strategies

Regarding the third research question: *How can Chinese MNEs form voice strategies to mitigate legitimacy challenges in the geopolitical context?* (RQ3), this thesis answers the question by enriching the understanding of MNEs' nonmarket strategies, by linking across theories from international business, international relations and mass communication fields.

From the international business perspective, voice strategies can be treated an important but less studied part of MNEs' nonmarket strategy for navigating legitimacy complexities. However, extant nonmarket strategy literature pays close attention to the business-government relationship such as corporate political activities and negotiation theory (Baron, 1995; Sun et al., 2021), while other stakeholders such as

the media, have drawn less attention. Stevens et al. (2016, p.948) assert that it is crucial for studies to investigate the “role of legitimacy-granting actors other than the government” that can determine corporate legitimacy. Further, MNEs’ voice strategies can be a vital part of their corporate foreign policy and international business diplomacy for MNEs to deal with geopolitical complexities (Chipman, 2016; Doh et al, 2022). Doh et al. (2022) points out that typical international business diplomacy practices include intelligence (monitoring the socio-political environment), communication (stakeholder engagement and dialogue), and influence (public relations and lobbying) in the global market. In line with this argument, this study proposes a framework of MNEs’ voice strategies in the geopolitical context (as shown in *Figure 6.2* in *Chapter 6*). Thus, this thesis fills the research gap by developing MNEs’ voice strategies and contributing to nonmarket strategy literature.

From the international relations perspective, there is an increasing consensus among IB scholars that the political environment is no longer an exogenous but endogenous factor for MNEs to consider, giving more salient influence of politics on business (Witt, 2019a; 2019b; Meyer et al., 2023). Liberalism emphasizes that economic interdependence and democracy are two stabilizing factors for globalization. Economic interdependence is considered as “commercial peace”, which means states with highly connected economic ties are less likely to engage in war. However, the unfolding US–China rivalry has challenged the foundation of economic interdependence (Witt, 2019b). Firstly, the Trump administration posed continuous trade restrictions on China since 2016, and China responded with countermeasures, which is known as the Trade War between the US and China (Liu and Woo, 2018). Secondly, the US government has posed different types of sanctions on China, especially targeting the high-tech industries including semiconductors and telecommunications, known as the Tech Cold War between the US and China (Tung et al., 2023). It is argued that MNEs and their subsidiaries are facing three disruptions that would weaken the economic interdependence between states, especially the US and China: “reduced people mobility, divergent national institutions, and anti-globalization populism” (Meyer and Li, 2022, p.556).

The second factor, democracy, is considered as “democratic peace”, which suggests that countries with a Western-style democratic system are less likely to have wars

with each other (Witt, 2019b). However, the unfolding US–China rivalry has broken the foundation of such peace conditions, as there seems no signal that the China government is willing to adopt the Western-style democratic system. Especially after the pandemic, the China government has kept claiming the advantage of its political and economic institutions based on the record low death rate in a global comparison, as well as its resilience of economic recovery in the post-pandemic era (ChinaDaily, 2023). The lasting US–China rivalry has evoked concerns of the New Cold War, which has been frequently seen in mainstream Western media outlets (The New York Times, 2023). Just as Huntington (1993; 1998) has put forth that the clash of civilizations might become the major conflict in the post-Cold War world. Civilization is “a culture writ large”, which involves values, norms, institutions, and modes of thinking (Huntington, 1998, p.41), and there are several major civilizations, such as Western, Sinic, Islamic, etc. Huntington’s influential international relations theory, “Clash of Civilizations”, suggests that between-nations competition after the Cold War is unlikely to see a dominant, universal civilization in a multipolar world.

In such a more hostile and uncertain political economic environment, for MNEs, the media has become a battlefield in which different stakeholders are competing to legitimize themselves or de-legitimize others. Such legitimation competition in the media does reflect the rising ideology of realists in the current geopolitical landscape (Barnett and Duvall, 2005; Diez et al, 2011). Power is the key concept in the eyes of realists. The relations between states tend to be a zero-sum game, which means a state becomes more powerful when its rival is losing power relative to itself (Witt, 2019a). Once losing power in the media, MNEs might find it difficult to defend and maintain their legitimacy. In this regard, voice strategies can help MNEs to build soft power and deal with increasing geopolitical complexities.

From the mass communication perspective, extant research on PR and crisis communication focuses on how and when organizations should respond to contingency situations (Claeys et al., 2016). Crisis communication management has been widely studied in corporate public relations research (Coombs, 2007; Arpan and Pompper, 2003; Arpan and Roskos-Ewoldsen, 2005). Yet, such a topic has received far less attention in IB literature. Through a cross-disciplinary lens, this thesis suggests that MNEs need to develop their capabilities of media engagement

and agility in dealing with legitimacy challenges from the media. Scholars have emphasized that most information stakeholders get about an organization comes from the media (Bushee et al., 2010; Zavyalova et al., 2017). Thus, MNEs' crisis management needs to focus on corporate media coverage (Carroll and McCombs, 2003).

As a result, RQ3 is answered in the thesis by developing the framework of MNEs' voice strategies. Through interviewing PR managers from both MNEs and PR agencies, this study articulates how MNEs can develop internal capabilities and efficiency by integrating PR and other functions such as role assignment and strategic planning. Thus, by proposing MNEs' voice strategies, this thesis fills the research gap of MNEs voice strategy and brings more mass communication-oriented PR research to IB research.

7.3 Methodological contributions

The research design in this thesis is defined as qualitative case-based research, which contains three independent yet related studies, which is encapsulated in the following six characteristics: 1) adopting a qualitative approach; 2) focusing on the phenomenon-based research setting; 3) applying an interpretive case study design; 4) emphasizing contextualization in theorizing from case study; 5) following a step-by-step approach of conducting research; and 6) using triangulation as quality control. In this section, two methodological contributions of this thesis are highlighted. The first one is contributing to the methodological pluralism in theorizing from case research (Welch et al., 2011; 2022), and the second one is contributing to the method of analyzing corporate media coverage (Entman 2012; Vaara et al., 2006; Clemente and Gabbioneta, 2017).

7.3.1 Methodological pluralism in theorizing from case study

Although a theory is believed to be context-free to prove its generalizability, Welch et al. (2022) argues that decontextualization could be a risk to theory, especially for

case research from the interpretive perspective. The author concurs with the view that contextualization is “an integral part of the case study”; this means context is not exogenous but rather is endogenous to theory (Welch et al., 2022, p.20). This thesis embraces a high degree of contextualization in theorizing from case study research, highlighting that the geopolitical context is an inseparable part of explaining Chinese MNEs’ legitimacy challenges in the media. Given the importance of the geopolitical context, this study seeks to generalize the findings through context rather than generalizing to population via a sampling logic. That is, in this study, geopolitical context is used as a benchmark for generalization. Focusing on the geopolitical context of the US–China rivalry in this thesis, it is argued that MNEs’ legitimacy challenges and voice strategies require a context-specific conceptualization and theorization. Therefore, by taking the context into account, the conceptualization and theorization from this thesis can apply to any MNEs in the context of similar nature (i.e., geopolitical rivalry).

Specifically, the findings on LOR and media framing in this thesis are context-specific explanations for MNEs’ legitimacy challenges and negative media coverage in the radically changing IB settings. The contextualization allows for generalizing the findings in three main ways. Firstly, the US–China rivalry seems likely to pull more Chinese MNEs into the febrile domain of between-nations competition. For example, China’s top chipmaker SMIC and drone manufacturer SZ DJI Technology were added to a trade blacklist in December 2020 by the Trump administration, given their potential proximity to “Beijing’s efforts to harness civilian technologies for military purposes” (Reuters, 2020). The Biden administration continued the policy by imposing trade restrictions on 34 Chinese entities for “human rights violations and the alleged development of ‘brain-control weaponry’” (CNBC, 2021). Such allegations are consistent with the media framing identified in the Huawei and TikTok case. For sure, Huawei or TikTok might not be the last Chinese MNE to face legitimacy challenges as the geopolitical rivalry unfolds. Thus, the findings on LOR and media framing open a new window for investigating Chinese MNEs’ legitimacy as the US–China rivalry unfolds.

Secondly, the geopolitical context emphasized in this study refers to between-nations competition involving political, economic, military, and ideological rivalries. MNEs, not

only from China, could face negative media coverage due to LOR-related issues when there is geopolitical rivalry linked to one or more of these facets. For instance, in the 1980s, Japan and its MNEs suffered from continuous economic coercion from the US when their rising economic power challenged US hegemony, even though Japan had ceded military control to the US. The current Russia–Ukraine war has exposed Russian MNEs to sanctions from Western countries, giving Russia as a military rather than an economic superpower in the geopolitical landscape. More recently, sanctions in IB have been paid increasing attention by IB researchers (Meyer et al., 2023), which is deeply involved in the geopolitical context. Thus, the findings on MNEs' legitimacy challenges and media framing of MNEs' legitimacy can be generalized to not only Chinese MNEs but also other MNEs that are involved in the geopolitical turmoil.

Thirdly, the findings about Chinese MNEs' voice strategies in the geopolitical context can be generalized to MNEs from other countries facing similar challenges. One such example is the Swedish company H&M, which faced significant backlash and negative media coverage in the Chinese market due to its stance on the issue of Xinjiang cotton. In particular, H&M experienced dual legitimacy pressures as a result of its stance on Xinjiang. On the one hand, H&M faced political backlash and negative media coverage in its home country due to concerns over human rights violations. On the other, the company encountered significant challenges in the Chinese market, where political sentiments were rising in response to its statements. The voice strategies from Chinese MNEs can offer actionable insights for H&M and other MNEs to help them better navigate geopolitical complexities. Through strategic alignment, contextual adaptation, media engagement and agility, and optimizing internal capabilities and collaboration, MNEs from developed countries can effectively manage legitimacy challenges, mitigate negative media coverage, and uphold their reputation in foreign markets (e.g., China).

In all, traditional theory building from case research pays less attention to contextualization as the theory is believed to be context-free to prove its generalizability (Eisenhardt and Graebner, 2007; Yin, 2018). Such an approach can struggle to explain complex social phenomena embedded in certain IB contexts (Welch et al., 2011). Although Welch et al. (2011) urged the use of contextualization

to reconcile the exploratory and explanatory sides of case study work, limited case research in the past decade has included contextualization in theorization (Welch et al., 2022). By emphasizing theorizing through contextualization, this study responds to the call for greater methodological pluralism in case research for IB.

7.3.2 A novel method of analyzing corporate media coverage

The method of analyzing media framing of MNEs' legitimacy in this thesis could provide a novel template for analyzing corporate media coverage, which could be another methodological contribution of this research. Given there are only limited methods of analyzing corporate media coverage in the existing business and management literature (e.g., Entman 2012; Vaara et al., 2006; Clemente and Gabbioneta, 2017), this study provides a novel method for analyzing corporate media coverage, focusing on the media framing and agenda-setting.

Existing literature has shown three main methods of analyzing corporate media coverage. The first method is based on Entman (2012), which follows a deductive analysis. Entman's (2012) method is based on a pre-setting media framing of problem definition, causal relationship, moral judgment, and endorsement of a remedy. *Prima facie*, the disadvantage of this method is that it could over-simplify the complexities of media framing; and this method may restrict researchers from conducting in-depth content analysis. The second method is based on a discursive legitimization perspective (Vaara et al., 2006), which also follows a deductive approach by borrowing concepts from social linguistic theories such as normalization, rationalization, moralization, narrativization, and authorization (Fairclough, 2013). The disadvantage of this method is considering the media as a legitimacy evaluator but ignoring the media's role as an information intermediary in which voices from different stakeholders are interwoven with each other. The third method is relatively more often used in business and management literature, which is an inductive content analysis following the Gioia template (Clemente and Gabbioneta, 2017). The advantage of this method is to allow researchers to dive into the data and identify context-specific elements of media framing. However, such a

method focuses more on text-level analysis but neglects to analyze the news article-level media framing.

Learning from existing methods, this thesis aims to propose a novel method of analyzing corporate media coverage. In general, this novel method contains two analytical steps, that is, a qualitative content analysis followed by thematic analysis. The Gioia template can be appropriate for conducting the first step of the analysis (Gioia et al., 2013). As suggested by Entman (1993), media framing can be identified in news texts through visual elements, such as keywords, stereotyped images, judgments, and sources of information. The first step of qualitative content analysis focuses on the text-level contents to identify context-specific constructs of the media framing. Such analysis can be well presented by using Gioia's data structure, which includes the first-order categories and second-order categories. For example, in Case 1, I inductively identified the elements that were related to Huawei's LOR and legitimacy challenges. In Case 2, I analyzed the voices of stakeholders or sources of information, then first-order and second-order codes were inductively generated from the texts. Thus, in the first analytical step, the objective is to identify the elements in the media texts that are related to research questions and inquiries.

Then, the second analytical step of cluster or thematic analysis focuses on the news article-level of media framing for further exploration. Matthes and Kohring (2008, p.263) suggest that "when some elements group together systematically in a specific way, they form a pattern that can be identified across several texts in a sample. We call these patterns frames". The purpose of the cluster or thematic analysis is to reveal what element(s) identified in the first step is salient in each media article, thereby further exploring the media data. For example, in Case 1, a thematic analysis was conducted to reveal the media framing of each British newspaper, by examining the salience of the constructs identified in the first step. In Case 2, a thematic analysis of media framing was conducted based on the four key dimensions (i.e., business, politics, domestic, and international) identified in the first step. Varying from the first step, the second step of thematic analysis treats each news article as an analysis unit. As a particular media outlet always holds a stable political stance and value orientation, the media framing in its news articles tends to keep consistency and coherency over time. Importantly, the media framing of one

observed media outlet can be better identified from a group of news articles rather than one specific news article. By examining a group of articles from one media outlet, the researcher can conclude with its media framing on the focal issue.

In all, this novel analysis template takes advantage of existing methods, as well as overcoming their disadvantages, to offer a more comprehensive way of analyzing the media data. Thus, it is suggesting that the method used in this thesis could become an alternative template for future research on corporate media coverage.

7.4 Managerial implications

Based on the empirical and theoretical findings in this thesis, there are two managerial implications for Chinese MNEs to effectively navigate the complexities of geopolitical rivalries and enhance their voice strategies. Although this study mainly uses “Chinese MNEs” as subjects to organize the managerial implications, such implications also work for other MNEs that engage in the context of geopolitical rivalry—as highlighted before.

7.4.1 Enhance external affiliation and resilience

Chinese MNEs need to develop an ability of external resilience, including making appropriate voices responding to legitimacy complexities in both home and host countries. The findings in this thesis provide novel insights into how Chinese MNEs can use voice strategies to overcome legitimacy challenges. There are three key points to be highlighted as managerial implications.

First, strategic alignment with the home country government is crucial. Chinese MNEs should actively collaborate with the government to shape and communicate national narratives, for example, through joint efforts with the home government in telling the China story and promoting a positive national image. By closely coordinating their communication efforts with the home government, Chinese MNEs can strengthen their legitimacy and effectively address geopolitical challenges.

Moreover, Chinese MNEs need to form global voice strategies to build a positive reputation and image worldwide, as geopolitical tensions can make firms' illegitimacy quickly transmit between different countries. The Huawei case indicates that the media heavily leveraged Huawei's lack of legitimacy in the US to de-legitimize the firm in the UK. Thus, Chinese MNEs can use media communication together with corporate foreign policy and IB diplomacy, enhancing their capability in navigating geopolitical complexities (Chipman, 2016; Doh et al., 2022).

Second, contextual adaptation in the host country is of paramount importance. Chinese MNEs need to understand the media environment in host countries. It is essential to tailor their messages, communication strategies, and brand positioning to adapt to the local market. For Chinese MNEs, voice strategies in host countries can be formed and executed by their subsidiaries to cope with legitimacy concerns raised by local stakeholders. Although this study focuses on newspapers—traditional media, firms also need access to different media channels to communicate with local stakeholders, as negative media coverage can easily go viral through social media and generate negative public sentiments in the host country (Yiu et al., 2021). Still, keeping silent in the media and maintaining a low-profile, sometimes can be a useful voice strategy depending on the specific legitimacy challenges faced.

Third, building emotional connections with the local audience by leveraging influencers and KOLs can help foster trust and enhance legitimacy. PR managers in the interviews highlighted the role of influencers and KOLs in helping firms to achieve legitimacy in overseas markets. The existing literature has proposed various strategies on how MNEs can leverage the power of KOLs to speak for them, which have been often applied in marketing and advertising communication (Kriyantono, 2012; Sutherland, 2020). When facing legitimacy challenges due to LOR-related issues, MNEs need to reconsider how influencers can make a difference, and more importantly, who are potential influencers. In traditional advertising and marketing campaigns, firms usually select celebrities such as film stars, singers, and athletes. However, in handling geopolitical tensions, the influencers should be the people who are playing the game, close to the government, and have political and social impact. For example, Huawei used to employ the influence of former British politicians as corporate consultants to make voices to the public. Besides, the TikTok case showed

that experts accounted for a considerable proportion of news sources in the media articles. Therefore, Chinese MNEs can build a long-term relationship with experts from both academia and think tanks to spread favourable voices to the market.

7.4.2 Strengthen internal capabilities and efficiency

To strengthen their voice strategies, Chinese MNEs should focus on developing internal capabilities and enhancing communication efficiency. Media engagement and agility play a crucial role in this aspect. Establishing a global media portfolio and engaging with media effectively can help firms maintain a presence in international media outlets. This includes actively monitoring media coverage, building long-term sustainable relationships with journalists, and providing timely messages to the media. Chinese MNEs need to develop comprehensive crisis communication plans that include predefined protocols, designated spokespersons, and media response strategies is vital for effectively managing and mitigating crises that may arise in the context of geopolitical rivalries.

Furthermore, Chinese MNEs should pay attention to their organizational adaptation such as structural adjustment and collaboration initiatives in response to legitimacy threats. For example, optimizing the relationship between headquarter and subsidiaries is essential to ensure effective coordination and information flow. It can be achieved through clear communication channels, regular updates, and strategic alignment. Also, Chinese MNEs are encouraged to build a diversified communication teams that encompass both local talents and experienced PR agencies. Cross-department collaboration is equally important, as it enables knowledge sharing and the integration of different perspectives to develop comprehensive voice strategies. In this way, Chinese MNEs to boost collaborations among firms' internal departments such as government relations and strategy departments.

Although many Chinese MNEs have internalized for years, their voice strategies are at the earlier stage, with limited resources to be allocated to PR and communication functions. Thus, it is important for Chinese MNEs to develop their voice strategies and make them keep pace with their rapid global expansion. In addition, developing

internal capabilities and efficiency means that it is important for Chinese MNEs to internalize the communication resources in the host countries. Findings have shown that Chinese MNEs are struggling to hire PR talents in host markets, especially in developed countries as Chinese MNEs are not so attractive to local talent. As PR managers have emphasized, voice strategies can better be conducted by local talent who are more familiar with the intricacies of local situations. Thus, purchasing PR services from PR consultant agencies would be a good option.

7.5 Policy implications

7.5.1 Manage MNEs' LOR in the Tech Cold War

Governments, whether from China or the US, need to consider about their policies related to technology competition in the unfolding Tech Cold War. MNEs, whether state- or private-owned, can be vehicles of governments for imposing their global power. For example, Huawei's growing dominance in setting 5G technical standards indeed has geopolitical implications. Based on the Huawei case, the fear among certain governments, notably the US and UK, is that Huawei's influence could compromise their national security. This raises questions about the intersection of technological leadership, global standards, and national security concerns (Mascitelli and Chung, 2019). TikTok, although primarily a social media platform, also embodies technology's role in geopolitical tensions, with data security concerns being a focal point (Juned et al., 2023). In addition, the shift in intellectual property royalties related to new communication technologies from the USA to China can be another crucial aspect (Tang, 2020). This shift not only reflects China's technological advancements but also points to the evolving landscape of global economic influence. Thus, the severer the technological competition between the two states, the more LOR their MNEs might suffer in host countries.

In geopolitical tensions, MNEs' LOR can be observed not only in higher-tech sectors such as telecommunication and artificial intelligence, but also in lower-tech sectors like traditional manufacturing and retailing. Understanding how the geopolitical landscape impacts businesses across sectors, and the strategies they adopt to

navigate these challenges, would be a valuable implication on IB policy. Huawei and TikTok are pioneers in China's advanced technology sectors. The question becomes, how the experiences of these tech giants may or may not apply to companies in lower-tech sectors. While the scale and technological nature might differ, the overarching theme of geopolitical tensions affecting business based on their country of origin remains relevant.

In an era of digital transformation, the legitimacy challenges encountered by high-tech MNEs like Huawei and TikTok may transcend industry boundaries, resonating across sectors. Beyond their immediate industries, lower-tech sectors are increasingly leveraging cutting-edge technologies from high-tech giants (e.g., Huawei, TikTok, Alibaba, and Tencent, etc.) to empower and enhance their competitiveness. Traditional industries like traditional retail and lower-end manufacturing in China, for instance, are incorporating advanced technologies for inventory management, customer engagement, and supply chain optimization. The interconnectedness of global business ecosystems becomes apparent as legitimacy challenges faced by high-tech players cascade down to impact the operations of lower-tech businesses dependent on their technologies. Negative perceptions, regulatory scrutiny, or geopolitical tensions surrounding high-tech firms can have spillover effects on businesses in sectors with varying technological intensities. As lower-tech sectors become intertwined with the advancements of high-tech firms, collaborative solutions are imperative. Policymakers, high-tech MNEs, and businesses in lower-tech sectors should collectively address legitimacy challenges, recognizing the interdependence that characterizes today's IB landscape.

7.5.2 Strengthen national and corporate soft power

This thesis also has three implications for policy-makers about strengthening national and corporate soft power, since their image, reputation and legitimacy are interrelated. Firstly, MNEs' home governments should recognize the importance of strengthening their soft power. The findings shows that MNEs might suffer legitimacy challenges in the media due to the weaker soft power of their home country. Soft

power refers to a nation's ability to influence and control other nations' behavior through attraction and persuasion rather than coercive measures such as military force or economic sanctions (Nye, 1990). As Warren (2014, p.117) emphasizes, soft power "can only be exercised through mechanisms of communication". Developed Western countries hold a stronger discursive power in the global market, especially through their influential media such as CNN and BBC. Thus, EMNEs' home governments might use the media as a toolkit for building their soft power and favorable national images, which will then benefit their MNEs' image.

Secondly, to improve soft power, policymakers should engage in constructive dialogue and cooperation to create a more predictable and stable business environment. Measures such as stabilizing bilateral relations, promoting cross-cultural understanding, and fostering mutually beneficial economic partnerships can mitigate the negative impact of rivalry on MNEs. Policymakers should emphasize the importance of stakeholder engagement for MNEs operating in foreign countries. Encouraging MNEs to actively listen and respond to the concerns and expectations of various stakeholders can help in building trust, managing reputation risks, and mitigating potential boycotts or backlash. Seeing rising geopolitical tensions, governments can make relevant policies to support the development of PR consultancies for working with MNEs when going abroad.

Thirdly, governments can provide institutional support for MNEs to develop nonmarket strategies that go beyond traditional market-based strategies. As existing literature suggested, MNEs can use institutional entrepreneurship to participate in the policy-making process in the home and host countries, to create a supportive institutional environment (Hardy and Maguire, 2008). By equipping MNEs with the necessary tools and expertise, governments can help them navigate the impact of negative media coverage, overcome legitimacy challenges, and protect their interests in global markets. In addition to formal institutions (e.g., industrial laws, FDI regulations and policy), governments can set semi-formal and informal institutions too (Torres de Oliveira and Rottig, 2018). The international communication policy has become the China government's vital measure to improve discursive power in global competition since 2010. Such a policy was highlighted by the China Communist Party's top politburo meeting in 2020 (Xinhua News Agency, 2021). The core

message of China's international communication policy is to tell favorable Chinese stories to improve a positive national image worldwide. Such a policy is not a law-like institution but a government's orientation for encouraging relevant social and economic players to take part in, along with the national media agents, for example, the China Global Television Network (CGTN). Therefore, there is sufficient room for business-government cooperation to help MNEs mitigate legitimacy challenges, in which the media can become a key vehicle for achieving such collaborations.

7.6 Limitations and future research

Yet, this study might have several limitations that set the boundaries for the findings and theorization and, at the same time, open possibilities for future research.

The first limitation is that this study focused on Chinese MNEs, which might limit the generalizability of the findings. Given the increasing tensions and rivalries between major economies, there is also a need to explore the unique challenges faced by MNEs from other developing and developed countries, and the strategies they employ to mitigate legitimacy risks. Future research is encouraged to develop the theories and frameworks of this study by applying them to other cases in similar geopolitical contexts, as well as in different contexts. By embracing a context-sensitive mindset, researchers can investigate the complexities of MNEs' legitimacy challenges in diverse environments and then contribute to the development of a more comprehensive theory. As this study explored Chinese MNEs and their voice strategies when facing rising geopolitical complexities, there is also a need for comparative studies that explore the voice strategies employed by MNEs from different countries. Such comparative research could shed light on the similarities and differences in the strategies adopted by MNEs from different countries, providing valuable insights into the theoretical focus including, MNEs' legitimacy challenges in the geopolitical context, media framing of MNEs' legitimacy, and MNEs' voice strategies as well as broader nonmarket strategies.

The second limitation is that this study focused on established media platforms, which may overlook the increasing influence of new media, particularly social media

platforms, in shaping MNEs' legitimacy (Goncalves and Smith, 2018; Tian, 2022). While this study examined the role of newspapers in framing the legitimacy of Huawei and TikTok under governmental sanctions, it is essential to acknowledge that other MNEs may encounter legitimacy crises driven by grassroots boycotts and social media activism. Future research can explore the dynamics of legitimacy challenges originating from social media platforms and grassroots movements, where younger individuals and user groups are more actively engaged. In this way, researchers can explore how MNEs use voice strategies to manage grassroots boycotts, mitigate negative sentiment, and regain legitimacy. Further, this research direction can provide a more comprehensive understanding of the role of the media in influencing public opinion and impacting MNEs' legitimacy. Thus, future IB research should use social media to inform on the consumer legitimacy sphere and public sentiment (Yiu et al., 2021). Besides, how the audience perceives media framing, which is another mainstream research area in mass communication, can be studied by employing relevant research methods (Boyle and Kelly, 2012).

The third limitation of this study is its primary focus on the media-level voice strategies for MNEs. However, MNEs operate in more complex stakeholder environments, containing various stakeholders such as governments, civil society organizations, industry associations, and local communities. Future research can explore how MNEs can engage with these diverse stakeholders in developing their voice strategies. By considering the interests and expectations of multiple stakeholders, researchers can obtain a deeper understanding of how MNEs can navigate the impact of geopolitical rivalries. Moreover, investigating the role of stakeholder engagement in shaping MNEs' voice strategies can provide insights into the research field of corporate IB diplomacy, where MNEs can deal with challenges in the political, social, and cultural landscape in foreign markets. Understanding the dynamics of stakeholder engagement and its impact on MNEs' legitimacy can contribute to further enrich the media-related corporate nonmarket strategies.

The fourth limitation is that this study mainly interviewed PR managers, which may provide an incomplete picture of the collaborative nature of MNEs' voice strategies. According to the interviews, this study found that MNEs' voice strategies are often developed and executed through collaboration between various departments such

as the strategy department, government relations department, and other relevant functional units. Future research could broaden the scope of interviews and engage with a wider range of managers within MNEs, for example, representatives from different departments and levels of the organization. By including perspectives from key decision-makers and managers involved in the strategy making and implementation, researchers can obtain a more comprehensive understanding of MNEs' voice strategies.

The fifth limitation is that the two case studies in this thesis both looked at a relatively short period of the firms' legitimacy contestation. Given the unfolding geopolitical rivalry, both Huawei and TikTok are continuously suffering from negative media coverage and legitimacy challenges after the two case studies are completed. Therefore, future research could adopt a longitudinal case study approach, enabling a deeper investigation into the evolution of MNEs' legitimacy challenges and voice strategies over time. By tracking and analyzing the dynamics, responses, and outcomes of MNEs' voice strategies across various stages of geopolitical rivalries, researchers can develop a more context-sensitive understanding of the long-term effectiveness and impact of those strategies. This research direction would contribute to the development of a more comprehensive framework of MNEs' voice strategies for managing legitimacy challenges in the geopolitical context.

7.7 Conclusion

Start from observing the phenomenon of Chinese MNEs' negative media coverage in Western countries, along with the rising geopolitical rivalry between China and the West, this thesis undertakes a cross-disciplinary study through two in-depth case studies of Huawei and TikTok, followed by supplementary interviews to address the key research problem:

How can Chinese MNEs interpret and respond to media-constructed legitimacy challenges when facing intensive geopolitical tensions?

By integrating those three independent yet interrelated studies, this thesis generates holistic and comprehensive knowledge for answering the research questions:

Q1: How is LOR framed by the media, thereby posing legitimacy challenges for Chinese MNEs?

Q2: How are the voices of different stakeholders framed by the media in constructing the legitimacy of Chinese MNEs?

Q3: How can Chinese MNEs form voice strategies to mitigate legitimacy challenges in the geopolitical context?

Regarding *RQ1*, this thesis reveals the constructs of MNEs' LOR through the media lens, thereby helping for understanding the concept of LOR in the IB literature. This thesis provides a contextualized explanation for MNEs' legitimacy challenges in the context of geopolitical rivalry, by identifying the cause (i.e., LOR), context (i.e., geopolitical rivalry), and process (i.e., media framing) in such a de-legitimization mechanism. In such a mechanism, LOR serves as the cause or triggering factor, geopolitical rivalry serves as the context in which LOR becomes a more salient disadvantage of MNEs, and media framing serves as the process of making sense of LOR to delegitimize MNEs. By answering *RQ1*, the thesis manages to fill the research gap of MNEs' legitimacy challenges in the context of geopolitical rivalry.

Regarding *RQ2*, this articulates the media's role of both information intermediary and legitimacy evaluator for MNEs. Taking the role of information intermediary, the media is an important platform for MNEs to observe and understand the legitimacy pressure from key stakeholders. More importantly, given the role of legitimacy evaluator, the media frames the voices from key stakeholders to make sense of and give sense to the issue or event about the focal MNE, thereby influencing firms' legitimacy. By answering *RQ2*, this thesis manages to fill the research gap of the media framing of MNEs' legitimacy and brings mass communication into IB theory, advancing the research agenda by cross-fertilizing these two disciplines.

Regarding *RQ3*, this thesis develops a context-specific framework of MNEs' voice strategies. Through interviewing PR managers from both MNEs and PR agencies,

this study explores how MNEs can develop internal capabilities and efficiency by integrating the PR and other resources. Facing rising geopolitical tensions, this thesis proposes that MNEs' voice strategies can include strategic alignment in the home country, contextual adaptation in the host country, global media engagement and agility, and organizational design and collaboration. By answering *RQ3*, this thesis manages to fill the research gap of MNEs voice strategy and contribute to MNEs' nonmarket strategies by taking an important yet less examined stakeholder—the media into account.

In conclusion, this cross-disciplinary research manages to address the key research problem and answer the three research questions. The research purpose has been achieved. Yet, as the geopolitical rivalry between China and the West, as well as other nations around the world, are unfolding, there are more than ever research opportunities for IB researchers to explore and investigate. As the impact of politics/geopolitics on global business is profound, and the influence of the media on MNEs' legitimacy is complex and context sensitive, IB researchers need to keep extending their vision, breaking theoretical boundaries and disciplinary walls to study and understand the complexities of the business world.

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Appendices

Appendix A: Ethical approval

Your ethics application has been APPROVED: ID 1171; EMNEs' discursive legitimacy and voice strategies

CARBS Research Office-Ethics <CARBS-ResearchEthics@cardiff.ac.uk>

Thu 08/09/2022 14:48

To: Anlan Zhang <ZhangA10@cardiff.ac.uk>

Dear Anlan Zhang,

Research project title: EMNEs' discursive legitimacy and voice strategies in the context of between-nations tech competition and complex international relations

SREC reference: 1171

The School Research Ethics Committee (SREC) reviewed the above application via its proportionate review process.

Ethical Opinion

The Committee gave a favourable ethical opinion of the above application on the basis described in the application form, protocol and supporting documentation.

Additional approvals

This letter provides an ethical opinion only. You must not start your research project until all any other approvals required for your research project (where relevant) are in place.

Amendments

Any substantial amendments to documents previously reviewed by the Committee must be submitted to the Committee via CARBS-ResearchEthics@cardiff.ac.uk for consideration and cannot be implemented until the Committee has confirmed it is satisfied with the proposed amendments.

You are permitted to implement non-substantial amendments to the documents previously reviewed by the Committee but you must provide a copy of any updated documents to the Committee via CARBS-ResearchEthics@cardiff.ac.uk for its records.

Monitoring requirements

The Committee must be informed of any unexpected ethical issues or unexpected adverse events that arise during the research project.

The programme director would include your research in end of project report. The Committee must be informed when your research project has ended. This notification should be made to CARBS-researchethics@cardiff.ac.uk within three months of research project completion.

Documents reviewed by the Committee

The documents reviewed by the Committee were:

Application ID: 1171

[Link to applications list, where you can access the reviewed version.](#)

1. CARBS Ethics Application Form.docx
2. Invite letter.docx
3. Participant Information Sheet.docx
4. Consent Form.docx
5. Research tool.docx

- 6. Research Integrity Training.pdf
- 7. Research proposal.docx
- 8. SREC-New feedback form.docx

Complaints/Appeals

If you are dissatisfied with the decision made by the Committee, please contact Dr Carmela Bosangit (BosangitC@cardiff.ac.uk) in the first instance to discuss your complaint. If this discussion does not resolve the issue, you are entitled to refer the matter to the Head of School for further consideration. The Head of School may refer the matter to the University Research Integrity and Ethics Committee (URIEC), where this is appropriate. Please be advised that URIEC will not normally interfere with a decision of the Committee and is concerned only with the general principles of natural justice, reasonableness and fairness of the decision.

Please use the Committee reference number on all future correspondence.

The Committee reminds you that it is your responsibility to conduct your research project to the highest ethical standards and to keep all ethical issues arising from your research project under regular review.

You are expected to comply with Cardiff University's policies, procedures and guidance at all times, including, but not limited to, its [Policy on the Ethical Conduct of Research involving Human Participants, Human Material or Human Data](#) and our [Research Integrity and Governance Code of Practice](#) .

Yours sincerely,

Dr Carmela Bosangit
Chair of School Research Ethics Committee

Appendix B: Media framing in the five British newspapers on Huawei

Example 1 from *Guardian*

Example news article	Coding	Media frame analysis
<p><i>US senator: Huawei 5G is like Soviets building west's submarines</i></p> <p>Dan Sabbagh, 2 June 2020</p> <p>A Republican senator told MPs that using Huawei kit in 5G phone networks would be akin to allowing Russia to build submarines for western nations during the cold war, in a tense hearing that saw him clash with opposition MPs.</p> <p>Tom Cotton, who represents Arkansas, said he had geopolitical and technical objections to Huawei and claimed that, if hacked, its equipment could track the movements of key parts for F35 fighter jets.</p> <p>Deploying Huawei, the politician continued, "would be as if we had relied on adversarial nations in the cold war to build our submarines, or to build our tanks. It's just not something that we would have ever considered."</p> <p>The senator was speaking before a defence subcommittee inquiring into UK proposals to allow Huawei to deploy up to 35% of 5G equipment, which has come under heavy criticism from the White House and the Conservative right.</p> <p>Ten days ago, an increasingly nervous Downing Street said it was reviewing a plan put forward by Boris Johnson as recently as January and indicated that it could be prepared to eliminate Huawei involvement entirely by 2023.</p> <p>Cotton said that he would welcome the UK removing Huawei "even earlier" and argued that the Chinese company's kit could be targeted by People's Liberation Army hackers to track the movement of key parts of US F35 fighter aircraft if it were compromised.</p> <p>The senator has recently submitted an amendment to the US 2021 National Defense Authorization Act that would block the deployment of US air force F35s in countries where Huawei equipment is used, and told the committee "we believe our airmen could be at risk".</p>	<p>China threat</p> <p>Geopolitical relations</p> <p>Government intervention</p>	<p>In this news article, <i>Guardian</i> frames Huawei as an untrusted firm from an enemy country.</p> <p>The news is titled by a quote from a US senator, frames Huawei in a Cold War narrative (i.e., the US and Soviets rivalry) and implying the geopolitical nature of Huawei's 5G business in the UK.</p> <p>In the main body, the journalist employed the identified constructs such as "China threat", "government intervention" and "human rights problem" to refer to the negative home country image of Huawei.</p> <p>Also, it is apparent that this article mainly brings Huawei in the domestic political and geopolitical discussion.</p> <p>Thus, Huawei in this article is de-legitimized as the media raised concerns of national security and geopolitical interest to inform a policy review and change toward the UK's former decision.</p>

<p>But he was challenged by Kevan Jones, a Labour MP who has sat on the intelligence and security committee. The backbencher said GCHQ had concluded there was no security risk to Anglo-American operations.</p> <p>"There is no way, there's no evidence at all, that anything, that cooperation between our two nations is going to be compromised in terms of what has been proposed," Jones said, and accused Cotton of making "threats to try and change policy in UK".</p> <p>The senator disagreed, saying that the US National Security Council was reviewing intelligence sharing with the UK in the light of the initial Huawei decision, prompting Jones to interrupt. "There's no way that Huawei equipment will come anywhere near anything in terms of our signals intelligence," the Labour MP added.</p> <p>Using the cover of parliamentary privilege, Cotton asked Jones "why are you so eager to put a criminal organisation's technology into your networks" and accused Huawei of supplying technology used by Beijing to suppress China's Uighur Muslim minority.</p> <p>Huawei says that it is a privately owned company, controlled by an employee trust, which is independent of the state. Its leaders say it has not cooperated with any attempt to orchestrate surveillance by the communist regime and its technology has been audited as compliant by Britain's spy agencies.</p> <p>Stewart McDonald, an SNP MP, also challenged Cotton, arguing that the behaviour of Donald Trump, particularly during the George Floyd crisis, adversely affected the United States's ability to lead on the issue. "The current presidential leadership and, in particular, his style of leadership is grossly undermining," McDonald said.</p> <p>Speaking after the hearing, Victor Zhang, the vice-president of Huawei, said the hearing demonstrated that the senator's principal concern was that the company had become too successful in an industry where the US has traditionally dominated.</p> <p>"It's clear its market position, rather than security concerns, underpins America's attack on Huawei as the committee was given no evidence to substantiate security allegations," he added.</p>	<p>Human rights problem</p>	
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Example 2 from *Independent*

Example news article	Coding	Media frame analysis
<p><i>UK's approach to Huawei and China 'has been naive'</i></p> <p>Ashley Cowburn, 1 June 2020</p> <p>Questions remain over whether Huawei should be given approval to develop Britain's 5G network, Lisa Nandy has said as she accused the Conservatives of a "naive" approach to China over the past decade.</p> <p>In an interview with The Independent, the shadow foreign secretary also warned global alliances could "break apart" in the wake of the coronavirus pandemic, with countries such as the US accelerating protectionist policies, populist rhetoric and increasingly scapegoating migrants.</p> <p>The Labour frontbencher's remarks follow reports Boris Johnson is seeking to curtail the Chinese company's involvement in building the vital infrastructure in the UK and growing unease in Tory ranks exacerbated by the global health crisis.</p> <p>Despite an explosive diplomatic confrontation with Donald Trump's administration, the prime minister provided Huawei with the green light to build "non-core" parts of the 5G network in January. Ministers have previously pledged to bring the issue to a Commons vote in the early summer. "When parliament returns on Tuesday you'll start to see this dominating quite a bit of parliamentary time," Ms Nandy predicted.</p> <p>"The honest truth is that the reason the UK has a problem with the 5G network is because we lost our homegrown industry some time ago and we just haven't invested here. I think Huawei has exposed the dangers of that because it leaves you at the mercy of a trade war between two global superpowers for lack of any other alternatives."</p> <p>On whether Labour believed the network should be built by Huawei, Ms Nandy said there were two considerations for the party. "One is what is the alternative? And the second is what safeguards can be put in place? Can a firewall be adequately built to make sure our national security isn't compromised? And at the moment</p>	<p>Technology competition and the UK's self interest</p>	<p>This long news article, <i>Independence</i> also portrays Huawei as untrusted company from a rival country.</p> <p>Different from <i>Guardian's</i> focus on the geopolitical relations among the UK, the US and China in Example 1, this article focuses on the UK's domestic politics.</p> <p>The core message is delivered by the news title that links UK's Huawei policy with UK's China policy, which indicates a high importance of Huawei's home country in this case.</p> <p>In this article, it can be found the identified constructs such as "domestic interest in the host country", "UK-China relations" and "policy independence" have been employed to give sense to the Huawei case. In this way, the media implies how the UK deals with Huawei is a reflection on how the UK views its China policy.</p> <p>In addition, as a central-left wing newspaper, <i>Independent</i> produced this article by interviewing a leader in the opposition party (i.e., The Labour Party) in the UK's parliament.</p>

<p>those questions just remain unanswered. Labour will take a view on how we vote on that when the House returns, but we will be pushing the government for answers to those questions."</p> <p>On security concerns, the National Security Council (NSC) designated Huawei a "high risk vendor" in February, but it was agreed the Chinese owned company could bid for "non-core elements" of the project - where security agencies believe risks can be mitigated.</p> <p>But Ms Nandy also said the row developing within the Conservative Party over relations with Beijing in the wake of the Covid-19 crisis was "quite damaging". Criticism of China has vastly increased since the outbreak of the virus, with the senior Tory MP Damian Green suggesting in March the UK's stance towards the country "may have to become similar to our attitude to Russia in the more peaceful stages of the Cold War".</p> <p>Of the row, she said: "It presents you with a binary choice about whether we throw all in with China in order to progress our economic interests, or whether we bring up barriers to China in order to protect our national security and our domestic interests."</p> <p>"At the moment, it looks like the government is moving in a direction that sort of puts up barriers to the Chinese government," she added. "I have to say, some of that is very long overdue. I think our approach to China has been fairly naive over the last ten years, but there will come a moment in a few weeks time when the world's attention turns to rebuilding our economies after the public health crisis recedes."</p> <p>"Already you can see in government that there is going to be a reliance on Chinese investment in order to rebuild the British economy, so those tensions are just not resolved and there is no real strategic approach to how we deal with that."</p> <p>Expanding on what she described as a "naive" approach, Ms Nandy claimed that for the last ten years there hadn't been a "coherent foreign policy" in Britain. "We've had an approach to the rest of the world that is seen almost exclusively through the lens of trade and economic growth and that's meant we've been pursuing trade deals with countries like Russia, like China, without thinking about the wider implications," she said.</p>	<p>Deteriorating UK-China relations</p> <p>Party politics in the UK; UK-China relations</p> <p>Decouple with China</p> <p>UK-China relations</p>	<p>It is obvious that the significance of party politics in this article, which also frequently appears in other articles in the selected newspapers. Although the purpose of this study is not to compare the media reporting on Huawei, it can be noticed that the two competing parties in the UK did hold a similar stance on Huawei, or the China policy. What the opposition parties challenges the ruling party in this article lies in its "naive" strategy on China, rather than legitimize Huawei. Thus, it can be argued that there might be less substantial difference on treating Huawei among media with different political stance, when the geopolitical context dominates the case.</p>
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<p>As shadow energy secretary under Ed Miliband's leadership, the Labour MP had also raised concerns in 2015 when the government was pursuing Chinese investment to help fund the cost of the nuclear power station at Hinckley Point, in Somerset, "without fully thinking through the implications of handing over energy security to the Chinese government".</p> <p>"We've got to have a much more strategic approach to this, not least because there is no global problem that can be solved without the involvement of China," she added. "So as well as having much more strategic independence, we've got to have a constructive relationship."</p> <p>In recent weeks, Ms Nandy has held a series of conversations with world leaders, including from New Zealand and Australia, alongside the new Labour leader Sir Keir Starmer, where a "huge amount of goodwill" towards Britain was on display. But as countries across the world begin to emerge from lockdowns and government's prepare to ease restrictions and rebuild economies, she believes a dangerous moment is on the horizon.</p> <p>Pressed on whether she believed Britain will have a diminished role in global politics, she said: "I think actually that the UK has a huge role to play in the world. There are enormous challenges at the moment around tensions between the USA and China and the way in which the world is being squeezed between those two things. You only have to look at what happened with the UK with Huawei to see how that can play out on a domestic level."</p> <p>In response to the global pandemic she claimed the world will soon face a moment where it "will choose to pull together or pull apart", later adding: "Already you can see in Hungary, the USA, in Italy, whether it's coming from government, government advisers or opposition parties, you can see these nationalist, populist voices making the case for attacking multilateral institutions and closing borders, seeing huge amount of scapegoating of migrants when the Covid pandemic first hit and protectionism is not caused by Covid but could be accelerated by it. I'm very determined in Labour we're going to play our part in making sure we can get that right."</p> <p>The unprecedented impact of coronavirus has also had personal implications for the Wigan MP which she highlights in response to the reports of</p>	<p>The UK's independent policy choice</p>	
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<p>the prime minister's most senior aide, Dominic Cummings, breaking lockdown instructions. While she said many of her constituents recognised the "stresses" he was under, Ms Nandy added: "But that's exactly the stress and dilemmas that have been afflicting families up and down the country - often in much more acute circumstances.</p> <p>"We've got constituents who haven't been able to say goodbye to loved ones. I went to a funeral a few weeks ago and said goodbye to a very close friend from the car park while the family sat inside by themselves," she said. "The close family came to the funeral parlour with the hearse and the funeral service was conducted from inside the crematorium. Very close friends and family had been invited to attend but to attend outside, socially distanced, and the crematorium put a loud speaker on so that we could hear the ceremony. It was of some comfort to the family that they could see that people who were there, but it was a very difficult experience."</p> <p>Ahead of Durham police releasing a statement suggesting Mr Cummings may have broken lockdown restrictions by driving to Barnard Castle, Ms Nandy added he "should have been sacked" by the prime minister, adding: "Keir said recently if he were prime minister Dominic Cummings would have been sacked and I think that is the only course of action that will begin to restore public confidence. I've never been in favour of witch hunts in politics but I think people do have to take responsibility for their own actions."</p> <p>The day after losing the contest to succeed Jeremy Corbyn as Labour leader on 4 April, Ms Nandy was invited by Sir Keir to take up the position of shadow foreign secretary - a core role on the shadow frontbench. She emerged with 16 per cent of the first preference votes of the party ballot of members, but admits now it wasn't an "enormous shock to anyone in the political world" when the former Brexit secretary won decisively.</p> <p>Due to the coronavirus outbreak, a planned special conference of party members was cancelled and candidates in the contest were asked to pre-record a victory video that could be shared with the press and supporters when the results were announced.</p> <p>"Yeah, I didn't do that," Ms Nandy said. "First of all we didn't have a budget left to make a video."</p>		
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There was a moment during the campaign when when we were all put under a lot of scrutiny about the amount of money we had coming in and I remember saying at one of the hustings, don't worry I've declared all of mine and don't worry, it didn't take very long.

"We didn't record any kind of victory message for a couple of reasons. It would have been a real waste of time - in terms of what was going to happen next with the Labour Party you could have recorded that the day of the announcement. It just seemed like a really strange way to sort of approach the start of a new leadership."

During the Labour leadership contest, Ms Nandy outlined her approach to foreign policy at a major speech at the Royal Society of Arts, defending the free movement of people and delivering a scathing assessment of Mr Corbyn's "totally wrong" approach to Russia and the 2018 Salisbury poisoning. She said the party must not shy away from the mistakes it had made, including the "disastrous decision" to invade Iraq and urged the party to stand up to its values "even when they have economic consequences".

But for her vision for Britain's foreign policy ever to be implemented, Labour faces both a four year wait and a considerable challenge in the wake of the disastrous December election result. Even for the party to emerge with a small majority government after the next scheduled vote in May 2024, Sir Keir must win in excess of 124 parliamentary seats across the UK - a scale of victory not experienced by Labour since the 1997 election, in which Tony Blair secured a net gain of 146 seats. But Nandy believes this is "possible" due to the increasingly volatile nature of politics.

"I think traditional voter loyalties have started to really break down," she said. "We've seen that to Labour's cost in recent years. But things move with speed at the moment and if they can flip once, they can flip again. But that's not to underestimate the scale of the challenge.

"Those voters who started to turn away from Labour in seats like mine in 2015, by 2017 they were saying we'll just sit this one out, we won't vote for anyone else because the break with Labour was emotional and deep and they weren't prepared to leap to another political party. But by 2019 we were seeing them on that journey making that leap. The lesson from Scotland is

once people leave it's very, very hard to get them back."		
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Example 3 from *FT*

Example news article	Coding	Media frame analysis
<p><i>UK review of Huawei eyes impact of US sanctions</i></p> <p>Helen Warrell and Nic Fildes, 1 June 2020</p> <p>A government review into the impact of new US sanctions on Huawei will report back within weeks, officials have said, as they warned the curbs could have "very, very serious" implications for the Chinese company's planned role in supplying 5G networks in the UK.</p> <p>The emergency review, which started just days after the US announced new export controls on Huawei last month, is being undertaken by the National Cyber Security Centre, a branch of UK signals intelligence agency GCHQ.</p> <p>The latest US sanctions and the UK review gives prime minister Boris Johnson the opportunity to execute a U-turn on his contentious decision in January to grant Huawei a limited role as a supplier of telecoms equipment for the country's 5G mobile phone networks.</p> <p>But the review has brought fresh uncertainty for UK mobile network operators EE, Three and Vodafone, which have used Huawei kit in their nascent 5G networks.</p> <p>Even though Mr Johnson confined Huawei to a 5G market share of 35 per cent in the UK, and excluded the company from providing equipment for the sensitive "core" of the networks, his decision has come under heavy fire from rebel Conservative MPs and the US government. They have argued the deal gives Beijing a way to spy on UK communications.</p> <p>Some at Westminster suggested the government review into the impact of US sanctions on Huawei highlights a hardening of the UK's attitude towards China, following Beijing's mishandling of coronavirus.</p>	<p>UK-US relations</p> <p>Challenge the UK's initial Huawei policy</p> <p>UK-China relations; Negative home country image</p>	<p>In this news article, <i>FT</i> also portrays Huawei as an untrusted company from a rival country by emphasizing the impact of the US sanctions on Huawei.</p> <p>The title of this article indicates that the UK's Huawei policy would significantly be influenced by the US, and implies that the UK might change its initial Huawei policy.</p> <p>This news article tends to employ the identified constructs such as "UK-US relations" and "UK-China relations" to inform the Huawei policy in the UK.</p> <p>Besides, by analyzing the newly announced US sanctions, the media de-legitimized Huawei by raising concerns on its "unreliable supply chain", which is subjected to a "negative home country corporate image".</p> <p>In addition, the media de-legitimized Huawei through its "negative home country image", by mentioning Beijing's</p>

<p>"The virus has clarified the choice," said Tom Tugendhat, chair of the House of Commons foreign affairs select committee and co-founder of a new Conservative campaign group on China. "The cost of doing business with autocratic regimes is that you don't just import their technology, you also import their values and make yourself dependent on their politics."</p> <p>Whitehall insiders acknowledged that geopolitical considerations may now weigh more heavily on the government than they did in January.</p> <p>But UK officials said the new US sanctions - Washington's latest effort to cut Huawei off from access to semiconductors made with US equipment and used in products such as networks and smartphones - represented a "material change" in the Chinese company's risk profile.</p> <p>This is partly because it will be harder for the UK to vet any Chinese-made semiconductors used by Huawei, especially given the likely speed and scale of a new production line.</p> <p>"If the Chinese state mobilises to support rapid manufacturing of alternatives ... our longstanding understanding of how the [Huawei] supply chain works just disappears," said one Whitehall insider.</p> <p>The insider also suggested it was "not completely implausible" that the US export controls due to take effect in September could imperil Huawei's ability to stay in business.</p> <p>Guo Ping, Huawei's rotating chair, last month admitted that Washington's latest export controls dealt the Chinese company a significant blow. "We will work hard to figure out how to survive," he said. "Survival is the key word for us now."</p> <p>Officials from the UK, who met telecoms industry executives last week to discuss the state of play, have privately made their anxieties about the impact of the new US sanctions clear. "It's a very very serious situation," said one official.</p> <p>The UK government is expected to report back to mobile operators by the end of July with a decision on whether Huawei can remain a 5G kit supplier.</p> <p>The US sanctions are much more targeted than those imposed by Washington on Huawei a year</p>	<p>Value distance</p> <p>Highlight geopolitical context</p> <p>Unreliable supply chain of Huawei</p> <p>US political pressure;</p>	<p>mishandling of coronavirus.</p> <p>Finally, the media mentioned that removing Huawei's 5G is to let the UK be independent on the Chinese technology, which echoes the key context geopolitical context (Tech Cold War and techno-nationalism).</p>
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'The cost of doing business with autocratic regimes is that you import their values' Tom Tugendhat, Tory MP.		
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Example 4 from *Times*

Example news article	Coding	Media frame analysis
<p><i>British tech firms could get state help to rival Huawei</i></p> <p>Lucy Fisher, 1 June 2020</p> <p>Boris Johnson is examining options to boost state investment in domestic telecoms companies to help them compete in the 5G technology market, The Times understands.</p> <p>The proposal is part of a wider plan to reduce Britain's reliance on Huawei for its next-generation mobile network, amid growing security fears over the Chinese firm's equipment.</p> <p>Working with international partners to create a democratic alliance that would pioneer a wider selection of future technologies is another pillar of the plan. The government has approached Washington about the proposed club, which could include nations such as South Korea and India as well as western states.</p> <p>Last week the National Cyber Security Centre, a branch of GCHQ, said that it was reviewing the security and resilience of Huawei products after the US placed new sanctions on the company.</p> <p>The findings of the review could pave the way for Mr Johnson to reverse the decision he made in January, when he approved Huawei's participation in Britain's mobile network upgrade subject to a market cap and exclusion from the sensitive "core" of 5G.</p> <p>There has been a vigorous US lobbying campaign, led by the White House, to persuade Britain to think again. Senior American figures will reiterate their concerns this week.</p> <p>Tomorrow the Commons defence select committee will hear from Tom Cotton, a</p>	<p>Negative home country corporate image</p> <p>Technology competition and the UK's self interest</p> <p>UK-US relations</p>	<p>In this news article, <i>Times</i> also portrays Huawei as untrusted firm from a rival country. Meanwhile, the media present a strong policy implication to inform the policymakers in the UK.</p> <p>The title of this news article implies Huawei as a rivalry company. In the main body, the media is focusing on the options that the UK can use to reduce the reliance on Huawei and improve its capabilities in the national technology competition.</p> <p>This article de-legitimized Huawei by using the identified constructs such as "negative home country corporate image", "geopolitical relations" and "domestic interest of the host country". The key message lies in that the UK need to develop its own capabilities and equip itself with advanced technology in the long-term national competition. Such</p>

<p>Republican senator and critic of China, about the security of 5G.</p> <p>General Robert Spalding, a former US defence attache to China and a fellow hawk, will also give testimony to MPs. He has previously warned the UK that pressing ahead with Huawei in 5G would endanger the Anglo-American "special relationship".</p> <p>Huawei representatives are due to have talks with Downing Street to clarify intentions, according to The Sunday Times, which also reported that officials were concerned that Huawei would threaten to walk away, causing turmoil in the 3G and 4G networks, which use the company's equipment.</p> <p>The move comes amid a wider discussion in government about Britain rebalancing its relationship with China as a result of the Covid-19 pandemic, with criticism of Beijing's handling of the initial outbreak. China's proposal to impose a national security law in Hong Kong has compounded concerns.</p> <p>The government's three-point plan to deal with Huawei could mean state funding channelled towards domestic telecoms companies such as Vodafone and BT to help them develop rival technology, it is understood.</p> <p>Government sources acknowledge that it would be a longer-term ambition because the UK lags behind international partners. There are currently only two European suppliers of 5G technology: Nokia and Ericsson.</p> <p>Bob Seely, administrator of the Huawei Interest Group of 59 Conservative MPs who are concerned about the company, welcomed the option to invest more in British firms. "In future 5G and our advanced communications are going to be more about software than hardware," he said. "Therefore potentially you have lower barriers to entry for new players."</p> <p>Huawei denies it poses any security risk and insists it is a private, employee-owned company that is free from Chinese state influence. The Times attempted to contact Huawei but it did not respond to requests for comment.</p>	<p>Deteriorating UK-China relations</p> <p>Techno nationalism; Technology competition</p> <p>UK self interest</p>	<p>capability should be cultivated by collaboration with the US and other allied countries, rather than with Huawei from a rival country.</p>
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Example 5 from *Telegraph*

Example news article	Coding	Media frame analysis
<p><i>Hanging up on Huawei may return PM to US's good books</i></p> <p>Hannah Boland, 2 June 2020</p> <p>At the start of the year, before coronavirus swept across the country, politicians had a very different crisis on their hands. Boris Johnson announced he was allowing Chinese firm Huawei to build part of the UK's 5G network - and Donald Trump was furious.</p> <p>The US Republican view was that it was "like allowing the KGB to build [Britain's] telephone network during the Cold War".</p> <p>Months later, things are changing. The UK Government appears to be setting the groundwork for Huawei to be stripped out sooner than expected. Ministers are understood to have held talks over funnelling taxpayer cash into an international scheme to standardise 5G network equipment, known as OpenRAN, that is backed by BT, Vodafone and tech giants including Facebook.</p> <p>Sources also told The Daily Telegraph there were early talks over compensating telecom operators for having to swap out Huawei equipment earlier than planned.</p> <p>All of this action stems from a new emergency review launched into Huawei. Within weeks, GCHQ branch the National Cyber Security Centre will report on how fresh US sanctions over semiconductors will affect the Chinese giant.</p> <p>There is speculation that Britain is preparing to U-turn on its earlier decision over Huawei.</p> <p>"There's a growing resignation" that Huawei will not be allowed as big a role as was previously suggested, one industry source said. "It's just a matter of what the time line will be." Huawei has operated in the UK for 20 years and touts its "proven track record".</p> <p>Victor Zhang, its UK boss, says that "the Government decided in January to approve our part in the 5G rollout, because Britain needs the best possible technologies, more choice,</p>	<p>China threat</p> <p>The UK's self-interest; economic cost</p>	<p>In this news article, Telegraph also portrays Huawei as an untrusted company from a rival country.</p> <p>The title conveys a core message that it is good for the UK-US relations if the UK cuts ties with Huawei. It is found that the media has employed the identified constructs such as "negative home country image", "negative home country corporate image", "geopolitical relations" and "domestic interest in the host countries" to frame the Huawei issue.</p> <p>By framing the Huawei case in the UK-US relations, the media informs that a policy U-turn on Huawei could be inevitable, and it fits the UK's interest for following the US sanctions on Huawei.</p> <p>Interestingly, it can be found that <i>Telegraph</i>, as a right-wing newspaper employs the similar metaphor with <i>Independent</i> (a relative left-wing), that allowing Huawei to develop 5G in the UK would be like allowing KGB to build the UK's telephone network during the Cold War. It seems that no matter</p>

<p>innovation and more suppliers, all of which means more secure and more resilient networks".</p> <p>Huawei has always denied claims it poses a security risk. Yet, within government, there has been a change of heart. The Telegraph reported last month that Johnson had instructed officials to draw up plans to cut China's involvement down to zero.</p> <p>Over the weekend, The Times suggested a new "multi-pillar" approach was being adopted, to invest in companies such as BT and Vodafone to develop their own network equipment, as well as grow out an international alliance.</p> <p>Recent talks with telecom operators are understood to have centred around a taxpayer investment into OpenRAN, technology which is aimed at standardising network equipment which has sprung up in recent years.</p> <p>This open standard could open the door for more rival suppliers to flood the 5G market and compete with Huawei.</p> <p>One, for example, known as the Telecom Infra Project, already has the support of US tech giants like Facebook and Intel, as well as operators such as Vodafone, BT and O2 owner Telefonica.</p> <p>Yet that does not mean that telecom operators may not need some government support.</p> <p>There is talk of potential "compensation" should companies need to swap out Huawei equipment earlier than initially planned.</p> <p>Some people say it may not be the end of Huawei in the UK.</p> <p>"We're not quite there yet," says Bob Seely, MP for the Isle of Wight and chairman of the 59-strong Huawei Interest Group of MPs.</p> <p>"It might be that the Government still tries to retain a Huawei share in the network. We need to be sure that the only people that are in our advanced communication networks are trusted vendors."</p> <p>Whether it is with the review or a bill, one thing is clear: Johnson may have made a decision on Huawei in January, but that decision may soon have to change. This time, at least, the US may be happier with the outcome.</p>	<p>UK-China relationships</p> <p>Alternative plans</p> <p>Imply a UK policy U-turn</p> <p>Unreliable supply chain</p> <p>UK-US relationships</p>	<p>what political stance the selected newspaper holds, they tend to have a consensus to frame the Huawei issue in a geopolitical context.</p>
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Appendix C: Interview protocol

Semi-structured Interview Protocol

Opening Question:

Could you please tell me about your role and responsibilities?

Question 1:

Based on your knowledge or experiences, could you please introduce the overall overseas communication strategy of Chinese companies?

Question 2:

What are the differences between making communication strategy in domestic and foreign market? What are the challenges? How to manage to adapt to different market environments?

Question 3:

What is the biggest difficulty for Chinese companies to make communication strategies in overseas market? How to cope with such problem?

Question 4:

Can you give an example of a successful (or failed) overseas communication strategy of Chinese companies? Why do they succeed or fail?

Question 5:

What do you think are the most important resources to have when Chinese companies are forming communication strategies in the overseas market? If in some keywords, what will you say? Why these resources important?

Question 6:

As Chinese companies may have subsidiaries and operations in different overseas countries, do you prefer to use a standardized or specialized communication strategy? And why?

Question 7:

Who are taking the responsibility of conducting communication strategies in overseas market, headquarter or subsidiary managers? What should be the relationship between the headquarter and subsidiaries in such strategy? And why?

Question 8:

Why do some Chinese companies face negative media coverage in overseas market? What is the impact of such negative media coverage on companies? How can companies respond?

Question 9:

Which types of media should Chinese companies consider when conducting the communication strategy, including traditional or social media? What are their advantages and disadvantages? How to use different media channels?

Question 10:

Some Chinese firms might choose a low-profile strategy in the overseas market because of unfamiliarity, do you think it is a good strategy? And why?

Closing Question:

Is there anything else you'd like to add that you think would be beneficial to this research?