From political alliance to political target: Researchers use social media to see how multinationals react when targeted by protestors

Edmonton — What does a company that has been working closely with a government do when their partners are overthrown? And how do they react when the people of the country turn against them? Ali Taleb, a professor in the School of Business, wanted to know when he began researching how multinational companies react to big events.

“Tensions between governments, companies and civil society are universal,” says Taleb. “But during quick shifts, including the wave of demonstrations, riots and civil wars in the Middle East, known as the Arab Spring, those tensions are magnified to a whole new level.”

“We know a lot about how people, as individuals deal with life-changing events and huge shocks, but we don’t know how much about how companies handle them,” says Taleb. So he partnered with researchers from Concordia University and California State University to find out.

The three researchers spent hundreds of hours combing through thousands of news articles and press releases, activist Facebook posts and blogs, Twitter feeds just before the first day of the Arab Spring demonstrations in Egypt. In total, they looked at more than 6,000 digital records from January 25, 2011 and June 30, 2012 just after the country’s first democratically elected president was sworn in.

What they found was a complete shift in the way companies positioned themselves and the image they tried to convey to the public. “Their approach changed dramatically in only three weeks,” said Taleb. “When the regime started to sink, they actively began trying to build an alliance with society, creating more social programs and demonstrating an interest in people who were poor,” explains Taleb.

Taleb says it’s something they should have been doing all along. “Even if you have a strong political alliance, it can backfire. The message to companies that comes from his research is never to forget about the people in the country you’re working in, and involving civil society and being ethical may mean that approvals and processes may take longer, but it’s worth it.”