

Unfolding BP's reframe through reform strategies for politically connected governance practice and geopolitical disruptions

Sameh Ammar  | Nader Elsayed

College of Business and Economics, Qatar University, Doha, Qatar

Correspondence

Sameh Ammar, College of Business and Economics, Qatar University, Doha, Qatar.
Email: sammar@qu.edu.qa

Abstract

This study examines British Petroleum's (BP) strategic framing and deployment of politically connected governance (PCG) practices amidst geopolitical disruptions from 2010 to 2017. Through thematic analysis, the study identifies three PCG practices developed by BP during reputational disruption, regulatory challenges and political upheavals. Each practice, supported by clusters of political and (non-)executive actors, shares joint expertise and is deployed defensively or proactively amidst geopolitical disruptions. BP's framing strategies, which include responsiveness, compliance and collaboration, aim to alter stakeholders' perceptions. These understandings affect governance code setters, policymakers and related academic literature.

KEYWORDS

(re-)framing strategies, BP, geopolitical disruption management, political connections, politically connected governance

JEL CLASSIFICATION

M14, M41

1 | INTRODUCTION

British Petroleum (BP) is a multinational oil and gas corporation whose distinguished history extends over more than a century. Its inception in 1909, marked by the establishment of the Anglo-Persian Oil Company, influenced the evolution of the oil industry within the Middle East and North Africa (MENA). Over the years, BP has expanded its operations worldwide, forging partnerships and acquiring companies, extending its presence to more than 70 countries. BP

This is an open access article under the terms of the [Creative Commons Attribution-NonCommercial-NoDerivs](https://creativecommons.org/licenses/by-nc-nd/4.0/) License, which permits use and distribution in any medium, provided the original work is properly cited, the use is non-commercial and no modifications or adaptations are made.

© 2024 The Author(s). *Accounting & Finance* published by John Wiley & Sons Australia, Ltd on behalf of Accounting and Finance Association of Australia and New Zealand.

operates across the entire oil and gas value chain. With a global presence spanning several continents, BP faces challenges in navigating diverse geopolitical contexts (BP-PLC, 2015, p. 52; 2016, p. 48; 2017, p. 56):

The diverse locations of our operations worldwide expose us to a wide range of political developments and consequent changes to the economic and operating environment. Geopolitical risk is inherent to many regions where we operate, and heightened political or social tensions or changes in key relationships could adversely affect the group.

Major geopolitical disruptions reoccur in BP's track record, including the environmentally damaging Alaska oil pipeline leak (Patten, 1992), the devastating Texas City refinery explosion in 2005 (Ruffing, 2007), and the infamous Deepwater Horizon (DWH) oil spill in 2010, which caused severe environmental and financial consequences (Ammar, 2024; Elsayed & Ammar, 2020). Political instability in countries where BP operates, such as Egypt, Libya and Algeria, has disrupted operations and damaged infrastructure (BP-PLC, 2011). Government trade restrictions have limited BP's ability to operate in the North Sea, affecting its market access and profitability (BP-PLC, 2010). Regulatory changes and shifts in energy policies in Bolivia, Argentina, the Gulf of Mexico (GoM), and Azerbaijan have significantly impacted BP's operations by influencing its business practices (BP-PLC, 2011). Environmental disasters have damaged BP's reputation, resulting in public backlash (Ammar, 2024; BP-PLC, 2010). To this end, BP reported its reliance on political expertise (BP-PLC, 2010, p. 96):

In 2009, BP formed an International Advisory Board (IAB) to advise the Chairman, Group Chief Executive, and the board on geopolitical and strategic issues relating to the company.

Our understanding of advisors' demographics and their interactions with executives remains limited. Executives face significant challenges in addressing geopolitical disruptions, often surpassing their capabilities (Babcock et al., 2022). A 2021 Ernst and Young survey highlighted disruptions such as trade disputes, regulatory changes, regional conflicts, supply chain threats and market access issues. The complexity and uncertainty of these disruptions involve diverse political, economic and social factors, complicating impact prediction. Executives often need specialised geopolitical expertise, relying on external experts for guidance. Limited access to accurate and timely information exacerbates the situation, as comprehensive data is scarce. Additionally, misjudgements arise from a lack of understanding of cultural nuances and contextual factors specific to each region, complicating disruption management strategies (Van Asselt & Renn, 2011).

The literature on political connections provides insights into the role of external advisors. Political connections refer to associations between individuals or organisations and political actors, such as government officials or political parties. These connections play a contentious yet significant role in governance across various domains, including corporate performance and policymaking. Although studies by Jennings et al. (2021), Prabowo et al. (2018) and Qian and Chen (2020) have advanced our understanding of their effects on performance and leadership, they often need to pay more attention to geopolitical disruption management. This gap heralds the emergence of politically connected governance (PCG), which links corporate governance with political connections, impacting corporate strategy and decision-making. Despite recent calls for research, PCG remains unexplored (Elsayed, 2022; Preuss & Königsgruber, 2021).

The literature on framing in accounting reveals a tension between strategic framing for corporate reporting and its implications, especially during geopolitical disruptions. Craig and Amernic (2004) and Amernic and Craig (2017) highlight the role of leadership in

framing, suggesting potential conflicts between ethical governance and communication. While Rosenkranz and Pollach (2016) discuss the media's influence on corporate framing, Tengblad and Ohlsson (2010) explore globalisation's impact, introducing external factors. However, more research is needed on how multinational corporations such as BP adapt to geopolitical turbulence (Arora & Lodhia, 2017). This gap underscores the need to investigate multinational corporations' framing strategies amidst such disruptions.

Our research examines how BP frames and deploys PCG practices amidst geopolitical disruptions, making three distinct contributions. Firstly, it extends the existing literature on corporate governance, particularly on establishing and legitimising political connections. This study explores the under-researched area of how geopolitical disruptions are managed. By employing a case study of a multinational corporation operating across diverse geopolitical landscapes, it identifies three distinct PCG practices developed during times of reputational disruption, regulatory challenges and political upheavals. Secondly, the three identified PCG practices extend previous research by detailing how these practices involve clusters of political and (non-)executive actors who share joint expertise. The BP deploys these practices either defensively or proactively to manage geopolitical disruptions. Finally, the case study facilitates an analysis of BP's (re-)framing, focusing on its responsiveness, compliance and collaboration strategies. This analysis explains how BP manages its relationships with various stakeholders during challenging times.

The following sections of this paper are structured as follows: In Section 2, we examine the literature on political connections and framing strategies. Section 3 details the research design. Section 4 discusses our research findings. Section 5 illuminates critical remarks about framing strategies and PCG, while Section 6 provides vital remarks, addresses implications and suggests avenues for future research.

2 | LITERATURE REVIEW

2.1 | Political connections

Political connections can take various forms, including social networks, familial ties, friendships or institutional affiliations (Dicko et al., 2019; Hashmi et al., 2023). The nature of political connections has been extensively explored in the literature (Habib et al., 2018). Scholars have examined the role of political connections in corporations in China (Cheng et al., 2015; Qian & Chen, 2020), Tunisia (Maaloul et al., 2018) and Canada (Dicko et al., 2019); public administration in Indonesia (Prabowo et al., 2018); and policymaking in the US (Jennings et al., 2021). Although these studies are insightful, they focus primarily on the effects of political connections on corporate performance and valuation (Maaloul et al., 2018), auditor choice (Cheng et al., 2015), voluntary disclosure (Dicko et al., 2019) and leadership changes (Qian & Chen, 2020). In business, political connections often involve corporations seeking favourable contracts or regulatory advantages through affiliations with influential political figures (Elsayed, 2022). Iyengar (1990) highlighted that working in government roles or serving on advisory boards can facilitate interactions with politicians, fostering political connections. However, several negative consequences have been associated with political connections, including corruption, rent-seeking behaviour and distortions in market competition (Shleifer & Vishny, 1994). Furthermore, it can undermine transparency, accountability and the overall effectiveness of governance mechanisms (Hashmi et al., 2023). In other words, this varies with the nature of the political connections and policy salience (Jennings et al., 2021). While these studies have advanced our understanding of the consequences of political connections, the specific mechanisms through which these effects unfold still need to be researched. Investigating how multinational corporations manage and deploy their PCG practices amidst geopolitical disruptions would significantly enhance our understanding of this area.

2.2 | Framing and reframing

Framing is crucial because '[a]n audience's interpretation of and reaction to a person, event, or discourse can be shaped by the frame in which that information is viewed' (Benoit, 2001, p. 72). This concept has gained significant attention as scholars have explored the influence of language, communications and cognitive biases on accounting practices (Masiero et al., 2020; Preuss & Königsgruber, 2021). Also, it has been studied in the fields of decision-making (Tversky & Kahneman, 1981), politics (Iyengar, 1990) and media discourse (Tucker, 1998). However, our study focuses on framing and reframing PCG, which spans various subfields, such as financial reporting (Preuss & Königsgruber, 2021), social responsibility (Tengblad & Ohlsson, 2010) and risk reporting (Allan et al., 2010).

Understanding corporate framing is essential for gaining insights into corporate behaviour, as it highlights the perceptual and cognitive lenses through which a corporation interprets its environment. Framing influences decision-making processes, strategic choices, stakeholders' perceptions and overall behaviour. Hines (1988) argued that corporate practices are socially constructed to support specific interests rather than being neutral representations of economic reality. Lord (1994) found that negatively framed messages from personal acquaintances significantly increased recycling behaviour in community programmes. Similarly, Davis (1995) demonstrated that framing environmental reporting influences corporate behaviour, encouraging environmentally responsible actions. Recent literature defines framing as using narratives about events and developments to shape how stakeholders present and perceive information (Rosenkranz & Pollach, 2016; Tengblad & Ohlsson, 2010).

Previous studies provide insights into framing corporate narratives. Amernic and Craig (2017) and Craig and Amernic (2019) emphasise the necessity for ethical leadership and robust corporate governance to prevent abuses of power, thereby underscoring the importance of ethical conduct and effective management. They also highlight how leadership language shapes the safety culture at BP, advocating for a comprehensive approach to safety in high-risk industries. Irvine and Fortune (2016) argue that a Football League establishes its legitimacy through annual reports. In contrast, Pengnate et al. (2020) identify the need for an in-depth analysis of the mechanisms influencing managerial discretion in pursuing legitimacy. The media plays a significant role in emphasising framing tactics for corporate performance reporting (Rosenkranz & Pollach, 2016) and facilitating organisational transformation during crises such as the DWH incident (Ammar, 2024). Additionally, Tengblad and Ohlsson (2010) observed a shift in corporate social responsibility framing in Swedish corporations from a national to an international perspective due to globalisation, a finding corroborated by Masiero et al. (2020) in the context of mandatory disclosure and the EU Directive.

Furthermore, Loroz (2007) addressed the underlying mechanism that may drive framing effects on persuasion and concluded that negative frames are more persuasive with self-referencing appeals. In contrast, positive frames are most effective when highlighting benefits to oneself and others. In narrative reporting, Merkl-Davies et al. (2011) studied impression management of the Chairman's statements of 93 UK-listed companies, and they reported that adverse organisational outcomes prompt managers to engage in retrospective sense-making. Additionally, Liu et al. (2015) examined the interactive effect of control strength and control frame on managers' fraudulent reporting decisions. They suggested that when controls are framed for monitoring purposes, more robust controls will result in less fraudulent reporting than weaker controls. Therefore, corporate framing provides a means to analyse the corporate choices, strategies and responses to various stimuli (e.g., geopolitical disruptions), advancing our knowledge about strategic management, organisational development and effective decision-making.

The current literature on framing strategies and political connections provides insights into corporate governance. However, a significant gap exists in understanding how multinational corporations (e.g., BP) employ these strategies during geopolitical disruptions. While previous studies have examined the overall impact of political connections on corporate disclosures, they have overlooked addressing how BP frames and deploys PCG practices amidst geopolitical disruptions. This research area is central to enhancing academic knowledge of the relationship between geopolitical disruptions, political connections and strategic communication in BP's organisational behaviour.

3 | RESEARCH DESIGN

This study employs an interpretative case study to examine accounting practices in the context of geopolitical disruptions (Scapens, 2004; Sharma & Lowe, 2023). Such a case study provides insights for multinational companies affected by geopolitical disruptions (Arora & Lodhia, 2017; Osofsky et al., 2011). BP was selected due to its exposure to political instability, operational restrictions, regulatory changes and environmental issues. This case study offers a nuanced understanding of BP's framing and deployment strategies for PCG practices amidst geopolitical disruptions. We adhered to three interpretative research criteria: authenticity, plausibility and transferability (Baxter & Chua, 2008).

The diverse data sources and comprehensive background on BP underscore the study's authenticity (see Table 1). These sources facilitated triangulation within BP accounts and external sources, meeting the interpretative research criterion of plausibility through thematic analysis. Plausibility pertains to making field research sensible and believable (Baxter & Chua, 2008; Scapens, 2011) and was addressed through external validity, contextual validity and construct validity (Lukka & Modell, 2010). External validity concerns the generalisability of findings across populations, contexts and time. This study does not seek generalisations but aims to contribute to theoretical understanding by focusing on the concept of (re-)framing and PCG derived from our examined data. Contextual validity pertains to the credibility of case study evidence and conclusions. The authors evaluated each theme's validity through evidence triangulation within and across three distinct datasets.

Table 1 shows that the first dataset consisted of BP's Annual Reports and Forms 20-F, serving as fundamental sources, with additional details from standalone reports such as the Chairman and CEO letters, business reviews, sustainability, and corporate governance reports. The second dataset comprised articles published by media outlets (e.g., newspapers) and

TABLE 1 Sources of data collection.

	2010	2011	2012	2013	2014	2015	2016	2017	Total
Annual reports (including IAB)	1	1	1	1	1	1	1	1	8
Chairman's letters	1	1	1	1	1	1	1	1	8
CEO letters	1	1	1	1	1	1	1	1	8
Corporate governance reports	1	1	1	1	1	1	1	1	8
Sustainability report	1	1	1	1	1	1	1	1	8
Business review reports	1	1	1	1	1	1	1	1	8
British Petroleum documentations (in total)	6	6	6	6	6	6	6	6	48
Media (e.g., newspapers)	2	1		1	1	1	1	1	8

TABLE 2 International Advisory Board (IAB) members.

IAB board members	Position	2009	2010	2011	2012	2013	2014	2015	2016	2017
Bob Dudley	Chief Executive Officer	Formed, but no information	A	A	A	A	A	A	A	A
Carl-Henric Svanberg	Chairman		A	A	A	A	A	A	A	A
Dr Ernesto Zedillo	Advisor		M	M	M	M	M	M	M	M
Dr Javier Solana	Advisor		–	M	M	M	M	M	M	M
Josh Bolten	Advisor		M	M	M	M	M	M	M	M
Kofi Annan	Advisor		M	M	M	M	M	M	–	–
Lord Patten of Barnes	Advisor		M	M	M	M	M	M	M	M
Peter Sutherland	Former BP Chairman		C	C	C	C	C	C	C	C
President Romano Prodi	Advisor		M	M	M	M	M	M	M	M
Sir John Sawers	Chair of Geo Committee		–	–	–	–	–	–	–	A

Note: A, Attending; C, Chair; M, Member.

databases (e.g., Bloomberg and LSEG¹) to ensure trustworthiness (Baxter & Chua, 2008). BP's Annual Reports included reflections on geopolitical disruptions, their ramifications and actions taken. These reports also provided evidence of the involvement of politicians and public figures in BP's operations through the IAB since 2009, with periodic updates on members and agendas from 2010 onwards (see Table 2).

However, BP's Annual Reports do not provide detailed information about IAB members. Instead, we relied on the third dataset of external sources, such as Bloomberg and LSEG, to gather information about their backgrounds, expertise and affiliations, ensuring trustworthiness (Baxter & Chua, 2008; Scapens, 2004). According to BP, the outcomes of IAB meetings are usually communicated internally to relevant corporate committees through the Chairman and CEO, drawing attention to business reviews and corporate governance reports. These reports detailed regional geopolitical disturbances, corroborating the agenda discussed in BP's Annual Reports. As shown in Table 3, data from business review reports is organised around three regions with shared characteristics.

We examined BP's standalone corporate governance reports to obtain further information about committees discussing geopolitical disruptions with IAB through the Chairman and CEO. These reports provided detailed information about committee members, including demographics, expertise and their interactions with vital organisational figures such as the Chairman, the CEO and members of the IAB (see Table 4).

Triangulated sources within BP accounts and external sources facilitated the analysis, addressing the plausibility and credibility of conclusions. The thematic analysis, defined as 'one of several analytical approaches that can be used to identify patterns of meaning across a qualitative dataset' (Braun et al., 2016, p. 191), was employed to understand how BP uses framing strategies and PCG practices amidst geopolitical disruptions. The systematic process included familiarisation with data, coding, theme generation, theme review and (re)naming, and the final write-up (Braun et al., 2016). NVivo software was used to manage data analysis and record all coding actions (Hutchison et al., 2010). The first author coded data from Tables 1 and 3, while the second coded Tables 2 and 4. These roles were then swapped to review each other's coding processes and draw conclusions from the case study.

The coding process began by categorising relevant texts into nodes (e.g., themes) and forming hierarchical trees (Auld et al., 2007). We coded the agendas discussed by the IAB as reported in Annual Reports and geopolitical disruptions at the country level where BP is investing, as reported in business reviews. This process identified semantic themes represented by geopolitical regions: the US, South America, Europe and MENA. The emergent themes underwent two types of review (Auld et al., 2007): (1) reviewing the nodes/themes' tree structure and (2) reviewing the content of geopolitical disruptions. Geopolitical disruptions were categorised into environmental (US), regulatory (EU, South America) and political (MENA and Caspian regions).

Then, we categorised IAB members into three existing themes of geopolitical disruptions. Their backgrounds and positions informed this coding. This analysis identified latent themes that linked their demographics, backgrounds and expertise with the discussed agenda by utilising social network analysis (SNA) in NVivo (Prabowo et al., 2018). Based on the background, expertise, connections and skills of executives, board members and high-ranking officials with political ties, SNA helps to identify the most relevant actors in each context of geopolitical disruptions within the GoM and geopolitical committees.

Observing datasets collected from corporate governance reports, we identified two of six committees relevant to this research: the GoM and geopolitical committees. These committees directly addressed geopolitical disruptions and were indirectly linked to the IAB. Coding

¹London Stock Exchange Group was formerly known as Refinitive Ikon.

TABLE 3 Geopolitical disruptions.

Year	Environmental disruptions	Regulatory disruptions	Political disruptions
2010	<p>US: In March 2010, BP participated in lease sale 213. Following this sale, we were awarded 18 leases, 11 of which have now been executed; a further seven leases were awarded but have not yet been executed (p. 45)</p>	<p>UK, Azerbaijan, Russia, TNK-BP</p> <p>UK: On 16 November 2010, production from the Rhum gas field in the central North Sea was suspended upon certain aspects of the EU sanctions. This action was taken to comply with the notification requirements in the relevant EU Regulation. Rhum is owned by BP (50%) and the Iranian Oil Company (50%) under a joint operating agreement dating back to the early 1970s (pp. 83–84)</p>	<p>Libya, Egypt</p> <p>Egypt: Due to the recent significant political unrest in Cairo and other major cities in Egypt, the BP Egypt office in Cairo was closed from 28 January for 10 days. Furthermore, BP expatriate staff and their families were evacuated from Egypt. The BP Egypt office was reopened on 7 February, and national staff returned to work. Most expatriate staff and families returned to Egypt in February (p. 47)</p>
2011	<p>US</p> <p>US: There were five BP-operated Deepwater rigs engaged in abandonment and appraisal activities in the Gulf of Mexico. A permit to drill an appraisal well at Kaskida was approved and drilling operations commenced in October. Looking forward to 2012, plans include drilling exploration, appraisal and development wells and the start-up of additional three rigs, subject to receiving approvals from the US regulators (p. 84)</p>	<p>Azerbaijan, Russia, Bolivia, TNK-BP</p> <p>Bolivia: On 24 January 2012, the Republic of Bolivia issued a press statement declaring its intent to nationalise PAE's interests in the Caipipendi Operations Contract. No formal nationalisation process has yet commenced (p. 85)</p>	<p>Libya, Egypt</p> <p>Libya: Due to the outbreak of civil unrest leading to the regime change in Libya, the BP office in Tripoli was closed on 21 February 2011, and our Libyan operations were suspended. BP declared force majeure – the contractual mechanism that flows from suspending our activities in Libya and the imposition of sanctions (p. 85)</p>
2012	<p>US</p> <p>US: In 2012, BP started up an additional two rigs in the Gulf of Mexico and had seven rigs operational by the end of the year. An eighth rig is in place on the Mad Dog platform and is expected to start in 2013 (p. 68)</p>	<p>UK, Azerbaijan, Russia, Bolivia, Angola</p> <p>Angola: BP is present in nine major Deepwater licences offshore Angola and is an operator in four. In addition, BP holds a 13.6% interest in the Angola LNG project (p. 69)</p>	<p>Libya, Egypt, Algeria</p> <p>Algeria: On 16 January 2013, a terrorist attack occurred at the In Amenas joint venture site. Following the incident, BP had a staged reduction of non-essential workers out of Algeria as a precautionary and temporary measure. Limited production from Train 1 restarted on 22 February. We are working with our joint-venture partners to assess the broader impact of the incident. BP remains committed to operating in Algeria, where it has high-quality assets (p. 69)</p>

TABLE 3 (Continued)

Year	Environmental disruptions	Regulatory disruptions	Political disruptions
2013	US US: In 2013, BP started up an additional three rigs in the Gulf of Mexico, and by the end of the year, it had ten rigs in operation (p. 239)	UK, Bolivia, Argentina, Chile UK: In October, the UK government announced a temporary management scheme to allow the restart of production from the Rhum gas field in the central North Sea, suspended since November 2010 following the imposition of EU sanctions on Iran (p. 239)	Libya, Egypt, Algeria Egypt: In July, the Egyptian army chief removed the country's then-incumbent president, Mohamed Morsi, from power and suspended the Egyptian Constitution. Adly Mansour, Chief Justice of the Supreme Constitutional Court of Egypt, was declared interim president. The political and economic situation remains challenging despite aid being pledged from neighbouring Gulf states. Our production and operations continue, and we are engaged with the government in managing our operations (p. 241)
2014	US US: BP had ten rigs in the Gulf of Mexico at the end of 2014 (p. 213)	—	Libya, Egypt, Algeria Algeria: The security assessment following the terrorist attack in January 2013 has been completed. BP also had an appraisal and exploitation agreement with Sonatrach in the Bourarhat Sud block, southwest of In Amenas. With insufficient certainty of success, BP recorded an exploration write-off of \$524 million (p. 214)
2015	—	UK, Russia, Bolivia, Argentina, Chile BP conducts activity in Argentina, Bolivia and Chile through Pan American Energy LLC (PAE), an equity-accounted joint venture with Bridas Corporation. BP has a 60% interest. In September 2015, PAE sold its 50% interest in the Coiron licence in Chile. In addition, PAE has acquired a 60% working interest in the Hokchi production-sharing agreement (PSA) in Mexico, effective from January 2016 (p. 222)	Libya, Egypt, Algeria Libya: BP served the National Oil Corporation with notices of force majeure in August 2014. This results from continued civil unrest in Libya, which has made it impossible for BP to undertake its obligations under the EPSA safely and securely. As a result of this uncertainty, balances associated with Libya were written off in 2015, incurring an exploration write-off of \$432 million and other charges of \$166 million (p. 223)
2016	—	UK, Mexico, Azerbaijan, Russia Mexico: BP also conducts activity in Mexico through Pan American Energy LLC (PAE), an equity-accounted joint venture with Bridas Corporation. BP has a 60% interest. On 30 October 2016, PAE, via its wholly owned subsidiary, Hokchi S.A., became the first privately owned company to spud a well in Mexico after Mexico's reform of its energy industry (p. 245)	Libya, Egypt Libya: BP and the LJA served the National Oil Corporation (NOC) with notices of force majeure in August 2014 due to underlying circumstances which rendered the delivery of the EPSA obligations impossible. BP and the NOC signed an Interim
2017	—	UK, Azerbaijan, Bolivia, Mexico, Russia, Argentina UK: In November, we announced that we had agreed to sell a package of our interests in the Bruce assets in the North Sea to Serica Energy plc. We currently operate the assets, which comprise the Bruce (BP 37%), Keith (BP 35%) and Rhum (BP 50%) fields, three bridge-linked platforms and associated subsea infrastructure (p. 255)	Libya, Egypt In Libya, BP partners with the Libyan Investment Authority (LIA) in an exploration and production-sharing agreement (EPSA) to explore acreage in the onshore Ghadames and offshore Sirt basins (BP 85%). The EPSA continues to be in force majeure. BP wrote off all balances associated with the Libya EPSA in 2015 (p. 257)

Note: Created by the authors based on the Business Review as reported by BP.

TABLE 4 Politically connected governance committees.

BP Board members	Sex	Nationality	Role	2010		2011		2012	
				Gulf of Mexico committee	Geopolitical committee	Gulf of Mexico committee	Geopolitical committee	Gulf of Mexico committee	Geopolitical committee
Admiral Frank Bowman	M	USA	NED					M	
Alan Boeckmann	M	USA	NED						
Andrew Shilston	M	British	NED						
Antony Burgmans	M	Dutch	NED						
Bob Dudley	M	British- USA	CEO	M		M		M	
Carl-Henric Svanberg	M	Swedish	Chair	A		A		A	
Cynthia Carroll	F	USA	NED						
David Jackson	M	British	Secretary	A		A		A	
Dr Brian Gilvary	M	British	CFO					M	
Dr Byron Grote	M	USA	CFO	M		M		M	
George David	M	USA	NED	M		M		M	
Iain Conn	M	British	ED	M		M		M	
Ian Davis	M	British	NED	C		C		C	
Melody Meyer	F	USA	NED						
Paul Anderson	M	USA	NED	M		M		M	
Sir John Sawers	M	British	NED						
Sir William Castell	M	British	NED	M		M			

Note: A, Attending; C, Chair; M, Member; NED, Independent non-executive director. Bold values indicate to years from 2010 to 2017.

members of both committees into three common geopolitical disruption themes revealed sub-themes representing three PCG practices. Each theme reflects PCG as a cohort of politicians, non-executive directors and executive directors shaping new control mechanisms to address geopolitical disruptions. Notably, we observed cross-membership among the BP Chairman, the CEO, and the IAB Chairman, facilitating the exchange of expertise between IAB members and board committees.

Fourth, we analysed letters from the Chairman and CEO, coding each paragraph according to the three identified themes of geopolitical disruption to uncover underlying meanings. However, the steps above were iterative and emergent (Scapens, 2004). Both authors periodically set aside the emergent narrative and revisited it to gain fresh perspectives. As shown in Table 5, this analysis revealed three latent themes in BP's strategies:

- Responsiveness and transformation using defensive PCG to address reputational challenges in the US (Section 4.1).
- Compliance and deflection employed defensive PCG to manage regulatory challenges in the North Sea and Bolivia (Section 4.2).
- Proactive and collaborative reframing using proactive PCG in response to political uprisings in the MENA region (Section 4.3).

To address contextual validity, the authors validated their interpretations with each other and colleagues in research seminars to avoid bias. The research findings in Section 5 are theoretically tied back and compared with prior studies on political connections and framing, reviewed in Section 2. Finally, the transferability of these findings to relevant theory (e.g., literature) and practice (e.g., corporate governance) is discussed in Section 6.

2013		2014		2015		2016		2017	
Gulf of Mexico committee	Geopolitical committee	Gulf of Mexico committee	Geopolitical committee	Gulf of Mexico committee	Geopolitical committee	Gulf of Mexico committee	Geopolitical committee	Gulf of Mexico committee	Geopolitical committee
M		M		M	M		M		M
		M		M			M		M
					M				
					C				
M		M		M	M		M		M
A		A		A	A				
					M		M		M
A		A		A	A		A		A
M		M		M	M		M		M
M									
M		M							
M									
C		C		C			M		M
									M
M		M		M	M		M		M
							C		C

4 | FINDINGS

4.1 | Environmental disruptions

The DWH oil spill on 20 April 2010 was a significant environmental crisis that attracted the media's attention and questioned BP's reputation (Arora & Lodhia, 2017). This tragedy resulted in the loss of 11 lives and the release of approximately 4.9 million barrels of oil into the GoM over 87 days, that continued until the well was capped on 15 July 2010. It severely affected the environment, economy, society and regulatory frameworks. In 2016, BP reported its navigation and recovery from the DWH incident:

The risks for particular oversight by the board and its committees in 2016 have been reviewed and updated. These risks remain the same as in 2015, other than the Gulf of Mexico oil spill and significant project delivery risks, which are no longer considered to require this additional oversight in 2016.

This could be seen as an indication of recovery, meriting analysis to understand how this environmental disruption was navigated. The incident received extensive media coverage, revealing weaknesses in offshore drilling regulations (Goldenberg, 2010; Kirchgaessner, 2010). The Chairman also acknowledged this and stated:

[...] The Gulf of Mexico oil spill has damaged BP's reputation, which may impact the group's ability to access new opportunities in the US and elsewhere.

TABLE 5 BP's framing strategies and deployment PCG amidst geopolitical disruptions.

		PCG	
Region	Geopolitical disruptions	Political advisory	Corporate governance
The US and the Gulf of Mexico	Environmental disruptions	<p><i>Politically connected to the US</i> As the former White House Chief of Staff, Josh Bolton's presence on the IAB related to DWH Having been a member of the BBC Trust, Lord Patten of Barnes' presence on the IAB related to media exposure</p>	<p><i>Defensive mechanisms</i></p>
The North Sea and Bolivia	Regulatory disruption	<p><i>Politically connected to EU-Latin America</i> As a former Prime Minister of Italy and the President of the European Commission, Romano Prodi's presence on the IAB related to regulatory issues Javier Solana's political background as Spain's Foreign Affairs Minister and Secretary General of NATO provides insights into EU regulations With expertise in economics and politics as Mexico's former president, Ernesto Zedillo provides insights into geopolitical risks in Latin America</p>	<p><i>Moving from defensive to proactive mechanisms</i></p>
The MENA	Political disruptions (Arab Spring)	<p><i>Politically connected to MENA</i> The appointment of Kofi Annan to its IAB demonstrates an intention to navigate political transitions and economic uncertainties, particularly in the MENA</p>	<p><i>Proactive mechanisms</i></p>
		Reporting and framing	
		Corporate reporting	Framing strategy
		<p><i>Safety expertise</i> Emphasising the appointment of Ian Davis and Admiral Frank where the former brings expertise in branding, whereas the latter brings his experience in the nuclear industry</p>	<p><i>Responsive and transformative</i> The environmental disruption is reframed to regain trust, confirm restoration, and transform BP, including governance</p>
		<p><i>Partnership expertise</i> Emphasising the appointments of Sir John Sawers in bringing experience as an intelligence officer and ambassador in facing geopolitical trouble</p>	<p><i>Compliance and deflective</i> As to maintaining the reputation restored post-DWH, BP shows responsibility and accountability for organisational actions</p>
		<p><i>Geopolitical expertise</i> Emphasises the role of the IAB in facing rapid and unpredictable escalation of political upheaval in countries where BP has significant operations, such as Libya and Egypt</p>	<p><i>Proactive and collaborative</i> Deploying geopolitical expertise to endorse existing relations with political regimes in the MENA</p>

Adverse public, political and industry sentiment towards BP and oil and gas drilling activities generally could damage or impair our existing [emphasise continue].

(BP-PLC, 2010, p. 27)

By highlighting adverse sentiments, BP transparently communicated its challenges to stakeholders to prepare them to strategise for recovery and change. It began with changing BP's leadership:

In late July, the board and Tony Hayward agreed that he would step down as group chief executive on 1 October to be succeeded by Bob Dudley, and would leave the company and the board at the end of November.

(BP-PLC, 2010, p. 91)

The rationality of this selection was attributed to his role as a strategy manager at Amoco in 1997, followed by a similar strategic position post the BP-Amoco merger in 1999; the media well perceived Dudley's expertise in navigating the complexities of the DWH incident and leading BP on a path of reputational rehabilitation and regaining trust. Both Dudley, the new CEO, and Carl-Henric Svanberg, the Chairman, advanced their roles with support from the IAB. In the 2010 Annual Report, BP disclosed the membership and purpose of the IAB for the first time, despite it being established in 2009 (BP-PLC, 2010, p. 96):

- How global and regional trends in economics, politics, and business might affect the development of BP's business in the long term.
- How the international business community and individual governments perceive BP's plans and programmes of activities.

This quotation underscores the IAB's role in providing crucial advice to BP's leadership, particularly in areas where they lack expertise. This role was highlighted following the DWH disruption. This IAB included former White House Chief of Staff Josh Bolten, whose membership and expertise likely facilitated BP's coordination and response with affected stakeholders, including the US government, particularly in addressing the environmental impact of the DWH incident. His appointment could be seen as a tactical effort to bolster BP's image as a responsible company and rebuild trust in the aftermath of the disaster.

Similarly, the inclusion of Lord Patten of Barnes in the IAB utilised his distinguished background, including his roles as Chairman of the BBC Trust and Chancellor of the University of Oxford, making him exceptionally well-suited to manage the crisis, media exposure and public relations. This appointment is particularly significant given the intense media scrutiny and the exposure of BP's perceived deficiencies in safety culture, which historically have been attributed to prioritising 'cost-cutting' (Bower, 2010) measures. Lord Patten's expertise in navigating the media landscape and public opinion was likely to be applied in shaping and framing public perception during the DWH crisis, thereby assisting BP in mitigating negative coverage and demonstrating its commitment to safety and corporate responsibility.

The outcomes of this advisory board were operationalised through various committees dedicated to corporate governance. Notably, the GoM Committee's formation exemplified PCG's initial practice, specifically addressing environmental disruption. This process was facilitated by the cross-memberships of Dudley, the new CEO, and Svanberg, the Chairman, who conveyed the IAB's recommendations to the GoM Committee.

During the summer [of 2010], we formed the Gulf of Mexico committee [...] (BP-PLC, 2010, p. 90). The new CEO, Bob Dudley, added that: [...] the Committee

has monitored the political landscape and the views of the American people, in part from independent polling data relating to many aspects of BP's response to the incident. This has helped inform many of the Committee's discussions, and the Committee will continue to receive polling data regularly in 2011.

(BP-PLC, 2010, p. 102)

This committee aimed to ensure that the GoM Committee oversaw BP's response to the DWH incident and the response efforts. According to Bob Dudley, this data influenced the committee's discussions. BP developed an organisational response to shape stakeholders' perceptions. The advice of Josh Bolten and Lord Patten of Barnes likely informed this response.

For instance, the influence of IAB went beyond political disruption and reached governance reform, including the appointment of the GoM Committee memberships, as reported (BP-PLC, 2010, p. 103):

In reviewing the breadth of board skills, the committee [...] considered what was necessary to ensure the breadth of experience around the board table. In particular, they considered the group's operations requirements within the developing world. In all of their deliberations, they were mindful of the contribution made by the IAB. Furthermore, [...] this was against the background of the board's clear aspirations on diversity and the work of the international advisory board in supporting the Chairman and the chief executive on geopolitical issues.

(BP-PLC, 2013, p. 80)

This quotation illustrates that BP's reporting on the ongoing review of its board composition was aimed at reframing perceptions of the DWH incident by highlighting the adoption of good PCG practices. Following this, BP disclosed the inclusion of prominent figures in the GoM Committee as stated in the Chairman's Letter (BP-PLC, 2010, p. 7):

In early 2010, we appointed Paul Anderson and Ian Davis as non-executive directors. We have since made three further non-executive appointments. Admiral Frank L 'Skip' Bowman is the former head of the US Nuclear Navy and was a Baker Panel member reviewing Safety at BP's US refineries.

Davis's membership and expertise were essential in addressing the challenges of the GoM oil spill. His leadership of the GoM Committee guided BP through the crisis, providing direction and oversight until 2015, when the public perception of the impact of the crisis had vastly diminished, as reflected by the media (Mufson, 2016). His role was vital in ensuring that BP's response met high standards of governance and responsibility amidst environmental, political and public scrutiny. This role was complemented by the technical experience brought about by Admiral Bowman, as reported (BP-PLC, 2010, p. 85):

Frank Bowman has deep engineering knowledge and exceptional experience in process safety from his time with the US Navy and, later, the Nuclear Energy Institute. He has made a significant contribution to the work of the Gulf of Mexico committee.

By highlighting Bowman's expertise, BP reported that it was committed to addressing the shortcomings revealed by the DWH incident and preventing recurrence. This inclusion is part of BP's broader strategy to rebuild trust, indicating a shift towards stringent safety protocols and expert-driven operational improvements in response to the challenges highlighted by the DWH spill. This reframing strategy in BP's reporting shifts the narrative from immediate crisis response to a focus on long-term process safety improvement.

It is argued that BP's recovery from the DWH crisis could be attributed to collaborative efforts within BP through PCG, leveraging the expertise of Bolten, Patten, Davis and Admiral Bowman. The GoM Committee, led by Ian Davis, was established in 2010 with six directors, reflecting BP's commitment to addressing the crisis and rebuilding its reputation. This collaborative approach underscores the vital role of PCG, highlighting the synergy between political actors and corporate governance directors in steering BP towards recovery and restoring its reputation.

4.2 | Regulatory disruptions

BP's investment in the Rhum gas field in the central North Sea was partially owned by Iran. It was indirectly affected by EU sanctions in 2010. These sanctions mandated that BP suspend production from the field and comply with the notification requirements outlined in the relevant EU Regulation, as reported in BP-PLC (2010, p. 44):

UK: On 16 November 2010, production from the Rhum gas field in the central North Sea was suspended because of certain aspects of the EU sanctions. This action was taken to comply with the notification requirements in the relevant EU Regulation. Rhum is owned by BP (50%) and the Iranian Oil Company (50%) under a joint operating agreement dating back to the early 1970s.

BP publicly reported this disruption, presenting it as a measure to comply with international sanctions and regulatory requirements. The motivation behind this action could be attributed to BP's intention to distance itself from Iran, limiting their relationship to a partnership in exploration. However, the EU and BP sanctions have been lifted or suspended, with BP resuming its operations in the North Sea (see BP-PLC, 2017, p. 244).

Furthermore, BP engaged in PCG practices to manage geopolitical disruptions pertaining to regulatory aspects (i.e., the ones encountered in the North Sea). Romano Prodi, a former Prime Minister of Italy and President of the European Commission, also served as a member of the IAB. Prodi's extensive political experience and connections were instrumental in managing the regulatory disruptions associated with the Rhum gas field in the UK. His role was likely pivotal in facilitating dialogue, mitigating conflict and safeguarding BP's interests while adhering to international norms. This underscores BP's collaborative approach to managing sanctions risks. In the same context, Javier Solana was appointed to BP's IAB from 2011 to 2017, bringing his expertise to the PCG for regulatory disruption management. Solana's extensive political background, including his roles as Foreign Affairs Minister of Spain, Secretary General of NATO, and various positions within the EU, provided BP with valuable insights into complex political landscapes and EU regulations. His knowledge of international sanctions regimes was likely beneficial in BP's efforts to navigate the lifting and suspension of EU and US secondary sanctions concerning the Iranian Oil Company.

Relatedly, another critical geopolitical disruption faced by BP during 2014–2015 was the news of nationalisation in Bolivia:

On 24 January 2012, the Republic of Bolivia issued a press statement declaring its intent to nationalise PAE's interests in the Caipipendi Operations Contract. No formal nationalisation process has yet commenced.

(BP-PLC, 2011, p. 85)

The Bolivian nationalisation announcement raised concerns for BP's investments and operational stability. This framing emphasised the government's commitment to resource sovereignty and may have appealed to domestic political sentiments: this brought BP to review joint ventures (BP-PLC, 2011, p. 69; 2015, p. 74):

We initiated a review of our approach to the management of our relationships with significant non-operated joint venture operators and partners. This work includes safety, operational, bribery, and corruption risks.

The rationale for reporting these precautionary measures to stakeholders, particularly shareholders, highlights BP's cognisance of these risks and its dedication to managing them. To address and understand how geopolitical regulatory disruptions (i.e., as encountered in Bolivia), BP engaged in PCG practices for regulatory disruption management. In the Latin American context, Ernesto Zedillo was appointed as a member of the IAB from 2010 to 2017. His contribution could be seen in BP's PCG's navigating and mitigating geopolitical disruptions, particularly in Bolivia. As former president of Mexico, his expertise in economics and politics helped BP analyse the potential impacts of Bolivia's intentions to nationalise and develop strategies to mitigate regional disruptions. Overall, these influential individuals formed a critical element of BP's PCG practice, enabling the company to navigate complex political terrains, ensure compliance, minimise potential disruptions, secure operational stability and capitalise on emerging opportunities, as will be discussed in the following sections.

In this sense, BP formed another board committee in 2015 called the Geopolitical Committee. This committee was built on the GoM Committee and tasked with the following responsibilities (BP-PLC, 2015, p. 74):

- To monitor the company's identification and management of primary and correlated geopolitical risks and to consider both reputational and financial consequences.
- To review the company's activities in the context of political and economic developments on a regional basis and to advise the board on these elements when considering BP's strategy and annual plan.

The formation of this committee encapsulates the lessons derived from the GoM Committee and positions BP to handle any future geopolitical disruptions adeptly. One of these was the accountability of the Geopolitical Committee to the Chairman to ensure proper oversight. Another legacy from the GoM Committee was integrating the Geopolitical Committee with the IAB, as reported in BP-PLC (2017, p. 88):

The committee reviewed its performance [...] and stressed the importance of considering the geopolitics in a country before an investment is made. [...] The committee and board felt that there should be greater integration between the work of the board, the committee, and the international advisory board.

This legitimised the continuation of the IAB, providing essential support to the Geopolitical Committee, the CEO and the Chairman. This integration between the Geopolitical Committee and IAB represents PCG practice developed amidst regulatory disruptions. It drew on diverse individuals, each bringing various perspectives and expertise. Members such as Ian Davis, Admiral Frank Bowman and Sir John Sawers were also part of the Geopolitical Committee, suggesting that the board members come from various countries, including Sweden, the UK, the US and the Netherlands, reflecting the global nature of the organisation's operations and its efforts to have diverse perspectives. Each board

member brought unique skills and experience to their respective roles. Overall, the collaboration between political actors and members of the Geopolitical Committee at BP shaped a PCG practice that empowered BP to navigate complex political landscapes (Sharma & Lowe, 2023).

4.3 | Political disruptions

BP also faced a revolt in Egypt, as reported in BP-PLC (2013, p. 241):

In July 2013, the Egyptian army chief removed the country's then-incumbent president, Mohamed Morsi, from power and suspended the Egyptian Constitution. [...] The political and economic situation remains challenging despite aid being pledged from neighbouring Gulf states. Our production and operations continue, and we are engaged with the government to manage our operations.

In this statement, BP reframed the political upheaval in Egypt as a challenging yet manageable situation for its operations. It relied on its capacity to work collaboratively with local authorities to manage its operations. Similarly, BP's operations have faced a challenging situation in Libya since 2011, resulting in the loss of some investments, as reported in BP-PLC (2015, p. 223):

BP served the National Oil Corporation with notices of force majeure in August 2014. This results from continued civil unrest in Libya, which has made it impossible for BP to undertake its obligations under the EPSA safely and securely. As a result of this uncertainty, balances associated with Libya were written off in 2015, incurring an exploration write-off of \$432 million and other charges of \$166 million.

This quotation shows that BP seeks to safeguard its reputation as a responsible and safety-conscious global energy company operating in politically unstable regions. It aimed to align with ethical and compliance standards and reassure stakeholders (e.g., shareholders) of BP's commitment to their interests and long-term sustainability. BP's investment was also threatened by terrorism in Algeria, where it faced another loss, as reported in BP-PLC (2014, p. 214):

The security assessment following the terrorist attack in January 2013 has been completed. BP also had an appraisal and exploitation agreement with Sonatrach in the Bourarhat Sud block, southwest of In Amenas. With insufficient certainty of success, BP recorded an exploration write-off of \$524 million.

BP has reframed the write-off following the terrorist attack as driven by a comprehensive security assessment conducted in response to the incident. BP prioritises safety and security, especially in regions affected by terrorism. By highlighting security, BP conveys a sense of responsible disruption management and ethical consideration, aligning with global expectations for corporate behaviour in high-risk environments. This reframing strategy may protect BP's reputation, reassure stakeholders and justify the financial decision in the context of heightened security concerns.

BP employed another PCG practice (personnel and mechanisms) to address emergent threats of political uprising. The appointment of Kofi Annan to its IAB shows BP's intention to assess and manage geopolitical disruptions in its operations. As an international diplomat

and former Secretary-General of the United Nations, Annan brought his expertise into navigating political transitions and economic uncertainties, particularly in the MENA region. His expertise in conflict resolution and understanding of regional complexities might be utilised to evaluate security risks and explore alternative approaches in Egypt, Libya and Algeria. Annan's advice on engaging with local authorities, negotiating agreements and assessing security environments would inform BP to ensure workforce safety and operational continuity and identify development opportunities. Annan's role demonstrates the focus of BP on PCG as informed by decision-making and responsible engagement in volatile areas.

Similarly, BP maintains its PCG practice by utilising the expertise and skills of non-executive directors in managing emerging disruptions. This was achieved by deploying the chair and members of the Geopolitical Committee. In 2015, the Committee was chaired by Antony Burgmans until he retired. Subsequently, Sir John Sawers led the Committee from 2016 to 2017. Additionally, Ian Davis, who was chairing the GoM Committee, became a member of the Geopolitical Committee. Antony Burgmans' appointment as the chair of BP's Geopolitical Committee in 2015 was crucial for managing emerging political disruptions in Egypt, Libya and Algeria. With his international experience, crisis management expertise and understanding of reputation and culture, Burgmans played a vital role in building relationships with governments, regulatory bodies and local communities, as reported by BP:

Antony Burgmans's executive career has been in international production, distribution, and marketing. Over the years, he has significantly contributed to the board's work, adding insight into reputation, brand, and culture.

(BP-PLC, 2015, p. 58)

This appointment highlights BP's recognition of the importance of PCG in navigating and mitigating disruptions associated with political uprisings in the MENA region. This was complemented by Sir John Sawers' understanding of geopolitical factors, providing BP with advice and guidance in assessing and managing the geopolitical disruptions associated with their investments and operations in the MENA region, as reported in BP-PLC (2015, p. 59):

Sir John Sawers' deep experience of international political and commercial matters is an asset to the board in navigating the complex issues a modern global company faces. His management of reform at MI6 also complements BP's focus on value and simplification. As a former UK government representative, Sir John brings knowledge and skills related to analysing and negotiating worldwide, which are invaluable to the geopolitical and [other] committees.

Sir John Sawers' expertise in intelligence, diplomacy and geopolitical factors significantly benefits BP in assessing and managing geopolitical disruptions in the MENA region, evaluating risks and implementing necessary precautions. Sawers' advice on political dynamics and stakeholder relationships would inform BP's decision-making process and help mitigate potential disruptions.

As reported, the deployment and integration of the IAB and Geopolitical Committee into the BP company demonstrated its commitment to geopolitical disruption management through PCG (BP-PLC, 2011, p. 9):

We saw rapid and sometimes unpredictable change. This included the European debt crisis escalation and political upheaval in countries where BP has significant operations, such as Libya and Egypt. We kept a close watch on these developments and acted where required. Our international advisory board assisted us in this task.

BP has deployed the IAB and Geopolitical Committee to address political disruptions in Libya, Egypt and Algeria. The PCG, consisting of experts in geopolitics, disruption management, security and political analysis, plays a crucial role in identifying and mitigating potential disruptions. First, the Geopolitical Committee closely monitors these countries' political developments, social tensions and geopolitical dynamics. By staying informed and up to date, the committee can assess the potential impact of political uprisings on BP's operations, reputation and financial performance. Second, the committee reviews BP's activities in the context of political and economic developments in its operating regions to provide guidance on strategic considerations and the company's annual plan.

Furthermore, the PCG integrates its expertise into the decision-making process. Its members contribute their insights and analysis to assess the potential impacts of emerging disruptions, develop strategies to mitigate them and provide guidance on investment and operational decisions in these countries. The collaboration between Kofi Annan, Antony Burgmans and Sir John Sawers strengthened BP's ability to address and manage geopolitical disruptions. Deploying Annan's diplomatic experience, Burgmans' reputation and crisis management expertise and Sawers' intelligence and diplomatic approaches could be understood in BP's navigation of risks associated with uprisings in Egypt, Libya and Algeria. The collaborators' combined expertise enabled a comprehensive assessment of consequences, including security and reputational risks. With their input, BP developed effective strategies to mitigate disruptions and ensure operational continuity.

5 | DISCUSSION

This study examined how BP frames and deploys its PCG practices amidst geopolitical disruptions. The guiding research question revealed two main findings as follows:

- The study uncovers the development of various PCG practices tailored to address the unique challenges of environmental incidents, regulatory barriers and political instability.
- The study also identified various strategies for framing and reframing PCG in response to geopolitical disruptions from diverse geographical locations.

The implications of these findings to the theory, particularly the concept of PCG and the notion of framing and practice, particularly corporate governance, are discussed in the subsequent sections.

5.1 | Unfolding politically connected governance

The concept of PCG underscores the interaction between public figures or political actors and non-executive directors who are members of corporate governance committees to navigate complex geopolitical disruptions. This concept is fundamentally distinct from the notion of political connections documented in previous literature, which often focused on the mere presence of politically connected executives and independent directors and their impact on corporate outcomes (Habib et al., 2018). The differentiation lies in both the nature and mechanisms of these concepts.

Previous research has predominantly focused on comparing politically connected and non-connected firms, frequently overlooking individuals' demographics integral to these political connections. Such studies have concentrated mainly on the outcomes these firms seek to achieve through their political affiliations, including the impact of political connections on corporate performance and valuation (Maaloul et al., 2018), auditor choice (Cheng et al., 2015), voluntary

disclosure (Dicko et al., 2019) and leadership changes (Qian & Chen, 2020). Furthermore, these needed to adequately explore the mechanisms through which these political members interact with (non-)executives.

This study addresses this gap by introducing the concept of PCG, which aims to clarify the demographics of public figures and political actors involved with BP in managing political disruptions. It examined the characteristics of these political actors in terms of background, positions and expertise. Additionally, it investigates the modes of interaction between these political figures and BP personnel, encompassing both non-executive and executive members. By doing so, this research provides an elaborate understanding of the dynamics between political actors and corporate governance, thereby highlighting three practices of PCG in managing geopolitical disruptions and fostering corporate governance practices. Such an approach acknowledges that the importance of political connections is not merely about having them but about the specific characteristics and expertise that these individuals bring. It recognises the importance of tailored expertise in managing different types of disruptions.

The three practices deployed during geopolitical disruptions include environmental, regulatory and political instability. These PCG practices involved members with diverse nationalities, positions, socio-economic backgrounds and expertise within the IAB and corporate governance. This study contributes to the existing literature by detailing how such expertise is utilised, mainly through the roles of the Chairman and CEO (Elsayed & Ammar, 2020).

The first PCG practice emerged during an environmental disruption in the US, involving public figures connected with the US or specialised in reputation management, highlighting BP's experience shortage. The second practice, deployed amidst regulatory disruption, relied on politicians experienced in international policy and diplomatic relations, which is essential among IAB members and the corporate governance committee. The third practice emerged during political instability in the MENA region; necessitating members experienced in Middle Eastern affairs from the IAB and corporate governance committee.

This analysis extends prior studies on the quality of political connection members, providing practical implications on their impact. It underscores that political connections are not monolithic but tailored to specific contexts and challenges: environmental disruptions require reputation management expertise, regulatory disruptions necessitate international policy experience, and political instability demands knowledge of regional affairs (Babcock et al., 2022).

The distinction between defensive and proactive roles (Elsayed & Ammar, 2020) played by PCG practices offers valuable insights. The defensive role, as seen in the response to the DWH incident, highlights the importance of protecting corporate reputation and interests. On the other hand, the proactive roles in subsequent regulatory and political disruptions demonstrate the ability to leverage past experiences and pre-emptively address potential challenges. This adaptive capacity accentuates the strategic value of PCG. From a practical standpoint, we are establishing specialised committees within the governance structure inspired by BP's example. This empirical evidence also expands on the concept of action (for example, what step should we take?) (Babcock et al., 2022).

5.2 | Implications of framing and reframing strategies

BP's strategy of employing framing and reframing techniques by engaging its PCG practice to manage geopolitical disruptions is influenced by the nature of these disruptions and targeted stakeholders. This underscores the importance of narrative control in crisis management. By carefully crafting messages to address different stakeholders' concerns, BP shifted the focus from the negative impacts of the DWH incident to positive aspects such as governance reforms and managerial changes. This aligns with the findings of Habib et al. (2018), Masiero et al. (2020) and Merkl-Davies et al. (2011) on the strategic use of narrative disclosures to create

specific impressions. It suggests that companies facing similar disruptions can benefit from a deliberate and adaptive narrative strategy.

We identified three patterns of organisational behaviour at framing geopolitical disruptions. The environmental disruption caused by DWH was immense, and efforts to reframe the public's perception regarding restoration of the damage were insufficient (Summerhays & de Villiers, 2012). Instead, BP responded to the public demand for organisational change/reform by developing new reframing strategies. This included keeping the stakeholders, particularly shareholders, informed about highly influential advisors (e.g., IAB as political connections), governance reforms (e.g., GoM and Geopolitical committees) and managerial changes (e.g., CEO). This presented an opportunity to satisfy the public demand and legitimise the blending of political connections and corporate governance in shaping PCG. By involving high-profile advisors and governance reforms, BP addressed immediate stakeholder concerns and established a longer-term narrative of accountability and reform. Using governance as a legitimising tool is crucial for firms operating in politically volatile environments, as it helps build resilience against future disruptions (Ammar, 2024; Elsayed & Ammar, 2020).

The lessons learned from DWH enhanced BP's approach to framing geopolitical disruptions caused by regulatory change. Compared to the environmental disruption of DWH, the disruptive effect of imposed sanctions and nationalisation threats were relatively insignificant. Therefore, BP's framing strategy focuses on compliance with sanctions while shifting focus towards strategic investment in more profitable regions (e.g., Azerbaijan and Russia) in response to the threat of nationalisation. This strategic approach aligns with previous studies on impression management (Merkl-Davies et al., 2011). However, this dual adherence and strategic realignment approach is a critical insight for companies navigating regulatory pressures. It shows that while compliance is necessary, companies can simultaneously pursue new opportunities to mitigate the impact of regulatory challenges.

In the MENA region, BP's reframing strategy involved enhancing PCG to manage higher political disruptions as the geopolitical disruptions were beyond the capabilities of executive and non-executive directors (Babcock et al., 2022). The proactive involvement of public figures (i.e., members of the IAB) and collaboration with regional regimes based on mutual interests indicate a sophisticated approach to managing political disruptions. This highlights the necessity for companies to engage deeply with the political landscapes of their regions, leveraging local connections and understanding to safeguard their investments.

6 | CONCLUSIONS, IMPLICATIONS AND LIMITATIONS

The study focused on framing and deploying PCG amidst geopolitical disruptions. Firstly, framing and reframing strategies are crucial in managing geopolitical disruptions. These strategies are tailored based on the nature of the geopolitical disruptions and stakeholders involved, illustrating how the company positions itself in response to various challenges. Secondly, the integration of PCG represents a significant development in geopolitical disruptions management. This involves using political figures and non-executive directors in decision-making processes to navigate complex geopolitical disruptions. Thirdly, our study highlights how BP manages geopolitical disruptions, including reputation, regulatory compliance and political uncertainties. This management combines compliance measures, strategic redirection, proactive collaboration and transparent communication, demonstrating BP's adaptability and foresight in addressing complex geopolitical situations.

These remarks contribute to the existing literature, practitioners and policymakers in political connections and corporate governance. They illustrate how PCG reframes BP's governance practices by highlighting the importance of political networks in decision-making, disruption management and reputation building. This expands on existing research, urging a broader

exploration of governance beyond internal mechanisms and advocating for proactive engagement with political stakeholders (Habib et al., 2018).

Multinational companies face various disruptions, including environmental, regulatory and political instability, necessitating a nuanced understanding of local contexts, political dynamics and regulatory landscapes. While directors possess expertise in their respective fields, they often need specialised geopolitical knowledge to assess and mitigate these disruptions. Thus, external expertise from geopolitical analysts, risk consultants and local and international advisors is essential.

This study offers empirical evidence affirming the critical role of guiding multinational company leaders in navigating geopolitical disruptions (Babcock et al., 2022). Recognising directors' limitations in assessing geopolitical disruptions underscores the importance of a multidisciplinary and collaborative disruption management approach. Integrating internal expertise with external insights helps companies respond comprehensively and robustly to unforeseen challenges.

This study highlights methodological considerations and theoretical implications for further research on PCG framing and reframing perspectives. Caution is necessary when generalising findings to other multinational corporations, as cross-border variations in PCG practices, outcomes and their impact on performance and sustainability must be considered. Access to diverse data on PCG practices across stakeholders is crucial, suggesting the use of varied data collection methods. Demographics, memberships and outcomes limited our analysis and interpretations. Additionally, we needed access to conversations or meeting minutes to understand interactions fully. Future research should focus on quantifying the effects of PCG on performance indicators through qualitative and quantitative approaches. Theoretical advancements should consider institutional factors such as legal frameworks, regulatory environments and cultural norms to understand how political connections influence governance processes and outcomes. Addressing these limitations and pursuing these avenues can deepen the understanding of PCG and its implications for corporate governance practices.

DATA AVAILABILITY STATEMENT

Data is derived from resources that are in the public domain. These resources are available on the following links: <https://www.bp.com/en/global/corporate/investors/results-reporting-andpresentations/annual-report.html#ar-highlights-1-1>; <https://www.bp.com/en/global/corporate/sustainability.html>; <https://www.bp.com/en/global/corporate/who-weare/governance.html>.

ORCID

Sameh Ammar  <https://orcid.org/0000-0001-5463-2490>

REFERENCES

- Allan, S., Anderson, A. & Petersen, A. (2010) Framing risk: nanotechnologies in the news. *Journal of Risk Research*, 13(1), 29–44. Available from: <https://doi.org/10.1080/13669870903135847>
- Amernic, J. & Craig, R. (2017) CEO speeches and safety culture: British Petroleum before the Deepwater Horizon disaster. *Critical Perspectives on Accounting*, 47, 61–80. Available from: <https://doi.org/10.1016/j.cpa.2016.11.004>
- Ammar, S. (2024) The frontstage-backstage of organizational identity and management control system: the tale of British Petroleum's embarrassment in DWH. *Sustainability Accounting, Management and Policy Journal*, 15(2), 265–298. Available from: <https://doi.org/10.1108/SAMPJ-11-2022-0584>
- Arora, M.P. & Lodhia, S. (2017) The BP Gulf of Mexico oil spill: exploring the link between social and environmental disclosures and reputation risk management. *Journal of Cleaner Production*, 140, 1287–1297. Available from: <https://doi.org/10.1016/J.JCLEPRO.2016.10.027>

- Auld, G.W., Diker, A., Bock, M.A., Boushey, C.J., Bruhn, C.M., Cluskey, M. et al. (2007) Development of a decision tree to determine appropriateness of NVivo in analyzing qualitative data sets. *Journal of Nutrition Education and Behavior*, 39(1), 37–47. Available from: <https://doi.org/10.1016/j.jneb.2006.09.006>
- Babcock, A.F., Boukai, B.-A., Cline, M., Jones, O. & Robleh, N. (2022) *Geopolitical risk and disruption: a conversation guide for management and board directors*. FCLTGlobal and the EY Organization.
- Baxter, J. & Chua, W.F. (2008) The field researcher as author-writer. *Qualitative Research in Accounting & Management*, 5(2), 101–121. Available from: <https://doi.org/10.1108/11766090810888917>
- Benoit, W.L. (2001) Framing through temporal metaphor: the ‘bridges’ of Bob Dole and Bill Clinton in their 1996 acceptance addresses. *Communication Studies*, 52(1), 70–84. Available from: <https://doi.org/10.1080/10510970109388541>
- Bower, T. (2010) Drilling down: a troubled legacy in oil. *Wall Street Journal*, 1 May.
- BP-PLC. (2010) *BP Annual Report and Form 20-F*. Available from: <https://www.bp.com/content/dam/bp/pdf/investors/bp-annual-report-and-form-20f-2010.pdf> (accessed 29 January 2018).
- BP-PLC. (2011) *BP Annual Report and Form 20-F*. Available from: <https://www.bp.com/content/dam/bp/pdf/investors/bp-annual-report-and-form-20f-2011.pdf> (accessed 29 January 2018).
- BP-PLC. (2013) *BP Annual Report and Form 20-F*. Available from: <https://www.bp.com/content/dam/bp/pdf/investors/bp-annual-report-and-form-20f-2013.pdf> (accessed 29 January 2018).
- BP-PLC. (2014) *BP Annual Report and Form 20-F*. Available from: <https://www.bp.com/content/dam/bp/pdf/investors/bp-annual-report-and-form-20f-2014.pdf> (accessed 29 January 2018).
- BP-PLC. (2015) *BP Annual Report and Form 20-F*. Available from: <https://www.bp.com/content/dam/bp/pdf/investors/bp-annual-report-and-form-20f-2015.pdf> (accessed 29 January 2018).
- BP-PLC. (2016) *BP Annual Report and Form 20-F*. Available from: <https://www.bp.com/content/dam/bp/en/corporate/pdf/investors/bp-annual-report-and-form-20f-2016.pdf> (accessed 29 January 2018).
- BP-PLC. (2017) *BP Annual Report and Form 20-F*. Available from: <https://www.bp.com/content/dam/bp/en/corporate/pdf/investors/bp-annual-report-and-form-20f-2017.pdf> (accessed 29 January 2018).
- Braun, V., Clarke, V. & Weate, P. (2016) Using thematic analysis in sport and exercise research. In: Smith, B. & Sparkes, A.C. (Eds.) *Routledge handbook of qualitative research in sport and exercise*. New York, NY: Routledge, pp. 191–205. Available from: <https://doi.org/10.4324/9781315762012-26>
- Cheng, C.-L., Hsu, C.-S. & Kung, F.-H. (2015) Political connections, managerial incentives and auditor choice: evidence from China. *Pacific Accounting Review*, 27(4), 441–465. Available from: <https://doi.org/10.1108/PAR-10-2013-0096>
- Craig, R.J. & Amernic, J.H. (2004) Enron discourse: the rhetoric of a resilient capitalism. *Critical Perspectives on Accounting*, 15, 813–851. Available from: <https://doi.org/10.1016/j.cpa.2002.12.001>
- Craig, R. & Amernic, J. (2019) Autobiographical vignettes in annual report CEO letters as a lens to understand how leadership is conceived and enacted. *Accounting, Auditing & Accountability Journal*, 33(1), 106–123. Available from: <https://doi.org/10.1108/AAAJ-12-2018-3774>
- Davis, J.J. (1995) The effects of message framing on response to environmental communications. *Journalism and Mass Communication Quarterly*, 72(2), 285–299. Available from: <https://doi.org/10.1177/107769909507200203>
- Dicko, S., Khemakhem, H. & Zogning, F. (2019) Political connections and voluntary disclosure: the case of Canadian listed companies. *Journal of Management and Governance*, 24(2), 481–506. Available from: <https://doi.org/10.1007/s10997-019-09471-3>
- Elsayed, N. (2022) Changes in governance of corporate risks evidence from British Petroleum’s response to the Deepwater Horizon incident through narrative reporting. In: Marzouk, M. & Hussainey, K. (Eds.) *Corporate narrative reporting*. London: Routledge, pp. 301–319.
- Elsayed, N. & Ammar, S. (2020) Sustainability governance and legitimisation processes: Gulf of Mexico oil spill. *Sustainability Accounting, Management and Policy Journal*, 11(1), 253–278. Available from: <https://doi.org/10.1108/SAMPJ-09-2018-0242>
- Goldenberg, S. (2010) Atlantic coast now under threat as current spreads Gulf oil slick. *The Guardian*, 18 May.
- Habib, A., Ranasinghe, D., Muhammadi, A.H. & Islam, A. (2018) Political connections, financial reporting and auditing: survey of the empirical literature. *Journal of International Accounting, Auditing and Taxation*, 31, 37–51. Available from: <https://doi.org/10.1016/j.intaccudtax.2018.05.002>
- Hashmi, M.A., Abdullah, S. & Brahmana, R.K. (2023) Family monitoring and the adverse consequences of political connections: does it vary over family generations? *Management Research Review*, 46(6), 832–851. Available from: <https://doi.org/10.1108/MRR-06-2021-0471>
- Hines, R.D. (1988) Financial accounting: in communicating reality, we construct reality. *Accounting, Organizations and Society*, 13(3), 251–261. Available from: [https://doi.org/10.1016/0361-3682\(88\)90003-7](https://doi.org/10.1016/0361-3682(88)90003-7)
- Hutchison, A.J., Johnston, L.H. & Breckon, J.D. (2010) Using QSR-NVivo to facilitate the development of a grounded theory project: an account of a worked example. *International Journal of Social Research Methodology*, 13(4), 283–302. Available from: <https://doi.org/10.1080/13645570902996301>
- Irvine, H. & Fortune, M. (2016) The first 25 years of the Queensland Rugby Football League: claims to legitimacy in annual reports. *Accounting History*, 21(1), 48–74. Available from: <https://doi.org/10.1177/1032373215614116>
- Iyengar, S. (1990) Framing responsibility for political issues: the case of poverty. *Political Behavior*, 12(1), 19–40. Available from: <https://doi.org/10.1007/BF00992330>

- Jennings, R., Kartapanis, A. & Yu, Y. (2021) Do political connections induce more or less opportunistic financial reporting? Evidence from close elections involving influential politicians. *Contemporary Accounting Research*, 38(2), 1177–1203. Available from: <https://doi.org/10.1111/1911-3846.12642>
- Kirchgaessner, S. (2010) Obama to tighten terms of drilling permits. *Financial Times*, 17 August.
- Liu, X.K., Wright, A.M. & Wu, Y.-J. (2015) Managers' unethical fraudulent financial reporting: the effect of control strength and control framing. *Journal of Business Ethics*, 129(2), 295–310. Available from: <https://doi.org/10.1007/s10551-014-2156-1>
- Lord, K.R. (1994) Motivating recycling behavior: a quasiexperimental investigation of message and source strategies. *Psychology & Marketing*, 11(4), 341–358. Available from: <https://doi.org/10.1002/mar.4220110404>
- Loroz, P.S. (2007) The interaction of message frames and reference points in prosocial persuasive appeals. *Psychology & Marketing*, 24(11), 1001–1023. Available from: <https://doi.org/10.1002/mar.20193>
- Lukka, K. & Modell, S. (2010) Validation in interpretive management accounting research. *Accounting, Organizations and Society*, 35(4), 462–477. Available from: <https://doi.org/10.1016/j.aos.2009.10.004>
- Maaloul, A., Chakroun, R. & Yahyaoui, S. (2018) The effect of political connections on companies' performance and value. *Journal of Accounting in Emerging Economies*, 8(2), 185–204. Available from: <https://doi.org/10.1108/JAEE-12-2016-0105>
- Masiero, E., Arkhipova, D., Massaro, M. & Bagnoli, C. (2020) Corporate accountability and stakeholder connectivity. A case study. *Meditari Accountancy Research*, 28(5), 803–831. Available from: <https://doi.org/10.1108/MEDAR-03-2019-0463>
- Merkel-Davies, D.M., Brennan, N.M. & McLeay, S.J. (2011) Impression management and retrospective sense-making in corporate narratives: a social psychology perspective. *Accounting, Auditing & Accountability Journal*, 24(3), 315–344. Available from: <https://doi.org/10.1108/0951357111124036>
- Mufson, S. (2016) BP's big bill for the world's largest oil spill reaches \$61.6 billion. *The Washington Post*, 14 July.
- Osofsky, H.M., Ankersen, T., Appel, P., Babcock, H., Bratspies, R., Flatt, V. et al. (2011) Multidimensional governance and the BP Deepwater Horizon oil spill. *Florida Law Review*, 63(63), 1077–1137.
- Patten, D.M. (1992) Intra-industry environmental disclosures in response to the Alaskan oil spill: a note on legitimacy theory. *Accounting, Organizations and Society*, 17(5), 471–475. Available from: [https://doi.org/10.1016/0361-3682\(92\)90042-Q](https://doi.org/10.1016/0361-3682(92)90042-Q)
- Pengnate, S., Lehmborg, D.G. & Tangpong, C. (2020) Top management's communication in economic crisis and the firm's subsequent performance: sentiment analysis approach. *Corporate Communications: An International Journal*, 25(2), 187–205. Available from: <https://doi.org/10.1108/CCIJ-07-2019-0094>
- Prabowo, H., Hamdani, R. & Sanusi, Z. (2018) The new face of people power: an exploratory study on the potential of social media for combating corruption in Indonesia. *Australasian Accounting, Business and Finance Journal*, 12(3), 19–40. Available from: <https://doi.org/10.14453/aabfj.v12i3.3>
- Preuss, S. & Königgruber, R. (2021) How do corporate political connections influence financial reporting? A synthesis of the literature. *Journal of Accounting and Public Policy*, 40(1), 106802. Available from: <https://doi.org/10.1016/j.jaccpubpol.2020.106802>
- Qian, W. & Chen, X. (2020) Corporate environmental disclosure and political connection in regulatory and leadership changes: the case of China. *The British Accounting Review*, 53, 100935. Available from: <https://doi.org/10.1016/j.bar.2020.100935>
- Rosenkranz, J. & Pollach, I. (2016) The framing and reframing of corporate financial results. *Corporate Communications: An International Journal*, 21(1), 103–119. Available from: <https://doi.org/10.1108/CCIJ-07-2015-0041>
- Ruffing, L. (2007) Silent vs. shadow reports: what can we learn from BP's sustainability report versus the financial times? *Social and Environmental Accountability Journal*, 27(1), 9–16. Available from: <https://doi.org/10.1080/0969160x.2007.9651769>
- Scapens, R.W. (2004) Doing case study research. *The Real Life Guide to Accounting Research*, 20, 257–279. Available from: <https://doi.org/10.1016/B978-008043972-3/50017-7>
- Scapens, R.W. (2011) The case study as research method: a practical handbook. *Qualitative Research in Accounting & Management*, 8(2), 201–204. Available from: <https://doi.org/10.1108/11766091111137582>
- Sharma, U. & Lowe, A. (2023) Change agents' enactment of management control systems: shaping strategic change in a telecommunications organisation. *Qualitative Research in Accounting & Management*, 20(2), 229–256. Available from: <https://doi.org/10.1108/QRAM-06-2021-0104>
- Shleifer, A. & Vishny, R.W. (1994) Politicians and firms. *The Quarterly Journal of Economics*, 109(4), 995–1025. Available from: <https://doi.org/10.2307/2118354>
- Summerhays, K. & de Villiers, C. (2012) Oil company annual report disclosure responses to the 2010 Gulf of Mexico oil spill. *Journal of the Asia-Pacific Centre for Environmental Accountability*, 18(2), 103–130.
- Tengblad, S. & Ohlsson, C. (2010) The framing of corporate social responsibility and the globalization of national business systems: a longitudinal case study. *Journal of Business Ethics*, 93(4), 653–669. Available from: <https://doi.org/10.1007/s10551-009-0246-2>

- Tucker, L.R. (1998) The framing of Calvin Klein: a frame analysis of media discourse about the August 1995 Calvin Klein jeans advertising campaign. *Critical Studies in Media Communication*, 15(2), 141–157. Available from: <https://doi.org/10.1080/15295039809367039>
- Tversky, A. & Kahneman, D. (1981) The framing of decisions and the psychology of choice. *Science*, 211(4481), 453–458. Available from: <https://doi.org/10.1126/science.7455683>
- Van Asselt, M.B. & Renn, O. (2011) Risk governance. *Journal of Risk Research*, 14(4), 431–449. Available from: <https://doi.org/10.1080/13669877.2011.553730>

How to cite this article: Ammar, S. & Elsayed, N. (2024) Unfolding BP's reframe through reform strategies for politically connected governance practice and geopolitical disruptions. *Accounting & Finance*, 64, 4251–4275. Available from: <https://doi.org/10.1111/acfi.13304>