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Using Non-market Strategies to Respond to Institutional Schisms: The Case of Florida House Bill 1557 and the Walt Disney Company

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1 Introduction

Institutional schisms are misalignments between two existing sets of institutions (Moore et al., 2019, 2021). They occur when there is a misalignment between formal institutional systems at different levels of analysis (Moore, Brandl, & Dau, 2021). Formal institutions are the written rules (e.g., laws and regulations) that shape social interaction (North, 1990, 2005) and that provide a basis for shared expectations of human behavior (Helmke & Levitsky, 2004, 2006). Such written rules can exist

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at different levels, including the subnational, national, and supranational levels (Dau et al., 2022a, b). If the rules of two different levels are misaligned, institutional schisms exist. That is, institutional schisms are the misalignments of two or more sets of institutions that can cross multiple institutional levels. Schisms can exist between the supranational and national institutional levels; national and regional levels; national and state levels; and so on. To date, the international business literature has focused mostly on the schisms between the supranational and national institutional levels (e.g., Moore et al., 2019, 2021).

However, the recent spikes in anti-globalization and global crises have challenged the efficacy of national governments and resulted in increasing institutional schisms at the national and subnational levels as well. These events have made it increasingly clear that there are interactions between the different levels that merit further scholarly attention, especially as institutional schisms create uncertainty and ambiguity in business environments. An institutional schism creates complexities, as multiple formal institutions could be considered present in an environment, but there is no clarity on which one should be followed. For example, if the laws in a US state and at the federal level provide contradictory guidelines for business behavior, an institutional schism is created and causes uncertainty and ambiguity in the business environment. Such schisms can create important difficulties for firms as they can significantly increase the cost of doing business and, in extreme cases, may even discourage entrepreneurial activities (Moore et al., 2021).

We expand on the existing conceptual work done to date on institutional schisms by looking at schisms that are created by institutional misalignments at the national (federal) and subnational (state) levels. Considering the relevance of international agendas related to equity, diversity, and inclusion (EDI) as well as human rights and how they have been pushed by international organizations, it is important to analyze

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how these have been cascaded within a federation and its states and the schisms emerging from the alignment, or lack thereof, of formal institutions. Because government policies have a relevant impact on the competitive environment of firms (Hillman & Hitt, 1999), we focus our attention on *how firms use non-market strategies to overcome institutional schisms*.

We study the impact of these institutional schisms created by United States policies and those developed by the state of Florida, that is, *House Bill 1557* (also referred to as the “Don’t Say Gay” bill). US law has consistently supported freedom of speech, codified in the First Amendment of the US Constitution. This has been applied in many contexts, but mostly within schools allowing teachers to openly discuss topics such as EDI and for companies to state their positions on any given area. When the state of Florida passed *House Bill 1557*, the ability of teachers to discuss LGBTQIA+ issues in the classroom was limited. The ensuing institutional schism caused uncertainty and ambiguity for firms in the state and local business environment.

For example, the Walt Disney Company’s (hereinafter referred to as “Disney”) local operations had to pivot their business activities and respond to the schism with a non-market strategy. We outline the strategy in the chapter. Initially, Disney did not come out strong on either side of the bill fearing public and political setbacks. In time, however, and in the face of increasing public scrutiny within and outside the United States, Disney took a stand against this bill, which led the state to seek ways to impose penalties on the company. We discuss how the extended legal battle will likely carry a toll on the company and the economy of the state. Through this discussion, we highlight how non-market strategies are vulnerable in the face of institutional schisms, particularly when they are created because of national and subnational level institutions.

This chapter contributes to the literature on institutions by examining how institutional schisms can affect local businesses. The extant literature has conceptualized institutional schisms but has maintained the focus on the schisms that exist because of supranational and national levels of institutional misalignment. While these schisms are central to international business, for the concept to be developed further, it is necessary for both scholars and practitioners to acknowledge that schisms can also exist

at other levels. Thus, a primary contribution of our study is to extend the existing conceptual understanding of institutional schisms to the national and state levels. By moving down levels of analysis, we continue to build on the novel concept of institutional schisms through a more finely variegated lens that seeks to understand the complex interactions that exist between formal institutions at different levels. Moreover, we purposefully focus on the impact of such schisms on the non-market strategic responses of Disney. In doing so, we contribute to the existing literature by connecting institutional schisms to a specific firm-level response and move the discussion beyond traditional, market-based outcomes. The use of a case study allows us to carefully identify how the company responded to the schism. Lastly, we expand this discussion to assess the implications of firms' action (or inaction) when experiencing schisms in the sphere of human rights, specifically of vulnerable populations such as the LGBTQIA+ community. Lastly, we advance the current discussion of corporate advocacy (Wettstein & Baur, 2016) in the context of human rights and EDI.

Through this discussion, we also provide meaningful contributions to practice and policy. For business leaders, we offer insights into how schisms influence strategic decisions while also examining how they can navigate conflicting institutional expectations at different levels. These insights are of importance for both national and international firms that face a wide array of institutional schisms at multiple levels. Firms' actions have significant consequences on social outcomes and can either support or hinder their advancements. In the case of Disney, we provide evidence that the initial inaction of a firm can backfire and generate dissatisfaction among employees, social activists, and consumers all around the globe. The backtracking of its inaction started a war over power between the company and the state government, which put the issue of EDI and human rights of the LGBTQIA+ population in the background. We provide critical insights into policy by discussing the advantages of institutional alignment to encourage local economic growth and development. Specifically, by demonstrating how institutional schisms strain firm-level non-market strategies, policymakers can use a firm's power and influence to promote change toward EDI and human rights—or to completely limit their advancement.

2 Institutional Schisms and Non-market Strategies

2.1 Institutional Schisms

New institutional economics (e.g., North, 1990, 1991), as used in the IB field (see Aguilera & Grøgaard, 2019), focuses on national institutional environments as a combination of formal institutions, that is, codified rules and policies, and informal institutions, that is, norms, values, and traditions (North, 1990). Each country has a unique national institutional environment, which is based on a variety of factors that connect to the country. For example, national institutions are dependent on the history of the country and, thus, path-dependent as well as influenced by its political, social, legal, and economic systems (Williamson, 2009). Thus, national institutions are unique and highly context-dependent (Fiori, 2002). They result in different robust federal guidelines that influence the country. These guidelines are often impacted by internal and external pressures from a variety of actors, such as national or foreign firms (see more below) or supranational/intergovernmental organizations.

Beyond the national level, a variety of institutional environments exist at the regional, subnational, and supranational levels (Dau et al., 2022a, b). Due to the variety of levels, differences between formal institutions can exist. For example, the national institutions can be different from the supranational institutions to which the country is connected. This difference causes a misalignment of institutions, which is referred to as an institutional schism (Moore et al., 2019, 2021), that is, institutional schisms are the misalignments of two or more sets of institutions that can cross multiple institutional levels (e.g., national, subnational, supranational, and firm). For instance, if a country is a member of an intergovernmental organization (IGO), such as the World Trade Organization (WTO), the country agrees to align their national institutions with the supranational institutions of IGOs (Lupu, 2016). This ratification means that countries agree to comply with the intergovernmental organization's supranational institutions. However, the recent US-China trade war has shown that institutional schisms can exist when national and

supranational institutions misalign. During the trade war, both countries did not comply with the supranational institutions agreed upon by the WTO, that is, despite having signed and ratified the WTO charter to promote the tenets of free trade, both countries violated the charter. They utilized trade barriers through high tariffs, which is in clear violation of the WTO bylaws (BBC, 2020). As a result, the schisms between the national policies of both countries and the neo-liberal policies of the WTO result in significant business and economic losses (Bekkers & Schroeter, 2020).

The national (federal) institutional environment of a country should generally align with the subnational (state) institutional environments, as the latter is derived and influenced by the national environment. However, countries often have distinguished policies at the state, regional, and local levels, and discrepancies can exist like the discussed institutional schisms caused by national and supranational institutional misalignments. The institutional schism that is created by misaligned federal and state policies is similarly evidencing issues with resulting uncertainties and ambiguities.

There could be various reasons for schisms generated between national and subnational institutions. For example, national institutions are dynamic, as governments are regularly changing in most democratic countries, leading to (sometimes very rapid) changes in the national institutional environment of countries (Milewicz & Elsig, 2014), which might take time to be implemented and changed at the subnational levels. Second, pressures are too intense for subnational governments, and actors are heavily influencing regional activities. Lastly, subnational levels facing extreme events or political uncertainty may become less compliant over time, based on contextual factors and actions that change their political, social, and economic environments.

2.2 Non-market Strategy

Non-market strategies encompass all strategies designed and implemented by firms in their home or host country aimed at managing the institutional or societal contexts of market transactions (Baron, 1995;

Mellahi et al., 2016). Two main strands of research compose the realm of non-market strategies: Corporate Social Responsibility (CSR) and Corporate Political Activity (CPA). The first, CSR, speaks to actions and projects that advance social goods that can affect a firm's overall performance (Doh et al., 2012; Hillenbrand et al., 2013). CPA, on the other hand, concerns "corporate attempts to manage political institutions and/or influence political actors in ways favorable to the firm" (Mellahi et al., 2016, p. 144) and involves several tactics targeted at elected officials and politicians (Hillman et al., 2004). In this chapter, we focus on Disney's CPA strategic response to an institutional schism.

Firms very often engage with and manage institutional misalignments to elevate their sociopolitical legitimacy. Recent studies show evidence that engagement with the non-market environment (NGOs, social activists, governments, civil society, etc.) can bring significant benefits for organizational outcomes and positively affect a firm's overall performance (Doh et al., 2012; Mellahi et al., 2016). Firms can have different strategic intents and governance modes related to their non-market strategic responses (Dorobantu et al., 2017). Regarding their strategic intent, firms can choose to *adapt* to the institutional environment focusing on non-market strategies that can help reduce transaction costs (Williamson, 1991, 2000); *transform*, by changing formal institutions that enable value creation and reduce institutional costs (North, 1990); or *augment* the institutional context, by creating new institutions that can reduce institutional costs for those that commit to them (Ostrom, 2005). For instance, a firm that engages in promoting the agenda of EDI through human resources and marketing policies in an environment in which such positive externalities are not rewarded might: (1) adapt and internalize this transaction; (2) seek to transform the environment through political action by pushing legislation that favors this commitment; (3) or make this a voluntary commitment in the expectation of being rewarded by civil society, employees, consumers, etc. (example adapted from Dorobantu et al., 2017, p. 117). Moreover, independent of what the non-market strategic response is, the firm must decide if it will conduct CPA (or CSR) alone or in collaboration with other actors in the non-market environment.

There are a variety of ways in which a firm can influence the political arena. Firms can engage in lobbying, public/government alliances, industry alliances or associations, and political inducements and contributions (Hillman et al., 2004). The goal of CPA is to either (1) reduce potential negative impacts and uncertainty connected to government policies or (2) maximize benefits associated with public policies and their impact on a firm's overall performance (Hillman & Hitt, 1999; Shaffer, 1995). Additionally, firms can engage in CPA to exercise their freedom of speech regarding government decisions (Keim & Zeithaml, 1986). Due to the uncertainties prevailing in the competitive environment and many conflicting expectations from several actors in the market and non-market environments, CPA became essential for most firms engaged in overseas operations. This is due to political actors' ability to influence the costs of doing business within a country by affecting market structures or altering the cost structures of firms through legislation related to several aspects, such as labor practices or taxation.

It is important to highlight, however, that engaging with CPA can have unexpected consequences for the firm. Despite the growing interest in the topic, few researchers were truly able to measure and provide evidence that CPA positively influences firms' overall performance (Greiner & Lee, 2020). Moreover, there are many qualitative gains and losses that are not being captured by statistical models. Through in-depth qualitative analysis, one can highlight not only financial but also legitimacy and image gains or losses connected to a firm's political engagement. CPA can be very fruitful in strengthening ties with governments, but it can also damage these relationships and severely impact firms. Moreover, considering the power and leverage that firms can build around political and social issues, a firm's non-market strategy can act as either tailwinds or headwinds for the issues being addressed. A firm's consistent support to a social issue is less prone to be criticized for lack of engagement (Li & Soule, 2021). When a firm proactively declares support for LGBTQIA+ rights, for instance, and implements actions that go against institutional structures that violate such rights, it is expected that this commitment supports the advancement of the human rights agenda (Lux et al., 2011; Wettstein et al., 2019). However, when firms commit to promoting such rights and remain silent or do not actively engage with the matter, this

position is not considered a neutral one, but more so a form of condoning the abuse (Wettstein, 2012). Corporate activism and the agendas they engage with through CPA can suffer severe consequences due to superficial or the absence of engagement.

3 The Case of the Walt Disney Company in Florida

We explore the case of Disney in Florida not only to demonstrate what an institutional schism is but also to highlight how firm-level non-market strategy is directly impacted by such schisms and used as a strategic response. We examine in-depth Disney's response to the controversial *House Bill 1557*. We outline what the bill says, why it represents institutional schisms and then present the various stages of Disney's non-market strategic responses. Through the different phases of responses, we will highlight the influence of institutional schisms on non-market strategy.

3.1 The Bill

Governor Ron DeSantis of Florida has recently signed into effect *House Bill 1557*, called the "Parental Rights in Education" bill, even though countless politicians, notably President Joe Biden, have called the piece of legislation hateful and questioned its legitimacy (Mazzei, 2022). The bill prohibits classroom instruction on sexual orientation or gender identity in K-3 grades "or in a manner that is not age-appropriate or developmentally appropriate for students in accordance with state standards" (Diaz, 2022; Goldstein, 2022). Before unpacking how the bill represents an institutional schism, it is essential to understand the details of the bill. There are several key facets to it, which we explain succinctly here (State of Florida, 2022). First, it foresees instruction on gender and sexuality to be constrained in all grades. Second, schools will be required to notify parents when children receive mental, emotional, or physical health services unless educators believe there is a risk of abuse, abandonment, or neglect. Third, parents would have the right to opt their children out of

counseling and health services. Fourth, parents can sue schools for violating the vaguely written bill, and districts would have to cover the costs. Fifth, Florida will rewrite school counseling standards.

While the bill has many additional complex dimensions, the most controversial element, and the one that subsequently results in an institutional schism, is the degree to which the bill limits the discussion of EDI in schools (Hesse, 2022). While this bill has critical implications for all individuals living in Florida and all companies operating in the state, it is worth highlighting that several other states, such as Oklahoma, Ohio, Louisiana, and Texas, have also started to mimic the law (Diaz, 2022). Across the United States, at least a dozen states are considering new legislation that, in several ways, will mirror Florida's new controversial law, referred to by some opponents as the "Don't Say Gay" bill. The specific details regarding the bills vary between states, but, overall, they seek to prohibit schools from using a curriculum or discussing topics of EDI.

As we will describe in the following section, this controversial element represents an institutional schisms-based precedent set by the Supreme Court as it relates to freedom of speech and unconstitutional vagueness (Mazzei, 2022; Millheiser, 2022).

3.2 The Bill as an Institutional Schism

For this chapter, we focus on formal institutional schisms and define them as misalignments between two existing formal institutions at the national and state levels. While many politicians, activists, and citizens have come out strongly against the bill, we assert that the bill represents a formal institutional schism as it highlights how legislation in Florida directly contradicts formal legislation in the United States for two key reasons.

First, lawmakers and legal analysts have offered critical insights on how the bill violates the First Amendment, which gives individuals the freedom of speech. Expert opinions indicate that although public school teachers' First Amendment rights are already curbed, this bill violates the amendment by blocking them from open discourse (Migdon, 2022). By preventing schoolteachers from discussing issues related to EDI and

human rights of the LGBTQIA+ community, policy experts indicate that the law itself is not legal nor is it constitutional, and it leaves the most vulnerable members of our society at severe and undue risk (Sawchuk, 2022).

“Over time and continuing today, our nation has strived to make good on its promise that everyone is entitled to be treated with equal dignity under the law. That is true when it comes to LGBTQ Americans, who now have the constitutional right to identify openly as LGBTQ, to marry, and to form families with children,” said Roberta Kaplan, founding partner of Kaplan Hecker & Fink LLP. “With the passage of House Bill 1557, Florida has not only taken a giant step backwards, but it has done so at the expense of our children, the most vulnerable members of society. It is hard to imagine anything more offensive to our constitutional system than treating one group of school kids as second class based solely on who they are or who their parents are. This law cannot be allowed to stand” (Lavietes, 2022).

As a result, many fear that the bill will result in cultural controversy and could potentially marginalize a segment of the population (the LGBTQIA+ community) that has already faced significant hardship (Hesse, 2022). As noted by the ACLU, “This effort to control young minds through state censorship—and to demean LGBTQ lives by denying their reality—is a grave abuse of power” (Block, 2022). These same critics argue that the state of Florida has no constitutional right to block free speech, nor does it have the right to alienate any groups of society, especially in schools (Rosica, 2022).

Second, another key issue with the bill is its unconstitutional ambiguity or vagueness (Mazzei, 2022; Millheiser, 2022; Migdon, 2022). This claim is not only rooted in the Constitution itself but also in the precedent set by the Supreme Court of the United States of America. Legal pundits highlight that the bill does not define several critical elements that would legitimize the bill. For example, the bill brings up the idea of “age appropriate” and “developmentally appropriate” but does not set these conditions. Based on the Constitution, if a law is not clear enough to follow, the law itself is unconstitutional. A commonly used example to highlight this that has come out is as follows (Lavietes, 2022):

Suppose, for example, that Ms. Smith is a second-grade teacher married to a woman. One evening, while Smith and her wife are shopping at the mall, she runs into one of her students and they say hello to each other. The next day, the student asks Ms. Smith who the woman she was shopping with is, and Smith responds, “Oh, that’s my wife.” If this conversation with the student occurs in a classroom, does it constitute “classroom instruction”?

There are two key Supreme Court cases that uphold the notion that state laws cannot be so vague and/or ambiguous that they cannot be followed reasonably. In *Keyishian v. Board of Regents* (1967), the Court deemed that a New York State law aimed at preventing communists from becoming teachers or professors was too vague, and thus unconstitutional, because, if extended, schools could not teach the Declaration of Independence (Laviertes, 2022). From this, the Court determined that laws around classroom speech and teaching “must not be so vague that people of common intelligence must necessarily guess at its meaning and differ as to its application” (Millheiser, 2022). Using the *Keyishian* standard, the Florida bill does not clear this bar and is thus unconstitutional. A second critical case that highlights how the bill is an institutional schism is *Cramp v. the Board of Public Instruction* (Laviertes, 2022). This bill, which was also attempted in Florida but ultimately deemed unconstitutional due to its extreme vagueness, attempted to mandate that all public employees swear that one “has not, does not and will not lend aid, support, advice, counsel or influence on the Communist Party.” Ultimately the court struck this down not only due to its vagueness but also due to its violation of the 14th Amendment (e.g., the due process clause). The *Cramp* case has critical implications for the current Florida bill for three reasons. First, the court deems that any law that denies citizens of adequate notice of conduct that may face legal sanctions is unconstitutional. Second, such laws invite discrimination and segregation. Third, such laws violate the essential right to freedom of speech.

Thus, despite the ongoing discussion and controversy of the bill, we argue that it represents an institutional schism as it highlights how the state of Florida is in violation of the laws and courts at the national level. While this will take time to sort out in federal courts, we base this analysis and conclusion on legal precedent and the legal expertise of leaders in the field.

3.3 Disney's Response to the "Don't Say Gay" Bill

The initial strategic response by Disney in Florida was non-action (Stewart, 2022; Blair, 2022). While this may have been the result of a variety of factors, the company was one of the more notable companies that did not take a direct stance when the bill was initiated in Florida. While the company eventually took a firm stance, the initial response that lasted for several weeks was one of silence. Quickly, however, there was a public outcry against the company for not taking a stance both nationally and internationally. Critics pointed out that the company has donated roughly 200,000\$ USD in the past two years to members of the Florida legislature and cited the company's lack of response to the bill as an indication of support for it (Kim, 2022). Social media platforms across the globe continued to speak out against the company. Arguments were based on the logic that Disney poses itself as a family-first company that promotes EDI, and because of their size and power, it was wrong of them not to oppose the bill when they could make a change (Ables, 2022). Protestors threatened to no longer attend amusement parks or purchase Disney products, and the stock price took a hit throughout the time that the company remained inactive (Blair, 2022).

Disney found itself facing an institutional schism. Stakeholders cited that the Florida bill represented a violation of freedom of speech and promoted hate, yet the state of Florida, where the company has huge operations and is one of the state's main employers, continued to promote the bill and operate as if it were in effect. Disney found itself in the middle, but eventually, the court of public opinion and the severe backlash pressured the company to alter its non-market strategy. In due time, the company vowed to help repeal the law and argued that Governor DeSantis should have never signed the bill (Whitten, 2022). The company's public opposition to the new law comes after CEO Bob Chapek was scrutinized for staying silent and not directly opposing the bill when he had the chance before it passed the Florida Senate. The company has since donated \$5 million to organizations that work to protect LGBTQIA+ rights and has begun speaking to employees in town hall meetings about how it can better serve this community. Moreover, the

heir to the company, Charlee Disney, has come out publicly as transgender and has articulated that the company will continue to oppose the bill and seek the rights of the LGBTQIA+ community (Whitten, 2022).

In direct response, Governor DeSantis has since revoked Disney's special tax status and has continued to work on repealing their private district status (Atterbury, 2022; Ables, 2022). The law that has been repealed allowed Disney to operate as a private company over its properties in the state which has only intensified the feud and the institutional schism. Moreover, local communities and residents are wary of the consequences of such imposition due to fear of an increase in operational costs and tax payments, respectively. There is a lot of uncertainty regarding who will pay the cost associated with the state's resolution to Disney's non-market strategic response. This will likely have enormous cascading effects for Disney directly but also the state of Florida.

4 Concluding Discussion

In this chapter, we study institutional schisms created by the misalignment of national and state-level institutions and how firms use non-market strategies to overcome such schisms. Institutional schisms can create significant challenges for firms due to the resulting uncertainties and ambiguities that demand responses. A new public policy at the sub-national level that is in misalignment with national laws that govern firm behaviors can create transaction costs that reduce the firm's financial performance. To counteract such consequences, firms can design and implement CPA strategies as a response to misalignments.

For example, firms can choose to *adapt* and internalize transactions to find ways to reduce transactions and limit risks associated with institutional schisms (Dorobantu et al., 2017). A firm can partner with the ruling elite (Siegel, 2007) or even the military (Hiatt et al., 2018) to appropriate value in the existing institutional context. Political ties can be a source of competitive advantage and increase the firm's leverage when institutional schisms threaten to harm the firm's market transactions. Firms can also respond to institutional schisms by *adding* to the institutional environment through a voluntary commitment that will reduce

conflicts and costs associated with the schism (Ostrom, 2005). Instead of responding to formal institutions and state requirements, the firm can voluntarily position itself in a political or social matter with the expectation of being rewarded and recognized. This is the case of standards of conduct agreed upon in a certain industry (Dorobantu et al., 2017). Lastly, firms can try to *transform* the formal institutions and change transactional costs for all those affected by the change (Dorobantu et al., 2017). When experiencing a schism, firms can build new formal institutions through lobbying and political activism for new legislation and public policies that will reduce the intensity or threat associated with the institutional schism. Firms can target relevant political actors and convince them that new or modified rules are necessary by providing information and support from civil society or social activists (Hillman & Hitt, 1999). Sethi and Williams (2000, p. 197) mention that:

The large corporation must become an active agent for social change if it is to make the world safe for democracy, and indeed, for capitalism [...] As a dominant institution in society, the corporation must assume its rightful place and contribute to the articulation of the public agenda and [not] simply react to policy choices advocated by others.

When examining the institutional schisms created by the ratification of *House Bill 1557* in Florida, Disney chose to *transform* the institutional environment in the state rather than adapt or add to it. The bill does not only misalign with federal policies, but it also goes against Disney's commitment to EDI. Thus, consumers and social activists called attention to the issues and pressured Disney into action. After weeks of non-response, Disney decided to influence the governing institutions, trying to transform the policies (Dorobantu et al., 2017; Hillman & Hitt, 1999). The initial absence of response speaks to Disney's fear of engaging in an ideological discussion that could undermine its operations in the state of Florida and the uncertainties created by the schism. The unconstitutionality of the bill, as well as its lack of alignment with Disney's corporate practices, emphasized the urgency and relevance of its engagement with the matter (Li & Soule, 2021; Wettstein & Baur, 2016). Not positioning itself against the bill could cost more than the financial loss associated

with the current legal battle and a potential increase in taxes. Thus, Disney eventually positioned itself against the advancement of the bill, which caused the state's government to revoke Disney's special tax status. By stating its position against the bill, Disney aimed to impact public policy design by supporting the grassroots movement and providing information and evidence that the bill violates fundamental rights that should be protected by any state in the United States (Wettstein & Baur, 2016).

Disney's response started a legal battle that is expected to have consequences for the firm, local communities, and the fight for EDI and human rights of LGBTQIA+ community. For the firm, the State's decision has minimum impact; specifically, some of the red tape on Disney's decision to expand and renovate parks might be added. For the county and Disney surrounding communities, revoking the tax status can generate a significant financial burden since they might have to embrace debt and services once covered by the firm. Finally, since this became an ideological battle, the agenda on EDI and LGBTQIA+ rights was put aside and has been once more harmed by the State's rushed decision targeting Disney. To use the momentum and reinforce its position, the company must guarantee consistency and alignment with its own values and act against such laws in the United States (Wettstein & Baur, 2016). Even more so, Disney must launch projects and programming that promote equal rights for minorities and vulnerable populations. Considering politicians come and go, and corporations remain alive for decades, Disney has on its hand the chance to proactively change the discourse and push for legislation that favors EDI throughout the United States and reduce the misalignment between national and subnational laws.

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