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Abstract

Purpose – Companies in challenged industries such as fashion often struggle to communicate credibly with their stakeholders about their social and environmental achievements. Credible corporate social responsibility (CSR) communication, however, has been described theoretically as a predictor of legitimacy for organizations in society, but never proven empirically. The purpose of this paper is to test perceived credibility of a CSR website as a main predictor of input and output (pragmatic, cognitive and moral) legitimacy.

Design/methodology/approach – A 2 × 2 between-subjects online experiment with participants recruited from the SoSci Panel (n = 321) is conducted on an anonymized website of a fashion company.

Findings – Credible CSR websites result in output (cognitive and pragmatic) legitimacy. However, participation in the CSR decision-making process (input or moral legitimacy) did not matter. Instead, the more subjects accepted the outcome of the CSR communication process, the more they found a company to be legitimate.

Research limitations/implications – The CSR communication process on a website is just one specific example. In other settings, such as social media, the role of participation in the CSR communication process will be different.

Practical implications – Communicating credibly is a key, particularly in challenged industries, such as fashion. Thus, designing credible communication material matters for legitimacy.

Originality/value – The findings for the first time confirm the credibility-legitimacy link in corporate communication empirically. Participation in CSR-related decision-making processes is overrated: the outcome of the CSR communication process is important for stakeholders and their acceptance of a company in society, the participation in the process less. This confirms the idea of CSR as stakeholder expectations management.

Keywords Legitimacy, Corporate social responsibility, Credibility, Experiment, Website

Paper type Research paper

Introduction

At a time of decreasing public trust in organizations (Auger, 2014), assumptions of post-true communication online (Heidbrink and Lorch, 2017) and rising critique on capitalism through the financial crisis (Piketty, 2014), companies have an ever harder time to communicate with stakeholders, particularly in shaken industries such as fashion and especially when it comes to corporate social responsibility (CSR) (Waddock and Googins, 2011). The CSR communication paradox marks a situation where more communication about CSR does not result in more perceived transparency and trustworthiness, but on the contrary in more skepticism. Thus, not the amount, but the perceived credibility of a company’s CSR communication tools is key. Theoretically, the link between credible CSR communication as a major part of corporate communication efforts (Cornelissen, 2014) and legitimacy is well
established (Seele and Lock, 2015), but we lack empirical proof that credible communication is in fact a predictor of legitimacy because experimental research is missing.

Legitimacy in corporate communication is often seen instrumentally, based on cognitive and pragmatic legitimacy (Suchman, 1995; Etter et al., 2018). In CSR communication, the normative concept of moral legitimacy has been emphasized, where legitimacy emerges from a communication process that is oriented toward understanding between stakeholders and organizations (Scherer and Palazzo, 2011). Thus, if an organization communicates credibly about their social and environmental commitments, stakeholders grant it a “license to operate” in society. To re- and maintain legitimacy, an organization needs to simultaneously manage all three types (Scherer et al., 2013). This is particularly challenging in industries that suffered from reputation losses after scandals such as the fast fashion business after the Rana Plaza factory fire and reports on bad working conditions. Here, legitimacy can be re-gained through communicating credibly about CSR progress (Seele and Lock, 2015).

However, while some studies have found positive effects of corporate credibility on legitimacy (Jahn et al., 2017; Bachmann and Ingenhoff, 2016), the credibility of the communication tool has not been subject to testing and legitimacy has been studied in a unidimensional fashion. In this context, no previous work has engaged with the credibility of websites, which are one of the main channels of CSR communication (Du and Vieira, 2012). Thus, legitimacy as an outcome of credible CSR communication is often claimed but barely tested (Crane and Glozer, 2016). Given the rise and popularity of political-normative CSR theory (Scherer and Palazzo, 2011) and its emphasis on participation based on deliberative democracy theory (Habermas, 1996), we furthermore analyze in how far input (or moral) and output legitimacy matter for organizational legitimacy. Thereby, this study attaches importance to all three dimensions of legitimacy and tests them in one research design simultaneously.

To do so, a $2 \times 2$ between-subjects experiment with $n = 321$ participants from the SoSci Survey Panel confronts respondents with a real CSR website from an anonymized fashion company. To manipulate participation in the CSR communication process and, thus, approximate conditions of moral legitimacy, we followed an established experimental approach from political sciences (Arnesen, 2017). One group “had a say” in the company’s decision whether the website would be enriched with an additional CSR topic, the other group did not. We also tested for cognitive and pragmatic legitimacy as outcome variables. The findings confirm that the perceived credibility of a CSR website predicts cognitive and pragmatic legitimacy. Interestingly, participants who could influence the company’s decision through their vote did not find the company’s CSR decision more acceptable than those who did not “have a say,” thus not confirming the hypothesized link between democratic participation in decisions and attributed legitimacy to this decision. Instead, legitimacy was enhanced if the decision matched the participant’s preference. Therefrom, we conclude that matching stakeholders’ expectations is a key for managing legitimacy, while stakeholder participation is not.

Literature review

**Credibility in corporate and CSR communication**

Gaining legitimacy from stakeholders has been described as the ultimate goal of corporate communication efforts (Boyd, 2009; Waymer and Heath, 2014). A major strategy for re- and maintaining the “license to operate” from publics is acting socially responsible and being a good corporate citizen (Donaldson and Preston, 1995). Current CSR theories either of the functionalist, political-normative or the constitutive view (Schultz et al., 2013) commonly rest on the assumption that communication is key in a process of legitimation: within the instrumental perspective, communication paves the way to effectively bring the CSR message across; in the political-normative view, the responsibilities of corporations are considered political through increased globalization and in consequence businesses need to resolve issues communicatively and in a deliberative fashion with diverse stakeholders; or, in the constitutive view, CSR only
comes into being in and through a communication process. Crane and Glozer (2016) have recently identified four I’s of CSR communication that deserve further research, amongst which CSR identity. Here, the researchers call for a better understanding of authentic CSR communication and the outcomes of such communication on external stakeholders. In addition, in their extensive review, they come to the conclusion that “legitimacy remains under-developed relative to its potential, particularly in terms of its empirical operationalization” (p. 1243). Viewing credible communication as a symbol of an authenticity process (Edwards, 2010), this study tackles a pressing gap in CSR and CSR communication theory: the question in how far credible communication can result in legitimacy perceptions.

Credibility is a multidimensional construct that marketing researchers have often conceptualized as source-dependent (Keller and Aaker, 1992; Newell and Goldsmith, 2001; Ohanian, 1991). An idea most prominent in corporate communication is to regard legitimacy as a sub-category of trust (Bentele and Nothaft, 2011). Trustful relationships between organizations and stakeholders are the cornerstone of organization–public relations (Heath et al., 2013; Johansen and Ellerup Nielsen, 2011) and credible tools such as websites can be regarded as a means to achieve them. Thus, an interaction-based credibility approach posits that credibility is dependent on the communication tool, an idea included when measuring credibility in CSR communication (Lock and Seele, 2017). Here, a piece of CSR communication is credible if it is perceived as understandable, true, sincere and appropriate. Initially developed for CSR reports, this measure can also be applied to online CSR communication tools, since the internet has become the dominant communication channel for CSR initiatives (Fulton and Lee, 2013). Thus, to result in legitimacy, CSR communication must be credible first, hence, if companies communicate in a credible manner via their corporate communication tools and stakeholders perceive this communication to be credible, they can establish legitimacy (Seele and Lock, 2015).

Corporate websites represent an important platform for companies, not only for selling products, but also to support their image and maintain reputation (Da Giau et al., 2016). Websites have predominantly been studied in terms of their potential for dialogue (Kent and Taylor, 1998), consumers’ website attitudes (Chen and Wells, 1999), website performance (Zeithaml et al., 2002) or satisfaction with the website (Bansal et al., 2004). A wide array of research has analyzed CSR on corporate websites; Wanderley et al. (2008) analyzed whether information disclosure on the websites of 127 corporations was influenced by country of origin and/or industry sector. Tang et al. (2015) compared the CSR communications of 50 US and 50 Chinese websites, while Capriotti and Moreno (2007) stretch the affordance of interactivity of corporate websites. In the area of fashion, Da Giau et al. (2016) researched which environmental and social sustainability practices companies in the Italian fashion industry adopt and how they are communicated on their website. However, to date research has not yet investigated websites in terms of their perceived credibility, which is particularly intriguing to study as credible communication can be seen as a predictor of legitimacy (Lock and Seele, 2017).

It is exactly in industries such as fashion that companies face communication challenges and are confronted with legitimacy gaps (Shim and Yang, 2016): stakeholders challenge companies’ license to operate because of past scandals or misconduct (Luoma-aho and Vos, 2010). Du and Vieira (2012) explain that controversial industries “may be polemic owing to the goods or services that they provide and/or how they conduct themselves in the process of achieving business objectives” (p. 413). Thus, either industries are considered controversial due to their products or services. Tobacco or alcohol resemble such products as they are by social standards considered sinful, detrimental to health and potentially addictive (Fooks et al., 2011; Du and Vieira, 2012; Cai et al., 2012). Or, industries are seen as controversial when known for participating in socially or environmentally irresponsible business practices or corrupt and unethical behaviors. The oil industry is widely associated with environmental disasters, such as the Exxon Valdez and BP oil spills. Further, it is also perceived to be guilty of negative
social and environmental consequences, such as human rights abuses and neglect of labor and safety standards as well as high CO$_2$ emissions and the deterioration of water caused by oil production (Woolfson and Beck, 2005).

The (fast) fashion industry resembles a controversial industry because of unsustainable practices within its complex supply chains (Arrigo, 2013). From an environmental perspective, the production processes involve the use of chemical substances posing a threat to the safety of local water and the global transportation of goods resembles an issue in terms of CO$_2$ emissions (Seuring and Müller, 2008; Canato et al., 2012; Fletcher, 2013). From a social perspective, it is associated with unethical working conditions and human rights violations (Seuring and Müller, 2008; Arrigo, 2013). In 2013, public pressure increased when the building of a clothing factory collapsed in Bangladesh. Thus, fashion companies are subject to sustainability pressures and attacks by NGOs and the public and are, therefore, especially forced to engage in CSR communication (Pedersen and Andersen, 2015).

Thus, re-and maintaining legitimacy in such a sector is a challenge, particularly because of the high scepticism associated with the CSR communication from these companies (Du and Viera, 2012). But, since this industry is present in everyday life, it sets the proper stage for researching the credibility–legitimacy nexus.

Researching the credibility–legitimacy link
Legitimacy is central to the understanding of organization–public relationships (Heath et al., 2013; Wæraas, 2018), but barely inquired empirically in corporate communication (Jahn et al., 2017; Bachmann and Ingenhoff, 2016). In neighboring disciplines to corporate communication, most dominantly business management or organizational communication, lots of research have looked at legitimacy and CSR from a qualitative perspective (e.g. Castelló and Lozano, 2011; Golant and Sillince, 2007; Reast et al., 2013; Berry, 2017). However, legitimacy has barely been studied quantitatively as an outcome variable in the context of CSR communication (Crane and Glozer, 2016), and never with regard to credibility.

Past studies have measured legitimacy through the lens of accreditation or firm survival (Ruef and Scott, 1998), in perception surveys (Massey, 2001; Chung et al., 2016), through media coverage (e.g. Deephouse and Carter, 2005), or semantically based on the assumption that positive expressions by stakeholders about a firm are a proxy for legitimacy (Etter et al., 2018). Experimental approaches to measuring legitimacy have been conducted predominantly in the political sciences and social psychology (Arnesen, 2017).

Different types of legitimacy have been differentiated in the literature. Industry legitimacy refers to the idea that entire industries can jeopardize their license to operate in society when their business practice or products have undergone major misconducts, such as the banking industry after the financial crisis or the tobacco sector (Fooks et al., 2013). An issue, on the other hand, is legitimate if the public perceives it as a public concern (Coombs, 1992). Corporate communication researchers have suggested actional legitimacy to look at micro processes and to study specific issue management situations (Boyd, 2009). In the political sciences, decision legitimacy is studied in relation to elections or decisions reached through deliberation (Parkinson, 2003). This is also where the notion of input and output legitimacy originates back from thinkers such as Max Weber (Wæraas, 2018): input legitimacy refers to participation in a decision-making process, output legitimacy looks at the outcome of this process (Mena and Palazzo, 2012; Arnesen, 2017). In a democracy, both need to be in place.

This idea of input and output legitimacy is different from, but also resonates with legitimacy conceptions in management studies. Here, legitimacy of organizations has been defined as the “generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995, p. 574). This idea springs from the notion of the implicit “license to operate” that society grants companies to exist (Donaldson and Preston, 1995). Three classic types of
organizational legitimacy are distinguished: pragmatic, cognitive and moral. Pragmatic legitimacy refers to the instrumental notion of give-and-take, for instance, a company is a good corporate citizen and therefore customers will buy their products. Pragmatic legitimacy is, thus, connected to an instrumental perspective in CSR theory, where companies act on and communicate their social and environmental responsibilities because they want to achieve a favorable outcome such as higher sales or a better stock market reputation. Strategies to gain pragmatic legitimacy are strategic and exchange based (Nielsen and Thomsen, 2018).

Cognitive legitimacy, on the other hand, refers to the normative “taken-for-grantedness” (Suchman, 1995, p. 582) of organizations that is given as long as stakeholders’ expectations are satisfied. Thus, cognitive legitimacy is attained if the company’s right to exist is commonly accepted by society. Such judgments of cognitive legitimacy are value- and norm-based and are dependent on an overlap between stakeholders’ and organizations’ norms. However, companies need to know about stakeholders’ demands and, thus, ask about their expectations. Thus, “cognitive legitimacy is anchored in the impetus to conform to perception models” (Nielsen and Thomsen, 2018, p. 11). From a political science perspective, both pragmatic and cognitive legitimacy can be regarded as forms of output legitimacy, where cognitive legitimacy needs to be established before pragmatic legitimacy can be achieved (Suchman, 1995; Nielsen and Thomsen, 2018). Hence, stakeholders’ norm-based expectations need to be met before they are willing to engage in a (e.g. monetary) exchange.

As a third type, moral legitimacy comes closest to the idea of input legitimacy, as it rests “on judgments about whether the activity is ‘the right thing to do’ ” (Suchman, 1995, p. 579) and is established in a process of moral reasoning (Nielsen and Thomsen, 2018). Here, CSR issues are ideally deliberated with involved stakeholders such that all voices can have a say in the issue and are heard. The notion goes back to the ideas of ethical discourse and deliberative democracy formulated by Habermas, and picked up in political-normative CSR theory (Scherer and Palazzo, 2011).

These three legitimacy types are co-occurring, contingent and formed in a complex process of meaning making (Basu and Palazzo, 2008). Focusing on one instant of the CSR communication process, i.e., corporate websites, and within the context of the fashion industry, this study attempts to test all three types of legitimacy as consequences of credible CSR communication. To test for cognitive and pragmatic legitimacy, we follow an input-output legitimacy idea where cognitive legitimacy is based on stakeholders’ expectations and is tested before pragmatic legitimacy (Arnesen, 2017; RQ1). We manipulate moral legitimacy, based on its roots in deliberation, through participation in the communication process (RQ2). The study sets out to answer these two research questions:

RQ1. To what extent does perceived credibility of CSR websites result in cognitive and pragmatic organizational legitimacy?

RQ2. In how far do participation in the CSR decision and the outcome of the CSR decision-making process influence judgments of organizational legitimacy?

Hypotheses development

While some research found positive effects of corporate credibility on legitimacy (Jahn et al., 2017; Bachmann and Ingenhoff, 2016), the credibility of the communication tool, here, the website, has not been subject to analysis. To test the credibility–legitimacy relationship and shows that credible CSR communication on a website of a company from a challenged industry leads to cognitive and pragmatic legitimacy, it is hypothesized:

H1. Perceived credibility leads to cognitive legitimacy.

H2. Perceived credibility leads to pragmatic legitimacy.
Following Suchman (1995, p. 582), cognitive legitimacy “must mesh both with larger belief systems and with the experienced reality of the audience’s daily life.” Therefore, on the one hand it comes close to the idea of stakeholder expectations management; on the other hand, it is a form of outcome legitimacy, with the stakeholder granting legitimacy if the outcome of the (communication) process is favorable to him/her. Since cognitive legitimacy is operationalized as the perceived agreement with the decision, the input into the decision-making process will logically impact the outcome (Mena and Palazzo, 2012). To test their preferences, respondents could indicate their preference for a CSR topic that was to be included in the CSR website (topic choice). Therefore, stakeholders that stated their preference for a topic which was finally also chosen by the company will likely agree more with the decision (decision agreement). Pragmatic legitimacy entails “an exchange of benefits between companies and stakeholders to create a symbiotic relationship” (Berry, 2017, p. 126). This describes a give-and-take situation where the stakeholder receives something in return for some investment. Thus, we view pragmatic legitimacy as given if a stakeholder is willing to buy a product from the company, as this counts as a direct exchange and is one of the – if not the – most researched outcome variable in an instrumental, promotion-based CSR perspective (Nielsen and Thomsen, 2018):

**H3. Topic choice has a positive influence on decision agreement.** The more the topic choice is in line with the outcome, the higher the agreement to the decision.

Since “pragmatic, moral, and cognitive legitimacy co-exist in most real-world settings” (Suchman, 1995, p. 584), and cognitive legitimacy is a basis for pragmatic exchanges between stakeholders and companies, we assume that the preference for a topic will also impact pragmatic legitimacy positively:

**H4. Topic choice has a positive influence on purchase intention.** The more the topic choice is in line with the outcome, the higher the intention to purchase.

Furthermore, the more a stakeholder’s expectations are met as tested here in terms of his/her agreement with the decision, the higher we also assume their intention to purchase a product of the company will be, thus testing cognitive legitimacy as an antecedent to pragmatic legitimacy:

**H5. Cognitive legitimacy has a positive influence on pragmatic legitimacy.**

Arnesen (2017, p. 147) found that “[t]he respondents clearly react more negatively to the decision when the outcome differs from their stated preference.” Applied to our context, we can test whether stakeholders’ stated topic preferences was more important for their legitimacy perceptions than receiving credible CSR communication. This is also in line with the idea that CSR communication meets a “cynical public” (Ilia et al., 2013) that seeks personal gains and overall skepticism toward this communication form (Waddock and Googins, 2011):

**H6. The effect of topic choice on legitimacy is higher than perceived credibility on legitimacy.**

The idea behind moral legitimacy as further developed by political CSR scholars (Scherer et al., 2013) is that it emerges from a communication process that is credible and oriented toward consensus; thus, participation in the decision-making process (input legitimacy) as propagated in deliberative democracy studies is key for this type of legitimacy. Since, it is difficult to measure this latent construct, this study approximates a situation of moral legitimacy. We manipulate participation in a CSR communication process as on the one hand participating in the decision and on the other hand stating a preference in the topic of the decision. This follows approaches to studying the perceived decision-making influence of citizens on the favourability of political decisions deliberative democratic settings in the political sciences (Arnesen, 2017). The basic idea of Arnesen’s (2017) study is...
to test what is more important to subjects when they can decide to spend money on an issue: that they can participate in the outcome or that the outcome is in line with their preference. Given that political CSR theory is rooted in deliberative democracy theory, this seems an apt approach to approximate the normative concept of moral legitimacy, because it simulates that stakeholders can voice their preferences and, thus, deliberate about CSR issues (Nielsen and Thomsen, 2018).

We approximate conditions of moral legitimacy by manipulating stakeholders’ participation in the decision-making process of the CSR communication situation. Political CSR theory assumes, based on Habermasian deliberative democracy, that participation in a communication process is a normative foundation of all deliberation (Scherer and Palazzo, 2011). A deliberative – and credible – CSR communication process, thus, can lead to moral legitimacy (Berry, 2017). Therefore, the following hypotheses are proposed:

**H7.** Participation in the decision-making process influences cognitive legitimacy positively.

**H8.** Participation in the decision-making process influences pragmatic legitimacy positively.

Additionally, we assume that the perceived credibility of the website can be affected by existing attitudes about the industry, CSR in general and participants’ prior knowledge about the product. Due to prominent cases of corporate hypocrisy, many consumers dismiss CSR measures as window dressing or greenwashing (Connors et al., 2017). Therefore, in general skepticism toward an organization’s CSR claims exists (Brown and Krishna, 2004), which is why the attitude toward CSR can influence reception (Obermiller and Spangenberg, 1998). At the same time, the fashion industry is a challenged industry that struggles with negative reputation. Since CSR and its communication are industry dependent (Fifka, 2013), we controlled for participants’ attitudes toward the fashion industry. Last, an individual’s involvement in the company’s product, in our case clothing, is further expected to affect credibility judgments, because consumers evaluate information about a high involvement product in line with their existing attitude (Bloch and Richins, 1983). Thus, we included the control variables CSR attitude, industry attitude and clothing interest in our model. The final conceptual model is depicted in Figure 1.

**Method**

*Experimental design and participants*

The study employs a 2 between-subjects (participation: participating vs not participating) × 2 between-subjects (topic choice: preferred choice vs not preferred choice) experimental design to test the hypotheses. German participants were recruited via the SoSci Survey Panel (Leiner, 2014) between the December 10, 2017 and January 10, 2018. A total of 423 participants clicked on the link sent to them, but only 328 filled out the questionnaire completely.
An additional seven participants were deleted, since they failed to answer an attention check question correctly. This resulted in 321 participants (56 percent female, 44 percent male; age $M = 40.63$, $SD = 16.25$). Overall, the sample had a slightly higher level of education than the German population (2 percent secondary school diploma, 11 percent junior high school diploma, 31 percent high school diploma, 19 percent Bachelor’s degree, 29 percent Master’s degree, 6 percent PhD, 1 percent not completed and 2 percent not specified). Table I shows the distribution of participants to experimental groups.

**Stimuli**
The stimulus material of the study consists of a CSR website of an anonymized clothing label. On the website, the label presents three of their current CSR measures; one about the increase of organic cotton, the second about the promise to increase transparency about the company’s supply chain and the third on fight of child labor. The design and content of the website was adapted and translated from the English CSR website of the clothing label C&A.

**Participation**
Participation serves as a between-subjects variable and takes two conditions, participating vs not participating. Participation was manipulated by giving participants the choice between two CSR measures, one topic about support for women and another about recycling of textiles. Subjects were asked to indicate which CSR topic they preferred to be added to the CSR website of the label. In the participation condition, the participants received the question: “You are a regular customer of the clothing label. The label wants to invest an additional 100,000 Euro in a new CSR measure and would like to know your opinion. As a regular customer, you have a say in this decision. Which topic do you prefer to be included in the website?” Thus, in the participating condition, participants could actively take part in the decision-making process since their preference for a new CSR measure was taken into account by the label in its decision. In the not participating condition, the question wording was changed to: “You are a regular customer of the clothing label. The label wants to invest an additional 100,000 Euro in a new CSR measure and would like to know your opinion. Which topic do you prefer to be included in the website?” Here, participants stated their preferred CSR measure, but were not told that their choice would impact the decision of the label and thus could not actively take part in the decision-making process, but only indicate their preference.

**Topic choice**
Topic choice is a between-subjects variable and takes the two conditions preferred choice vs not preferred choice. Preferred choice means that the final decision of the clothing label on

<table>
<thead>
<tr>
<th>Participation</th>
<th>Preferred</th>
<th>Topic choice</th>
<th>Not preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participating</td>
<td>Group 1</td>
<td>Group 2</td>
<td></td>
</tr>
<tr>
<td>(59)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Participating</td>
<td>Group 3</td>
<td>Group 4</td>
<td></td>
</tr>
<tr>
<td>(99)</td>
<td></td>
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</tr>
</tbody>
</table>

Notes: The unequal number of participants per group is due to the study design: overall, in both the participating and not participating condition, participants selected the measure “textile recycling” (62 percent) almost twice as much as “support for women” (38 percent). They were then randomly presented with either “textile recycling” or “support for women” as the chosen measure by the clothing label, which resulted in unequal groups.
which CSR measure to include on the website is aligned with the participant’s preferred choice in the participation manipulation. Thus, subject’s preferring the support for women (textile recycling) measure, will receive the message “The label has decided to include the measure support for women (textile recycling) on their website” and are shown how the new CSR-measure is presented on the website. In the not preferred choice condition, the final decision of the clothing label deviates from the participant’s preferred choice. This means participants who chose to include support for women (textile recycling) receive the message “The label has decided to include the measure textile recycling (support for women) on their website,” again showing how the CSR-measure is presented on the website.

**Measures**

Perceived credibility assesses how credible participants rated the clothing label’s website by judging the content in the four dimensions understandability, truth, sincerity and appropriateness. It was measured by the validated 16-item PERCRED scale by Lock and Seele (2017) (see Appendix 1) on a five-point Likert-scale (1 = “Strongly disagree”–5 = “Strongly agree”). The reliability of the scale was excellent and the averaged to form a composite score for analysis (M = 3.36, SD = 0.64, α = 0.90).

CSR attitude serves as a control variable to estimate participant’s existing attitudes of CSR practices. CSR attitude is measured by three items of the adapted consumer-skepticism scale by Obermiller and Spangenberg (1998) on a five-point Likert-scale (1 = “Strongly disagree”–5 = “Strongly agree”) (see Appendix 1). The reliability of the scale was good and items were averaged to form a composite score for analysis (M = 3.51, SD = 0.87, α = 0.81).

Industry attitude was assessed to control for participant’s existing opinions about the clothing industry. It was measured by five adjectives on a five-point semantic scale. The reliability of the scale was good and averaged to form a composite score (M = 3.62, SD = 0.65, α = 0.81).

Clothing interest controls for a person’s interest in fashion matters and was measured by the adapted four-item “Interest and Involvement” scale by Mehta and Sivadas (1995) on a five-point Likert-scale (1 = “Strongly disagree”–5 = “Strongly agree”). The reliability of the scale was good and averaged to form a composite score (M = 2.10, SD = 0.87, α = 0.88).

Decision agreement is a dependent variable and assesses to what extent the participants agree with the label’s decision regarding its final decision on which of the two proposed CSR measures to include on the website. It is measured by the item “To what degree do you find this decision acceptable?” on a five-point Likert scale (1 = “Strongly disagree”–5 = “Strongly agree”) (M = 3.62, SD = 1.14).

Purchase intention is the second dependent variable and asks the participant to indicate the likelihood to purchase products from the label. It is assessed by the three-item, five-point semantic scale by Yi (1990) (Appendix 1). The reliability of the scale was excellent and averaged to form a composite score (M = 3.59, SD = 0.93, α = 0.90).

**Procedure**

Respondents accessed the experiment by clicking on a link sent to them by the SoSci panel on December 10, 2018. On the opening page, respondents were informed that the study is conducted by the Amsterdam School of Communication Research and investigates their perception of a CSR website of an anonymous fashion label. Furthermore, they were assured of their anonymity, provided with contact details and asked to give their informed consent before starting the questionnaire.

First, respondents answered the control variables industry attitude and interest in clothing. They were then shown the CSR website of the label. After reading the website, respondents were asked to evaluate the website by answering the items of the perceived credibility scale. They were then randomly assigned to the two participation conditions in
which they indicated their preferred CSR-measure. This was followed by a distraction exercise before continuing the questionnaire for which participants were able to provide their e-mail address for the chance of winning one of five Amazon gift vouchers. Based on their topic choice of CSR-measure, participants were then randomly assigned to either the preferred condition or the not preferred condition. Lastly, they answered the items of the dependent variables decision agreement and purchase intention as well as the items of the CSR attitude scale.

After finishing the questionnaire, respondents were thanked and debriefed that the true intention of the questionnaire was to measure the influence of participation and topic choice on decision agreement and intention to purchase. Further, they were told that the website was inspired by the CSR website of the label C&A, but was not involved in the study.

**Findings**

*Randomization check*

Randomization checks yielded no significant differences across the groups regarding the demographic variables age and gender and regarding the control variables interest in clothing, CSR attitude and industry attitude (see Table AI). This means that participants were equally divided across groups, and it can therefore be expected that these variables are not responsible for significant differences between groups.

*Model specification and fit.* To test the hypothesized theoretical model, we specified a path model in AMOS in which we included all constructs as manifest variables. The complete path model is depicted in Figure 2. To evaluate model fit, the following criteria were used: Model $\chi^2$-test, in which a non-significant $p$-value represents acceptable model fit (Kline, 2011), CFI, which should range between 0.90 and 1.00 for acceptable model fit (Bentler, 1990), and RMSEA, with a cut-off value $\leq 0.05$ (Mulaik, 2009). The model converged well and fit of the model was excellent ($\chi^2(8) = 9.029, p = 0.340, \text{CFI} = 1.00, \text{RMSEA} = 0.02, \text{CI} \{0.00; 0.07\}$).

Overall, the theoretical model could explain about 14 percent ($R^2 = 0.14$) of the variance of cognitive legitimacy, measured by decision agreement, and about 39 percent ($R^2 = 0.39$) of the variance of pragmatic legitimacy, measured by purchase intention.

*Hypotheses testing*

$H1$ states that perceived credibility leads to cognitive legitimacy. Cognitive legitimacy was assessed in the experiment by decision agreement. The results show that there was a moderate positive effect from perceived credibility on decision agreement ($\beta = 0.24, p < 0.001$). Thus, $H1$ can be accepted. $H2$ states that perceived credibility leads to pragmatic legitimacy, measured by the intention to purchase. Perceived credibility exerts a moderate

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**Notes:** **, ***Significant at $p<0.01$ and $p<0.001$ levels, respectively
effect on purchase intention \( (\beta = 0.48, p < 0.001) \); thus, we accept \( H2 \). Overall, perceived credibility of the CSR website leads to both cognitive and pragmatic legitimacy.

\( H3 \) concerns the effect of topic choice on decision agreement and states that the more the topic choice is in line with the outcome, the higher the agreement to the decision. In the path model, the not preferred choice was given the value “1,” while the preferred choice was given the value “2.” Thus, the moderately positive effect of topic choice on decision agreement \( (\beta = 0.29, p < 0.001) \) supports \( H3 \). Therefore, we conclude that participants agreed more with the decision of the fashion company when it matched their own preference.

Regarding \( H4 \), which stated that topic choice (stated preference) has a positive influence on purchase intention, no significant effects were found and \( H4 \) is therefore not supported. This means that topic choice did not have a direct effect on purchase intention, and does therefore not predict pragmatic legitimacy. However, the indirect effect of topic choice on pragmatic legitimacy through cognitive legitimacy was significant \( (\beta = 0.16, p < 0.001) \). Therefore, the effect of preferred topic on purchase intention was fully mediated by decision agreement, further emphasizing that cognitive legitimacy leads to pragmatic legitimacy. Thus, the hypothesis can only partially be confirmed.

We hypothesized that cognitive legitimacy has a positive effect on pragmatic legitimacy \( (H5) \). The results show a moderately positive effect from decision agreement on purchase intention \( (\beta = 0.31, p < 0.001) \), confirming \( H5 \). Thus, agreement with the decision of the fashion company leads to higher intention to purchase its products, thus pragmatic legitimacy.

\( H6 \) states that the effect of topic choice on legitimacy is higher than the effect of perceived credibility on legitimacy. Comparing the effect sizes, the hypothesis can be confirmed for cognitive legitimacy, since the effect size of topic choice on decision agreement is higher \( (\beta = 0.29, p < 0.001) \) than the effect of perceived credibility \( (\beta = 0.24, p < 0.001) \). Regarding the effect of preferred topic on pragmatic legitimacy, the effect of topic choice on purchase intention is not significant.

Lastly, for \( H7 \) and \( H8 \), we expect a positive effect of participation in the decision-making process on both cognitive and pragmatic legitimacy. For both, the results show a non-significant effect of participation. Hence, participation in the decision-making process on attributing legitimacy did not significantly differ, which leads us to reject \( H7 \) and \( H8 \) (Table II).

**Additional results**

The control variables CSR attitude, industry attitude and interest in clothing were introduced in the model to control for their impact on perceived credibility (Lock and Seele, 2017). As discussed previously, they did not significantly differ across experimental groups and therefore do not impact the interpretation of the results. Interestingly, however, all control variables exert a significant effect on perceived credibility and account for 18 percent \( (R^2 = 0.18) \) of its explained variance. CSR attitude exerted a

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Confirmed</th>
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<tbody>
<tr>
<td>( H1 ). Perceived credibility leads to cognitive legitimacy</td>
<td>Yes</td>
</tr>
<tr>
<td>( H2 ). Perceived credibility leads to pragmatic legitimacy</td>
<td>Yes</td>
</tr>
<tr>
<td>( H3 ). Topic choice has a positive influence on decision agreement. The more the topic choice is in line with the outcome, the higher the agreement to the decision</td>
<td>Yes</td>
</tr>
<tr>
<td>( H4 ). Topic choice has a positive influence on purchase intention. The more the topic choice is in line with the outcome, the higher the intention to purchase</td>
<td>No</td>
</tr>
<tr>
<td>( H5 ). Cognitive legitimacy has a positive influence on pragmatic legitimacy</td>
<td>Yes</td>
</tr>
<tr>
<td>( H6 ). The effect of topic choice on legitimacy is higher than perceived credibility on legitimacy</td>
<td>No</td>
</tr>
<tr>
<td>( H7 ). Participation in the decision-making process influences cognitive legitimacy positively</td>
<td>No</td>
</tr>
<tr>
<td>( H8 ). Participation in the decision-making process influences pragmatic legitimacy positively</td>
<td>No</td>
</tr>
</tbody>
</table>

**Table II.** Results of hypothesis testing
moderately negative effect on perceived credibility, meaning that participants that were more skeptical towards CSR practices of organizations also perceived the website as less credible ($\beta = -0.24, p < 0.001$). The same trend was found with respect to industry attitude. Those who had a worse opinion of the clothing industry also perceived the website of the label as less credible ($\beta = -0.23, p < 0.001$). Interest in clothing, on the other hand, showed a small positive effect on perceived credibility ($\beta = 0.15, p = 0.003$), meaning that those more interested in fashion matters evaluated the website as more credible.

**Discussion and contribution: confirming the credibility–legitimacy link**

In general, our results suggest that the credibility of corporate communication tools cannot be overrated. Although there is no one best way to communicate CSR as invoked by some authors in corporate communication, we can suggest with confidence that communicating credibly is key. Attending to source credibility alone (Jackob, 2008) does not do justice to complex organization–stakeholder relationships managed through CSR communication (Heath et al., 2013), but the credibility of the tools needs to be in the focus. The more credible the CSR website of a firm, the more likely it is that pragmatic and cognitive legitimacy perceptions are evoked in stakeholders. Thus, cognitive and then pragmatic legitimacy results from a credible, output-based communication process. This main finding confirms the theoretical link established by the normative CSR theory (Scherer and Palazzo, 2011; Seele and Lock, 2015).

For the political CSR theory, this study shows that credible communication is key “for the continuous flow of resources and for securing the sustained support of the organization’s constituencies” (Scherer et al., 2013, p. 262), for which legitimacy is a necessary precondition. But also instrumental conceptions of CSR can benefit from our insights: we show that pragmatic outcomes of CSR communication processes such as purchase intentions are enhanced with credible CSR communication. Contributing to a more constitutive CSR perspective, we confirm that communication is indeed key to legitimation processes and that perceptions of CSR communication are dependent on the context. Credibility perceptions are moderately negatively influenced by participants’ prior attitudes toward CSR and toward the industry of the company, while the more interested subjects were in fashion, the more credible they found the website to be.

The type of legitimacy matters include: output, i.e. cognitive and pragmatic, and legitimacy was more important to stakeholders than input, i.e. moral, legitimacy. The more participants’ preferences were met, the more they found a company to be legitimate. This cognitive legitimacy is a precondition for pragmatic legitimacy perceptions. Thus, engaging stakeholders succeeds if their preferences are taken into account (Lim and Greenwood, 2017). This confirms the idea of CSR as stakeholder expectations management (Podnar and Golob, 2007), particularly in challenged industries such as pharmaceuticals (O’Riordan and Fairbrass, 2008) or fashion, where companies try to respond to stakeholders’ expectations because of the public spotlight and past scandals. Regarding cognitive legitimacy, meeting stakeholders’ preferences was even more important than credible CSR communication. However, this was not the case for pragmatic legitimacy. Thus, isomorphic adaptation to changing stakeholder expectations and attitudes can be a key for re- and maintaining legitimacy (Scherer et al., 2013).

Against political-normative approaches to CSR communication, our results show that participation in the CSR communication and decision-making process does not predict legitimacy. Whether the respondents had an influence on the decision which CSR topic should be treated on the website, did not significantly impact how they perceived the decision. As Arnesen (2017) puts it, “output legitimacy trumps input legitimacy.” The idea of deliberation as a key to reaching an understanding between different parties in a
discourse being the backbone of the deliberative democracy theory (Habermas, 1996) can, however, still hold true for CSR communication, but such understanding does not necessarily lead to more (or less) perceived legitimacy. Thus, facilitating participation in a CSR communication process should not be a goal in and of itself, because there is no direct link to legitimacy. Rather should active stakeholder participation be encouraged because such participation results in better decisions (Arnesen, 2017). Thus, moral legitimacy can be regarded more as a procedural legitimacy component that defines legitimate communication processes for reaching better legitimacy outcomes rather than an end in itself. Therefore, the emphasis of participation in political CSR communication might be exaggerated in practice. The source of legitimacy, as tested here, is clearly the credibility of the corporate communication tool, not participation. This finding, however, does not entail that stakeholder engagement is to be neglected; rather, credible communication is its basis.

Conclusions
This study adds to the debate on public relations in post-truth times by showing that stakeholders regard credible CSR communication as more legitimate than non-credible information. It provides empirical evidence that perceived credibility of a CSR website is a main predictor of corporate legitimacy and, thus, fills an empirical gap. We also extend current corporate communication and CSR communication theory by finding that participation in CSR-related decision-making processes is overrated: it is the outcome of the CSR communication process that is important for stakeholders and for their acceptance of a company in society, not so much the participation in the process. Hence, cognitive and pragmatic legitimacy are key, while moral legitimacy is regarded as making decisions better, but not as making them more acceptable. Of course, the CSR communication process of this experiment is just one specific example of constructing a CSR reality. In other settings, such as social media and including other stakeholders such as ordinary citizens, the role of participation in a CSR communication process will be different (Etter et al., 2018; Romenti et al., 2014). But when it comes to participation of stakeholders in a two-way communication setting involving popular channels such as a website, credibility weighs more for perceived legitimacy than “having a say” in an issue.

These findings hold important practical implications: to successfully manage organization–stakeholder relations, designing credible communication material matters for legitimacy. Referring to understandability of the contents, truthful information, sincere communication and an appropriate context for different stakeholders can be key points for consideration. Such credible communication is not only desirable from an ethical perspective, but may also positively impact on organizational performance and the flow of resources. When managing credibility perceptions of a company’s CSR communication, corporate communication practitioners are advised to attend to the company in its broader context: its industry and current issues, and also keep a close eye on stakeholders’ preconceptions. In this vein, flexibly adapting to stakeholder expectations is a key for companies to maintain legitimate in the eyes of their constituents.

Limitations and directions for future research
These findings do not come without limitations. Our results are based on a German sample representing potential customers of an anonymized label without prior reputation. Future studies should, therefore, test our model on international and different stakeholders such as business partners and employees and with existing fashion labels to increase validity. Furthermore, including the flip side of credibility perceptions – greenwashing – as a concept in further experiments would be worthwhile.
in terms of discriminant validity. Here, it would be relevant to take attitudes toward the business, not only the industry, into account. Due to the controversial nature of the fashion industry, research should also investigate the role of credible CSR communication in other industries not immediately associated with questionable practices. Further, our study assessed the perceived credibility of a CSR website which did not allow for further interaction between the users and the organization. As a next step, research could be conducted on a different communication channel, such as on social media that allows for interactivity. This is especially relevant as it would put the communicative process in focus, which is relevant in a deliberative democracy to reach consensus and give legitimacy to actions.

References


Appendix 1. Scales
Perceived credibility by Lock and Seele (2017) (1 = “Strongly disagree” – 5 = “Strongly agree”)

Please indicate the extent to which you agree or disagree with each of the following statements:

(1) I think that the statements on the website are accurate.
(2) I think that the claims made on the website are correct.
(3) I am confident that the statements are true.
(4) I think that the website uses the best evidence at hand.
(5) The arguments are justified by the facts on the website.
(6) The website reflects the genuine intentions of the company.
(7) I think that the company’s intentions correspond with the website.
(8) The website is not misleading.
(9) The CSR website fits to the context of the fashion industry and its social and environmental challenges.
(10) As a reader of this CSR website, I feel that the text addresses CSR issues well.
(11) I think the website rightfully represents the company.
(12) I understand the website.
(13) The website is clearly written.
(14) The website is written in an understandable way.
(15) I understand the meaning of the website.
(16) The website is easy to read.

CSR attitude by Obermiller and Spangenberg (1998) (1 = “Strongly disagree” – 5 = “Strongly agree”)

Please indicate the extent to which you agree or disagree with each of the following statements:

- I do not trust companies to deliver on their social responsibility promises.
- Companies are usually dishonest about their real involvement in social responsibility initiatives.
- In general, I am not convinced that companies will fulfill their social responsibility objectives.

Industry attitude, on 5-point semantic scale.

- Good – bad
- Reliable – unreliable
- Ethical – unethical
- Fair – unfair
- Beneficial – harmful
Clothing interest by Mehta and Sivadas (1995), five-point Likert scale (1 = “Strongly disagree” – 5 = “Strongly agree”)

Please indicate the extent to which you agree or disagree with each of the following statements:

- I know much about clothes/fashion.
- I am generally regarded by my friends as a good source of advice about clothing/fashion.
- I am more interested in clothes/fashion relative to other people.
- I am always interested in receiving information on clothes/fashion.

Purchase intention, Yi (1990), five-point semantic scale

How likely is it that you would consider buying a product from the label?

- Very unlikely – very likely
- Impossible – possible
- Unlikely – likely

Appendix 2. Randomization check results

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<thead>
<tr>
<th></th>
<th>$F$</th>
<th>df</th>
<th>Partial $\eta^2$</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
<td>Gender</td>
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<tr>
<td>Industry attitude</td>
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</tr>
<tr>
<td>Clothing interest</td>
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<td>CSR attitude</td>
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</table>

Notes: All significance tests were conducted at an alpha-level of 0.05. *$p < 0.05$

Corresponding author
Irina Lock can be contacted at: i.j.lock@uva.nl

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The buffering effects of CSR reputation in times of product-harm crisis

Yeonsoo Kim and Chang Wan Woo
James Madison University, Harrisonburg, Virginia, USA

Abstract

Purpose – The purpose of this paper is to examine the role of prior-CSR reputation in protecting a company’s CSR reputation during product-harm crises and how it influences consumers’ crisis-related behavioral intentions (i.e. supportive communication, resistance to negative information and crisis resiliency). The authors test whether the impact of prior-CSR reputation differs by crisis type as well.

Design/methodology/approach – A randomized 2 (CSR reputation: good vs bad) × 2 (product-harm crisis type: tampering vs preventable) full factorial design in two industry settings (food industry and retail industry) with consumer samples was conducted.

Findings – The results revealed the determinant role of positive prior-CSR reputation in protecting reputational assets. A company with positive CSR reputation experiences no decrease in its CSR reputation during victim crises and fairly minor decreases during preventable crises. However, a company with a bad prior-CSR reputation experiences a greater decline in its CSR reputation across both crises; the level of decline during victim crises was as substantial as the decline experienced during a preventable crisis. The prior-CSR reputation directly affects consumers’ crisis-related intentions, and indirectly does so through post-CSR reputation. As post-CSR reputation becomes more positive, consumers display greater resistance to negative information, supportive communication intent and crisis resiliency.

Originality/value – This study advances the understanding of the role of corporate reputation during crises and provides additional empirical evidence of how the buffering effect of CSR can extend beyond product-related intentions among consumers. The findings can induce companies to adopt CSR programs more systematically and proactively under a long-term strategic plan.

Keywords CSR, Reputation, Crisis management, Buffering effects, Resistance to negative information, Supportive communication

Paper type Research paper

Introduction

Crises are virtually guaranteed to happen to every corporation in the course of business. By way of example, a survey by Burson-Marsteller and Penn Schoen Berland (2013) revealed that 44 percent of business managers have experienced a crisis within the past year. In total, 56 percent believe a crisis is likely to happen in the following year, indicating that many now recognize the inevitability of a crisis. Accordingly, the threat that a crisis poses has become a serious concern for business managers. Commonly identified negative effects of crises include not just tangible losses such as a decline in revenues and cutbacks or layoffs (Coombs, 2015); they also include severe and sometimes fatal damage to intangible assets: a tarnished reputation and a harsher business environment associated with the flood of negative information and increased media scrutiny, government scrutiny and social media discussion resulting from the crisis (Coombs, 2015). Needless to say, knowing how to mitigate the potential negative impacts of a crisis is crucial to a business’ survival.

To provide guidance, many prior studies have focused on how to shelter or restore corporate intangible assets, especially reputational assets, through crisis response strategies during or after a crisis (Kim et al., 2011). However, once a crisis occurs, damage can result despite the best crisis management strategies. Companies need to know ways to mitigate such risks prior to a crisis. “One means by which corporations can reduce the uncertainty associated with a competitive and potentially hostile environment is by cultivating a reservoir of goodwill” (Jones et al., 2000, p. 28), and “reputation is the vessel in which
goodwill accumulates” (p. 28). This study proposes establishing a solid corporate social responsibility reputation (CSR reputation) prior to a crisis as a way to buffer the potentially debilitating impacts of crises.

A favorable prior reputation is known to be an important asset during a crisis (Coombs and Holladay, 2006; Fombrun and van Riel, 2003b; Sohn and Lariscy, 2014). Fombrun and van Riel (2003b) noted that when a company has substantial reputational capital, it can still maintain a favorable reputation after losing a portion of that capital during a crisis. A favorable prior reputation can have a transferring effect that protects a company’s reputation and associated assets from crisis-induced damage (Coombs and Holladay, 2006). Empirical studies have shown the value of a good prior reputation in times of crises (e.g., Coombs and Holladay, 2001, 2015; Sohn and Lariscy, 2014; Klein and Dawar, 2004).

While prior research advanced our understanding of the value of corporate reputation in times of crises, many tend to primarily focus on the impact of overall corporate reputation and pay relatively less attention to the specific dimensional effects of corporate reputation during crises.

However, a corporate reputation is a multidimensional construct that encompasses several distinct components or dimensions such as a CSR reputation or corporate ability reputation (Alnicak et al., 2012; De Castro et al., 2006). Consumers often have mixed perceptions about a company. For example, consumers might think Walmart delivers a wide range of products with very affordable prices (positive corporate ability), but simultaneously they might evaluate the company as not socially responsible when it comes to employee relations or community relations (negative CSR). Another scenario may be when consumers associate a company with a positive reputation over one specific dimension but other dimensions may not have noticeable established reputations. For example, consumers might evaluate Toms Shoes as one of the most highly regarded socially responsible companies, but they may not think the company delivers a wide variety of quality shoes at affordable prices. While it is important to extend and confirm previous studies’ findings in regard to an overall corporate reputation’s insurance-like effects during crises, we believe that trying to explore the specific dimensional impact of reputation in crisis situations is just as important. That is because corporate reputation requires several years to be shaped and “strong reputation results when companies focus their actions and communications around a single core theme” (Fombrun and Foss, 2001, p. 2). If the current study’s findings demonstrate the value of CSR reputation during product-harm crises, the findings will induce companies to adopt CSR programs more systematically and proactively under a long-term strategic plan. The study’s findings can also be used as a stepping stone for future studies that seek to explore reputational impact during crises when a company has an opposite reputation across dimensions (e.g., a bad CSR reputation but a great corporate ability reputation).

Indeed, in recognizing the complexity and multidimensionality of corporate reputation, there have been several recent attempts to explore the specific dimensional impact of reputation in crisis situations (e.g., Klein and Dawar, 2004). Some studies found that the different dimensions of reputation have dissimilar impacts during a crisis (e.g., Kim, 2014; Sohn and Lariscy, 2014). However, because the topic has been studied only sporadically, the literature still lacks clear guidelines that companies can use (Vanhamme and Grobben, 2009). To explore other influences on the malleability of corporate reputation, scholars have called for greater academic attention to the specific dimensional effects of prior corporate reputation during crises (Kim, 2014).

Therefore, this study aims to deepen our understanding of the existing knowledge of the value of reputation during crises, by exploring the effects of CSR reputation in times of product-harm crises. More specifically, this study examines when companies have built a favorable CSR reputation prior to a crisis and whether this carries a positive transferring
effect that protects companies from crisis-induced damage, and, in turn, positively affects consumers’ crisis-related intentions (supportive communication intent, resistance to negative information and crisis resiliency). By building upon existing research, we will be able to provide insight on the question of whether CSR reputation can carry a similar insurance-like benefit for companies in times of crises. The study advances our understanding of the roles of corporate reputation during crises and provides additional empirical evidence of how CSR’s buffering effect can extend beyond product-related intentions among consumers. Corporate managers and communication specialists will find the study findings useful while carefully planning their reputation management strategies, especially related to CSR reputation.

Literature review
CSR reputation
A corporate reputation refers to cumulative assessments of a company that stakeholders make regarding how well a company is meeting stakeholders’ expectations and how successfully it is delivering the valued outcomes to its stakeholders (Fombrun, Gardberg and Sever, 2000; Rindova and Fombrum, 1999; Coombs, 2012). A reputation is built over time across different attributes or components of a company (Herbig and Milewicz, 1993), and functions as a reliable estimation of the consistency of a corporation’s economic and social performances (Herbig and Milewicz, 1993; Yoon et al., 1993). The importance of corporate reputation lies in its value as “a key source of distinctiveness that produces support for the company and differentiates it from rivals” (Fombrun and van Riel, 2003b, p. 5), and as a top-level factor for organizations to achieve a sustained competitive advantage (Sanchez and Sotorrio, 2007).

“Several authors highlight the complexity and the multidimensionality of corporate reputation” (De Castro et al., 2006, p. 362). Reputation is a complex multi-faceted construct with multiple pillars or dimensions (Hillenbrand and Money, 2007). For example, Fombrun (1996) proposed ten compositions (e.g. social responsibility, managerial quality, financial strength and innovation). De Castro et al. (2006) proposed that the construct consists of business reputation and corporate social reputation. Fombrun and van Riel (2003a) identified six pillars of reputation: emotional appeal, products/services, vision/leadership, workplace environment, financial performance and social responsibility. The Reputation Quotient (Fombrun et al., 2000), one of the well-cited measurements for corporate reputation, defines the multidimensional construct composed of six dimensions, including a social/environmental responsibility. These varying descriptions show the lack of consensus on the definition of reputation, especially regarding conceptualizing the construct’s dimensions. However, one thing is at least clear that CSR has become a key component of corporate reputation.

It is plausible that when a consumer exhibits a favorable perception of a certain company, the consumer evaluates the corporate ability to produce products as excellent yet perceive its ethical conduct poorly, or vice versa. Due to the complexity of the construct of reputation, exploring only overall corporate reputation across dimensions may risk neglecting the specific dimensional impact of reputation. Indeed, some found that the different dimensions of corporate associations have dissimilar impacts during a crisis (e.g. Kim, 2014; Sohn and Lariscy, 2014). Thus, greater academic attention is needed to define a specific aspect of corporate reputation and examine its effects during crises (Kim, 2014). In this instant study, we focus on CSR reputation, given that CSR has become a key component of corporate reputation (Fombrun, Gardberg and Sever, 2000).

CSR generally refers to “an approach to business that embodies transparency and ethical behavior, respect for stakeholder groups and a commitment to add economic, social and environmental value” (Sustainability, 2004, p. 4). “The value of CSR to reputation is
illustrated in the RepTrak reputation measure from the Reputation Institute and the value it places upon CSR” (Coombs and Holladay, 2015, p. 144). According to Global CSR RepTrak® by the Reputation Institute, a significant portion of a corporate reputation is based on a company’s CSR efforts. RepTrak offers an excellent model for gauging CSR reputation, reflecting common criteria suggested by Fombrun (1998) and Lewis (2001). The institute assesses a CSR reputation through three sub-dimensions: citizenship, governance and workplace. Citizenship emphasizes a corporation’s responsibilities as being a member of greater society, while the governance dimension focuses more on whether the processes and mechanisms of governing are open and responsible. Workplace refers to responsible employee relations such as efforts to make the workplace fair, open and supportive. Based on the foregoing discussion, this study defines CSR reputation as a cumulative evaluation of corporate performance in demonstrating social responsibility in the areas of citizenship, governance and workplace.

Effects of CSR reputation in times of crisis
Research on product-harm crises has identified two factors that significantly affect consumers’ perceptions and post-crisis behavior: corporate crisis responses and prior corporate reputation (Coombs and Holladay, 2001, 2006; Fombrun, Gardberg and Barnett, 2000; Kim et al., 2009; Lin et al., 2011; Sohn and Lariscy, 2014). When exploring the value of CSR engagement in shielding corporate tangible and intangible assets during product-harm crises, two lines of studies have been conducted centering on these factors (crisis responses and prior reputation).

A number of studies have tested the effectiveness of CSR-focused messages as crisis response strategies during or after crises (e.g. Kim et al., 2009; Kim, 2014; Vanhamme and Grobben, 2008). The belief is that such messages can function as an effective bolstering strategy by reminding consumers of charitable contributions or responsible works in which a company has been involved. Some discover the beneficial utilities of CSR messages during product-harm crises (Kim, 2014). Conversely, others find that the CSR approach is not effective during or after product-harm crises because it may convey the wrong impression to consumers that the company has misallocated its efforts (CSR engagement) when corporate ability is the problem (Kim et al., 2009). Vanhamme and Grobben’s (2009) study offers some clues to help understand the contradictory findings; “The use of CSR claims in crisis communication is more effective for companies with a long CSR history than for those with a short CSR history” (p. 273). In other words, a company’s positive history of integrity and ethical conduct can generate a transferring effect and possibly affect the efficacy of CSR-focused crisis responses in times of product-harm crisis. Without a long history of involvement in CSR, utilizing CSR as a means to defend the company instead raises consumer suspicions (Vanhamme and Grobben, 2009). In such cases, “CSR may not be an automatic benefit” (Coombs and Holladay, 2015, p. 147).

This directs our attention to the role of CSR reputation given that CSR reputation should be built over an extended period of time prior to a crisis.

The value of a good reputation has been widely recognized. A good reputation benefits companies in tangible and intangible ways (Fombrun and Shanley, 1990; Roberts and Dowling, 2002); it produces positive attitudes, greater loyalty and support from stakeholders, and attracts employees (Roberts and Dowling, 2002). It increases investment intent and recommendation intent among stakeholders (Kim and Choi, 2011) and enhances financial performance (Sabate and Puente, 2003; Lai et al., 2010).

The positive influence of a good reputation is also discussed in crisis literature. Scholars note that a prior reputation can function as a shield, and not only deflect possible damage inflicted by a crisis but also help facilitate damage repair (Coombs and Holladay, 2001, 2006). When a company has accumulated reputational capital, it can continue to maintain a
favorable post-crisis reputation after losing a portion of that capital (Alsop, 2004). The accumulated capital can further safeguard corporate intangible and tangible assets against loss by operating as a buffer (Fombrun, Gardberg and Barnett, 2000; Fombrun, Gardberg and Sever, 2000). That is, a company with favorable reputational capital suffers much less when a crisis strikes and recovers more quickly. Empirical studies have found supportive evidence as well (e.g. Coombs and Holladay, 2001, 2015; Klein and Dawar, 2004).

Klein and Dawar’s (2004) study has shown that CSR can operate “as an insurance policy against the negative impact of untoward events such as product-harm crises” (p. 204). They introduced the term “halo effects” in the context of the effects of CSR in a product-harm crisis. “A halo effect is the ‘bias’ due to a measure that spills over to another measure” (Klein and Dawar, 2004, p. 204). For example, consumers’ positive beliefs about the product performance of a certain brand, such as Porsche, can spillover to their evaluations of different aspects of the brand (e.g. reliability of the car) (Beckwith and Lehmann, 1975). “The halo effect is most conspicuous when the affected measures are unrelated to the source of the halo” (Klein and Dawar, 2004, p. 204). In a study by Brown and Dacin (1997), the authors found that consumers’ perception of CSR significantly influences their evaluation of a company’s future products, which is not directly related to a company’s CSR performance. Kim (2011) also found that a CSR communication strategy was effective at influencing not only consumer CSR association (status of a company as a good member of society with regard to social, environmental and/or political issues), but also their corporate ability association (psychological associations with a company regarding their ability and expertise to produce quality products/services). That is, CSR is often unrelated to a company’s ability to produce goods and services, but creating stable and distinct linkages in consumers’ minds between a company and its perceived holistic capabilities seems to have strong “halo effects” or “transferring effects” onto consumers’ perception of unrelated areas (e.g. corporate ability).

As noted above, the value of a favorable prior reputation has been widely recognized. However, when it comes the halo effects of favorable reputation, prior studies on the matter have been criticized as showing only that an unfavorable prior reputation hurts a company in crisis, instead of proving that a favorable prior reputation shields a company from damage (see Coombs and Holladay, 2006). By this logic, Klein and Dawar’s (2004) study appears to have some limitations in its support of a halo effect, given that the neutral and favorable reputation conditions did not differ from one another while unfavorable prior reputation conditions had a significant impact on perceived crisis responsibility. When a halo effect is defined as a psychological bias due to a pre-existing perception of a company that can transfer to another aspect of a company, it is open to discussion whether the term can be used only to refer a positive spillover effect, and not a negative transferring impact from a negative perception. However, the halo effect seems to denote more positive effects in previous literature, and it is thus important to review the other line of studies that focus more on the negative impact of negative reputation or organizational history.

Coombs (1998) proposed that an organization’s performance history can significantly affect individuals’ perceptions of a crisis and an organization in times of crisis. He divided performance history into two dimensions, including crisis history and past relationship history. Earlier studies have garnered relatively limited support for the impact of performance history on crisis situations (Coombs, 1998; Coombs and Holladay, 1996). However, a later study by Coombs and Holladay (2001) showed empirical evidence that an organization’s performance history affects crisis situations (crisis responsibility, evaluation of organizational reputation and potential supportive behavior). The findings suggest that relationship history and crisis history have differing effects on crisis situations (Coombs and Holladay, 2001). “Although both contributed similar explanations of variance for crisis responsibility, relationship history explained nearly three times as much of the variance for
organizational reputation than crisis history” (p. 335). Organizational reputation, in turn, influences people’s potential supportive behaviors. More importantly, they discovered that the effect of performance histories on perceived organizational reputation was generated by negative performance histories. The authors term these negative results as the Velcro effect – where a negative performance history “attracts and snags additional reputational damage” (p. 335). This study has far-reaching implications in that it offers a model to understand the dynamics of performance history, organizational reputation and perception of crises, as well as suggesting a different perspective to look at the impact of organizational history and reputation (Velcro effect; negative impact of negative performance history).

Adopting the above rationale (a transferring effect of prior reputation, not specifically limited to the halo effect or the Velcro effect), this study proposes that a positive CSR reputation that has been built prior to a crisis would protect a company from possible damage to its reputation and further enhance consumers’ favorable communication-related intentions (i.e. supportive communication, resistance to negative information), as well as crisis resiliency. This means that on the flip side, a negative CSR reputation would add more damage to a company, and further negatively influence consumer perceptions and intentions. Scholars note that consumers typically desire to maintain a good relationship with a socially responsible company and that this desire makes them reluctant to make negative judgment calls (Luo and Bhattacharya, 2009; Eisingerich et al., 2011). Minor and Morgan (2011) discovered a lesser change in corporate value for companies with intensive CSR engagements. Consumers overlook or downplay negative information they receive about a responsible company that they would like to be associated with (Alsop, 2002). Positive CSR serves as a buffer and reduces the damage of negative publicity (Lin et al., 2011; Eisingerich et al., 2011), especially if the negative information is about a company’s ethical conduct. Proactive CSR engagements heighten individuals’ supportive intentions causing them to engage in favorable word-of-mouth communication and information seeking behavior (Kim, 2017). A good record of CSR is an effective means of boosting stakeholders’ intent to display strong resilience in negative situations as well (Bhattacharya and Sen, 2003). Based on the foregoing discussion, it is highly plausible that an established, favorable prior-CSR reputation will have an overall positive impact on protecting a company’s reputation, and enhancing positive, post-crisis consumer responses.

This study utilizes supportive communication intent, resistance to negative information and crisis resiliency as indicators. During a crisis, negative publicity, public discourse and information flood through various media channels such as social media. More often than not, the diffusion of negative information is not within a company’s control (Eisingerich et al., 2011). Thus, a negative information flow poses a serious threat to a company in crisis. It is understandable why 70 percent of business leaders report that media is playing a greater role in affecting reputation during a crisis, and 64 percent believe that new media, including social media, make crises more difficult to manage and reputational resiliency tougher to maintain (Burson-Marsteller and Penn Schoen Berland, 2013). However, few studies have explored how a company can mitigate the damage from negative information flows (Eisingerich et al., 2011). Crisis resiliency merits further examination as well, given that recovery is the primary goal of businesses in times of crisis. The topic of consumers’ communication-related behavioral intent during crises is in great need of further research. To test the main effects of prior-CSR reputation, we propose the following hypotheses:

**H1.** A company with a good prior-CSR reputation experiences a lesser decrease in its CSR reputation during product-harm crises than a company with a bad prior-CSR reputation.

**H2.** A good prior-CSR reputation leads to greater resistance to negative information about a company among consumers compared to a bad CSR reputation.
H3. A good prior-CSR reputation leads to greater supportive communication intent among consumers compared to a bad CSR reputation.

H4. A good prior-CSR reputation leads to greater crisis resiliency among consumers, compared to a bad CSR reputation.

Interaction effects of CSR reputation and crisis types

Crisis types. Situation crisis communication theory (SCCT) offers a useful theoretical framework to understand and anticipate “how stakeholders will react to a crisis in terms of the reputational threat posed by the crisis” and “how people will react to the crisis response strategies used to manage the crisis” (Coombs, 2007, p. 163). Previous empirical research based on SCCT has provided practical guidelines for crisis managers to determine which crisis response strategies would be more useful to protect a corporate reputation from the negative consequences of a crisis (Coombs, 2007). SCCT emphasizes that the crisis manager should first understand the crisis situation and assess the level of reputational threat induced by a crisis. Three important factors that shape the reputational threat level include initial crisis responsibility, crisis history and prior relationship reputation (Coombs, 2007). Initial crisis responsibility indicates how much stakeholders view the organization as having caused the crisis (Coombs, 1995). Generally, the initial crisis assessment is based upon the crisis type. Crisis history is whether a similar crisis has happened in the past (Coombs and Holladay, 2002). “Either a history of crises or an unfavorable prior relational reputation intensifies attributions of crisis responsibility thereby indirectly affecting the reputational threat” (Coombs, 2007, p. 167).

This study focuses on a product-harm crisis. A product-harm crisis is a widely publicized crisis that involves instances of defective or dangerous products (Dawar and Pilutla, 2000). “Increasing complexity of products, more demanding customers, and more vigilant media are making product–harm crises an even more visible occurrence” (Klein and Dawar, 2004, p. 205). A product-harm crisis is one of the most common crises that companies face (Davidson and Worrell, 1992), and is considered to have the greatest impact on corporate reputational assets (Burson-Marsteller and Penn Schoen Berland, 2013). Product-harm crises often draw substantial media attention resulting in increased negative publicity (Lin et al., 2011). When product-harm crises are mishandled, a company cannot avoid serious harm (Carley and Lin, 1995; Perrow, 1984). “The seriousness and frequency of product–harm crises contrast with the relative paucity of research in this area” (Klein and Dawar, 2004, p. 205).

According to the SCCT, product-harm crises can be categorized into three clusters depending on crisis responsibility: the victim cluster (weak attributions of crisis responsibility), the accidental cluster (minimal attributions of crisis responsibility) and the intentional preventable cluster (very strong attributions of crisis responsibility) (Coombs and Holladay, 2002). Facing product-harm crises, individuals tend to engage in an attribution process to determine the direction of their thoughts or reactions regarding a given crisis. Each cluster produces predictable attribution of crisis responsibility, and in turn affects the extent of reputational damage (Coombs, 2015). Victim crises (e.g. malevolence product tampering) produce little blame to the company, while preventable crises (e.g. corporate misdeeds) produce strong attributions of crisis responsibility. Accident crises (e.g. technical error accidents) produce relatively low attributions. Researchers often compare victim crises and preventable crises to explore different consumer reactions due to the clear distinctions between the two (e.g. Kim, 2014). When individuals attribute a crisis to a company and hold it liable for the crisis, it leads to greater reputational damage and negative consumer responses (Dean, 2004; Ducassy, 2013; Klein and Dawar, 2004). Thus, crisis type should be considered to better analyze consumers’ crisis responses.
This study argues that the effects of CSR reputation can be accelerated or inhibited by crisis type (victim vs preventable). Two competing scenarios are addressed in the previous studies exploring the reputational impact of different crisis types. As the main theoretical framework, the confirmatory bias effect and the expectation violations theory were applied. The confirmatory bias effect explains that "consumers are motivated to engage in the biased processing of new information to yield preferred conclusions" (Dean, 2004, p. 197). People avoid what does not support their previous expectations and favor what supports their expectations. Accordingly, consumers are more likely to ignore or discount negative information and draw positive conclusions if a company is positively perceived (e.g. favorable CSR reputation), whereas consumers augment negative information to draw less positive conclusions for a negatively perceived company. The rationales are supported by empirical data (Dean, 2004). Dean (2004) added that the main impact of pre-existing perceptions is strong, even when the situation produces conflicting information. In other words, the destructive effects of negative CSR reputation can appear even when a company is not liable for a crisis (victim crisis). The positive effects of a favorable CSR reputation would appear even when a company is liable for a crisis (preventable crisis).

By contrast, the expectancy violations theory suggests that when individual’s expectations are violated, the violation activates individuals’ cognitive processes to evaluate the violator. The evaluations tend to be negative (positive) if the violation is negative (positive) (Burgoon and LePoire, 1993). A corporate crisis can be regarded as a negative violation of consumer expectancy (Kim, 2014), and negatively influence the evaluation of a company. The negative impact would be heightened if a company has a positive prior reputation according to the expectancy violations theory. Applying this logic, Sohn and Lariscy (2014) argued that a positive prior reputation backfires when the company is liable for a crisis. Consumers hold high expectations toward a reputable company, so any negative violations (crisis) can cause greater damage to a reputable company as opposed to a not-reputable company. However, it is important to note that when a company has a positive CSR reputation, consumers’ expectations toward a company’s ability to produce good quality products are not necessarily high. A product-harm crisis is more of a violation of a corporate ability, not a violation of corporation’s integrity or ethical conduct (Kim, 2014). Thus, the expectancy violations theory may not have the best utility in the present study. For these reasons, this study adopts the confirmatory bias effects as a theoretical framework.

We propose that the impact of a favorable CSR reputation would be greater in a victim crisis (heightened buffering effects), while the positive effect would be reduced in a preventable crisis (limited buffering effects) but not to the extent of producing backlash effects. On the other hand, a company with a negative CSR reputation would face substantial damage even with a victim crisis due to the determinant power of prior-CSR reputation – similar to the extent of a preventable crisis. To test the ordinal interaction effects, the following hypotheses are derived:

H5. A company with a good prior-CSR reputation experiences a lesser decline in its CSR reputation over the course of a victim crisis than a preventable crisis; a company with a bad prior-CSR reputation experiences a greater decline in its CSR reputation similarly across both victim and preventable crises.

H6. When a company with a good CSR reputation faces a victim crisis, consumers show greater resistance to negative information than when it faces a preventable crisis; however, consumers show low resistance across both crises for a company with a bad CSR reputation.
**H7.** When a company with a good CSR reputation faces a victim crisis, consumers show greater supportive communication intent than when it faces a preventable crisis; however, consumers show low resistance across both crises for a company with a bad CSR reputation.

**H8.** When a company with a good CSR reputation faces a victim crisis, consumers show greater crisis resiliency than when it faces a preventable crisis; however, consumers show low resistance across both crises for a company with a bad CSR reputation.

*Roles of post-crisis CSR reputation*

Finally, this study tests the relationship between post-crisis CSR reputation and consumer crisis responses. As discussed previously, when a company has substantial reputation capital to spend, it can afford to lose some portion and still maintain a favorable post-crisis reputation (Fombrun and van Riel, 2003b). Sufficient post-crisis reputational capital is believed to help a company rebound quickly after a crisis (Coombs and Holladay, 2015). However, some may raise the question of whether a crisis-influenced, once-damaged (regardless of the extent) post-crisis CSR reputation can still function as a reliable and trustworthy indicator of a company’s social performance. Once again adopting the confirmatory bias effects, we expect that a positive post-crisis reputation will still hold significant value and assist the damage repair process by influencing consumers’ resistance to negative information, supportive communication and crisis resiliency. The following hypotheses are suggested (Figure 1):

**H9.** As post-crisis CSR reputation is more positive, consumers display greater resistance to negative information.

**H10.** As post-crisis CSR reputation is more positive, consumers display greater supportive communication intent.

**H11.** As post-crisis CSR reputation is more positive, consumers display greater crisis resiliency.

*Methods*

The study employed a randomized 2 (CSR reputation: good vs bad) × 2 (product-harm crisis type: tampering vs preventable) full factorial design in two industry settings (food industry and retail industry) to examine the suggested hypotheses. We chose to test the effects of CSR reputation and crisis types in different industries to enhance the external validity of the study findings.
For stimuli, four companies were selected through a pretest using college students (n = 83): Target and Walmart are used to represent the retail industry and Panera and McDonald’s are used to represent the food industry. For the pretest, the researchers initially chose ten companies (Panera, Subway, McDonald's, Starbucks, Chick-Fil-A, Whole Foods, Costco, Target, Sam’s Club and Walmart) from the two industries. We reviewed the Reputation Institute’s (2017) RepTrak Pulse Ranking and various consumer reports and news articles regarding the least and the most socially responsible companies (e.g. the ten companies with the best CSR reputations in 2017 by Forbes) to select the ten companies that have relatively distinctive CSR-related reputations. Then, the pretest tested consumers’ evaluations of the ten companies’ CSR reputation. The CSR reputation measures are explained in the measurements section. Based on the pretest results, we purposely selected the aforementioned four companies (Target vs Walmart and Panera vs McDonald) because the chosen pairs are in the same sector (e.g. fast-food industry) and have clearly distinctive CSR reputations (good vs bad). Some prior studies use fictitious companies or real companies with neutral CSR reputations for their stimuli to manipulate CSR reputation so that other factors (e.g. pre-existing attitudes) do not interfere with the results of the experiment. However, employing this method has its critical limitations by neglecting the fact that a reputation is generally built over time, which is how it carries a strong value in consumers’ minds. Despite the importance of using real companies, doing so of course poses difficulties in controlling for possible interference. To address this issue, several techniques were utilized, including matching familiarity and statistical controls, to control for pre-existing attitudes. The randomized distribution of participants into different conditions should have also helped to reduce systematic errors from interfering factors. Familiarity was measured by a seven-point polar adjective scale (1 – not at all familiar vs 7 – extremely familiar) (Becker-Olsen et al., 2006). By matching consumers’ familiarity with the chosen companies, researchers have attempted to control for the subjects’ familiarity by using real companies. The results showed that two pairs of companies were evaluated as similarly familiar: Target and Walmart ($M_{target} = 5.21, SD = 1.8$ vs $M_{walmart} = 4.78, SD = 1.85, t = 0.95, ns$), and Panera and McDonald’s ($M_{panera} = 5.14, SD = 1.73$ vs $M_{McDonald's} = 4.61, SD = 1.70, t = 1.8, ns$).

In order to manipulate crisis type, real cases of product-harm crises in the food and retail industries were researched. An E. Coli Outbreak was chosen to manipulate a preventable product-harm case, while cyanide poisoning was selected to manipulate a product tampering case.

In total, 16 news articles were created as stimuli: each condition has two stimuli (i.e. CSR reputation stimulus and product-harm crisis stimulus). Although researchers carefully selected companies that can represent good or bad CSR reputation based on secondary data, we believe that using a stimulus would secure a clear distinction of CSR reputation between the chosen companies. The stimuli of CSR reputation describes the selected company as the most (or least) responsible company in the previous year based on three dimensions including corporate governance, corporate citizenship and the workplace. In addition, a table containing letter grades for CSR attributes (transparent corporate governance, environmental sustainability, community involvement, corporate giving and excellence in the workplace) was presented. The source of the table was described as a corporate reputation center to increase source credibility. All other elements aside from CSR reputation were the same across stimuli. The stimuli for the product-harm crises contained information on either an E. Coli Outbreak (preventable) or cyanide poisoning (tampering). For the preventable product-harm crisis, the stimuli described the multistate outbreak of E. Coli infections as being linked to the company’s unsanitary conditions and improper refrigeration system during distribution. The infected food items were described as being
stored at an improper temperature and distributed nationwide, causing the cardboard packaging of meats to harbor bacteria, and the company’s facilities clearly showed health code violations. For a product-harm crisis, cyanide poisoning was reported to have occurred at one of the company’s largest meat suppliers. The primary suspect was thought to have mixed potassium cyanide into the meat product in an attempt to get his supervisor into trouble. Police are still investigating the incident and are interviewing supply facility managers for further information. The extent of the crisis was the same across stimuli: the incident killed 3 and sickened 418. The crisis stimuli were made based on real crisis news articles regarding E. Coli infections and food tampering.

The second pretest checked the manipulation of stimuli (\( N = 71 \)). When respondents accessed the experiment site, the site randomly assigned respondents to one of the eight conditions. They first read a stimulus about CSR reputation, and another stimulus regarding crisis type. They were asked to answer manipulation check questions including believability of stimuli, perceived CSR reputation and recall of crisis type. Believability was checked using a three-item seven-point semantic differential scale (Cronbach’s \( \alpha = 0.93 \)): unconvincing/convincing, unbelievable/believable and not credible/credible (MacKenzie and Lutz, 1989). Respondents were also asked to recall the attribution of responsibility of the crisis in the news article (whether the company is responsible or someone other than the company is responsible). The pretest results revealed no significant differences in terms of stimuli believability across conditions, and participants perceived the stimuli as generally believable (\( M = 5.71, SD = 1.5 \)). Perceived CSR reputation varied as expected (\( M_{\text{good}} = 6.55, SD = 0.88 \) vs \( M_{\text{bad}} = 2.1, SD = 1.02 \)); \( F (1, 70) = 829.22, p < 0.001, \eta^2 = 0.78 \). Most respondents recalled the type of crisis correctly based on their recall of the attribution of responsibility of the crisis (\( N = 68, 95.77 \) percent). Because the manipulation was successful, the study used the developed stimuli for the actual experiment.

**Data collection**

This study defines its population as general consumers. Consumer samples were constructed through two means: consumer panels and college students. First, half of the participants were recruited from diverse courses at a large university in the Northeastern USA. Young adults aged 18–25 years old are one of the major target publics for the chosen companies: Walmart, Target, McDonald’s and Panera. They make decisions for food consumption daily and eat in restaurants more frequently than other age groups (Harris et al., 2010). Young adults are a crucial segment for retailers not only because they make purchase decisions independently, but because they have a significant influence on family spending (Waters, 2006). Young adults are active agenda-builders through different online platforms and thus become significant influencers in times of crisis. Understanding their communication-relevant behavioral intentions is critical for companies to engage in damage repair. In addition, college students provide good samples for researching a hypothesized relationship between variables (Basil, 1996). Second, the other half of the participants were recruited through a research firm specializing in online panels. Despite the important aspects of using college students as samples, some may nonetheless pose external validity issues for the study. To reduce such potential issues and obtain a broader sample of general consumers for the chosen industry, this study also recruited consumer panelists from various age brackets managed by Qualtrics. A series of analysis of variance (ANOVA) tests were performed to examine whether there were main effects or interaction effects of sample type with other independent variables on the dependent variables. The tests revealed that there were no significant main effects or interaction effects on sample type. The homogeneity of variances between the two groups was evaluated through a Levene’s test and no significant results were found. These results indicate that there were no significant differences between college student samples and consumer panel samples in this study.
A total of 227 respondents participated in the online experiment. The average age of participants was 30.28 (SD = 15.97), ranging from 18 years old to 73 years old. There were more female participants (n = 169, 74.4 percent) than male participants (n = 58, 25.6 percent). In terms of ethnicity and race, most participants were of non-Hispanic origin (n = 219, 96.5 percent). The majority of the participants were white (n = 183, 80.6 percent), 21 participants were African-American or black (9.3 percent), 16 participants were Asian (7 percent) and 1 participant was American Indian or Alaska Native (0.4 percent). The distribution of participants was fairly even across conditions. A total of 59 participants (26 percent) were assigned to a good CSR reputation and victim crisis case, 56 participants (24.7 percent) were assigned to a good CSR reputation and preventable crisis case, 50 participants (22 percent) were assigned to a bad CSR reputation and victim crisis case, and 62 participants (27.3 percent) were assigned to a bad CSR reputation and preventable crisis case.

Researchers sent invitation e-mails to online panelists as well as college students. Once individuals clicked the invitation link, read and agreed to an informed consent document, and decided to participate in the study, the experiment site used a simple randomization function to assign participants to one of eight conditions (CSR reputation × crisis type × industries). Before being exposed to the stimuli, participants were asked to answer questions about CSR reputation and pre-existing attitudes toward three companies (the chosen company for the experimental condition and two additional companies including Starbucks and Costco). Asking participants to evaluate not just the selected company for the condition, but also additional companies, was done to divert participants’ attention because they were asked to rate the selected company’s CSR reputation after their exposure to the stimuli. Pre-existing attitudes were measured because we planned to use it as a control variable. Then, a stimulus article (CSR reputation) for the given condition appeared for participants to read and perceived CSR reputation of the given company was measured afterwards. They were asked to answer a manipulation check question for the first stimulus. Other stimulus articles for the given condition (crisis type) appeared for participants to read. After reading, participants were given another manipulation check question for the stimulus. They were asked to answer questions about post-crisis CSR reputation, resistance to negative information, supportive communication intent and crisis resiliency, in addition to demographic information.

Measures

CSR reputation. We adapted the Reputation Institute’s RepTrak Pulse measures to assess CSR reputation. The RepTrak Pulse uses three key pillars to assess CSR reputation (i.e. governance, citizenship and workplace) (Reputation Institute, 2017). The index in RepTrak uses a single item to assess a sub-dimension of CSR reputation (governance, citizenship and workplace). We modified the index by adding items for each dimension so that the constructed measurement can use multiple indicators to measure CSR reputation. Five seven-point Likert scale items (1 – strongly disagree, 7 – strongly agree) were used for corporate governance (Cronbach’s α = 0.95), four items were used for citizenship (Cronbach’s α = 0.97) and six items were utilized for workplace dimension (Cronbach’s α = 0.98). Table I explains the items in further detail. Cronbach’s α coefficient was examined to assess reliability and internal consistency of each dimension (governance: 0.95, citizenship: 0.97 and workplace: 0.98). A confirmatory factor analysis tested the CSR reputation construct and constituted of 15 items in 3 dimensions. The results revealed that the proposed construct model has an excellent fit and all of the indicators significantly contribute to the construct (NFI = 0.97, CFI = 0.99, RMSEA = 0.036). All of the estimates for average variances extracted (AVEs) were greater than 0.7 (governance: 0.77, citizenship: 0.71 and workplace: 0.73). No reliability concerns were raised. Composite reliability (CR) was
larger than 0.7 for all of the dimensions (governance: 0.94, citizenship: 0.91 and workplace: 0.94) and CRs had a larger than AVE, in support of convergent validity. Maximum shared variance of each dimension was smaller than its AVE (governance: 0.69, citizenship: 0.69 and workplace: 0.46), and the square root of AVEs was greater than inter-dimension correlations, thereby satisfying the discriminant validity criterion (Hair et al., 2010).

Resistance to negative information. Resistance to negative information was measured by using three seven-point Likert scale items (1 – strongly disagree, 7 – strongly agree): “I would be unreceptive to the negative information about the company,” “I would value what the company has to say about the issue” and “I would hesitate to trust unfavorable media coverage regarding the issue” (Cronbach’s α = 0.80). We adopted similar items from a previous study (Eisingerich et al., 2011) and modified the items to be more suitable for product-harm crises. For example, we changed the wording of the reverse code item

<table>
<thead>
<tr>
<th>Variables</th>
<th>Measuring items</th>
<th>Factor loadings</th>
<th>Cronbach’s α</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR reputation</td>
<td>The company is open and transparent 0.86 95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governance</td>
<td>The company is sincere and trustworthy 0.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The company behaves ethically 0.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The company is compassionate 0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The company is socially responsible 0.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citizenship</td>
<td>The company cares about society’s welfare more than other companies do 0.82 0.97</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I believe that the company cares about how it impacts society 0.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The company tries to be a good corporate citizen 0.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The company contributes to society (e.g. protect the environment, support for causes) 0.78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workplace</td>
<td>The company treats their employees well 0.85 0.98</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The company encourages their employees to develop their skills and careers 0.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The management of the company is primarily concerned with employees’ needs and wants 0.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The company implements flexible policies to provide a good work and life balance for its employees 0.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The managerial decisions related with the employees are usually fair 0.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The company supports employees who want to acquire additional education 0.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resistance to negative information</td>
<td>I would hesitate to trust unfavorable media coverage regarding the issue 0.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I would be unreceptive to the negative information about the company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supportive communication</td>
<td>I would value what the company has to say about the issue 0.99</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I would talk positively about this company to others</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I would recommend this company to others</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I would be supportive when talking about this company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crisis resiliency</td>
<td>I would forgive the company when it makes mistakes 0.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I would forgive the company for the issue described in the news article</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I am confident that the company would improve for the better based on this difficult situation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I would trust the company would do the right thing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: “NFI = 0.97, CFI = 0.99, RMSEA = 0.036, Cronbach’s α = 0.96

Table I. Measures

Product-harm crisis
"I readily change my view of [company name] based on negative information about it" to "I would be unreceptive to the negative information about the company."

Supportive communication intent. Supportive communication intent was measured with four seven-point Likert scale items adopted from a previous study (Kim, 2017): "I would say nice things about this company to others," "I would talk positively about this company to others," "I would recommend this company to others" and "I would be supportive when talking about this company" (1 – strongly disagree, 7 – strongly agree; Cronbach’s $\alpha = 0.99$).

Crisis resiliency. Crisis resiliency was measured using four seven-point Likert scale items, based on Bhattacharya and Sen’s (2003) study: "I would forgive the company when it makes mistakes," "I would forgive the company for the issue," “I am confident that the company would change for the better based on this difficult situation” and “I would trust the company would do the right thing” (Cronbach’s $\alpha = 0.91$).

Attitude. As a control variable, general attitude toward a given company was assessed. Three items on a seven-point semantic differential scale were used (Cronbach’s $\alpha = 0.96$): bad/good, unpleasant/pleasant and unfavorable/favorable (MacKenzie and Lutz, 1989). To reduce potential contamination from pre-existing perception of the chosen companies, we controlled for the participants’ attitudes toward the companies (Table I).

Results
Manipulation checks revealed that participants exposed to a good CSR reputation ($M = 6.58$, $SD = 0.79$) perceived the reputation significantly better ($F(1, 226) = 1,562.25$, $p < 0.001$, $\eta^2 = 0.87$) than those exposed to a bad CSR reputation ($M = 1.66$, $SD = 1.05$). Most participants recalled the type of crisis correctly ($N = 222, 97.8$ percent). In terms of believability of stimuli, no significant difference was found among conditions, and the means of stimuli were above the mid-point of the seven-point scale (CSR reputation: $M = 5.47$, $SD = 1.40$, crisis type: $M = 5.72$, $SD = 1.28$). That is, manipulations produced the intended effects and participants perceived stimuli as similarly believable across conditions. Prior to testing the hypotheses, a series of ANOVA tests were performed to examine whether there were main effects or interaction effects of industry type with other independent variables on dependent variables. The tests revealed that there were no significant main effects or interaction effects of business sectors. The homogeneity of variances between groups in different industries was evaluated through a Levene’s test and no significant results were found. These results indicate that the effects of CSR reputation and crisis type were universal across business sectors. Thus, the researcher conducted further inferential statistical analyses after merging groups across the two industries.

Testing hypotheses
$H1$ proposes that a company with a good prior-CSR reputation experiences a lesser decline in its CSR reputation during product-harm crises than a company with a bad prior-CSR reputation. Because $H5$ tests the interaction effect of a CSR reputation and crisis type on the same dependent variable (decline in CSR reputation), a two-way ANCOVA test was performed to determine whether significant interaction effects exist, while controlling for general attitudes toward the company. $H5$ posits that a company with a good prior-CSR reputation experiences a lesser decline in CSR reputation over the course of a victim crisis than a preventable crisis; a company with a bad prior-CSR reputation experiences a greater decline in its CSR reputation similarly across both victim crises and preventable crises. The decline in CSR reputation was calculated first. The two-way ANCOVA test revealed a significant interaction effect between prior-CSR reputation and crisis type on decline in CSR reputation ($F(1, 226) = 10.13$, $p < 0.005$, $\eta^2 = 0.04$). Follow-up tests verified the simple main effects of a prior-CSR reputation on decline in CSR reputation across different
crisis conditions. After segregating the data by prior-CSR reputation, an ANCOVA test was performed. As Figure 2 shows, when a company with a good prior-CSR reputation faces a victim crisis, compared to a preventable crisis, it experiences a significantly lesser decline in its CSR ($F(1, 114) = 20.35, p < 0.001, \eta^2 = 0.15$). On the other hand, a company with a bad prior-CSR reputation experiences a dramatic decline in its CSR reputation across both victim and preventable crises. Thus, $H5$ was supported. Significant main effects of prior reputation on decline of CSR reputation was also found ($F(1, 226) = 172.96, p < 0.001, \eta^2 = 0.44$). The results revealed that companies with a good prior-CSR reputation experienced a significantly lesser decline in CSR reputation, while bad prior-CSR reputation companies experienced much deeper decreases across both conditions. Thus, $H1$ was supported (Tables II and III and Figure 2).

<table>
<thead>
<tr>
<th>Crisis Type</th>
<th>Decrease in CSR Reputation</th>
<th>Resistance to Negative Information</th>
<th>Supportive Communication Intent</th>
<th>Crisis Resilience</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Good CSR Reputation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Victim</td>
<td>0.53 (0.79)</td>
<td>4.56 (1.04)</td>
<td>5.44 (1.34)</td>
<td>5.43 (0.92)</td>
</tr>
<tr>
<td>Preventable</td>
<td>-0.25 (1.04)</td>
<td>4.30 (1.29)</td>
<td>5.04 (1.15)</td>
<td>5.16 (1.23)</td>
</tr>
<tr>
<td>Total</td>
<td>0.15 (1.0)</td>
<td>4.43 (1.17)</td>
<td>5.08 (1.39)</td>
<td>5.30 (1.08)</td>
</tr>
<tr>
<td><strong>Bad CSR Reputation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Victim</td>
<td>-1.67 (1.10)</td>
<td>3.56 (1.17)</td>
<td>2.85 (1.43)</td>
<td>3.96 (1.12)</td>
</tr>
<tr>
<td>Preventable</td>
<td>-1.59 (1.07)</td>
<td>3.56 (1.44)</td>
<td>2.53 (1.33)</td>
<td>3.59 (1.30)</td>
</tr>
<tr>
<td>Total</td>
<td>-1.62 (1.08)</td>
<td>3.45 (1.32)</td>
<td>2.67 (1.38)</td>
<td>3.75 (1.23)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Victim</td>
<td>-0.47 (1.45)</td>
<td>4.1 (1.20)</td>
<td>4.25 (1.89)</td>
<td>4.75 (1.24)</td>
</tr>
<tr>
<td>Preventable</td>
<td>-0.95 (1.25)</td>
<td>3.92 (1.42)</td>
<td>3.56 (1.73)</td>
<td>4.33 (1.28)</td>
</tr>
</tbody>
</table>

Table II. Means (standard deviations) of consumer responses

Figure 2. Interaction effects of prior-CSR reputation and crisis type on decline in CSR reputation
$H_2$ posits that a good prior-CSR reputation leads to greater resistance to negative information about a company among consumers compared to a bad CSR reputation. A two-way ANCOVA test was conducted to examine possible interaction effects proposed in $H_6$, while controlling for general attitudes toward the company. No interaction effect was found. The test revealed significant main effects of prior-CSR reputation on consumer intent regarding resistance to negative information about a company across different crisis conditions ($F (1, 226) = 27.66$, $p < 0.001$, $\eta^2 = 0.11$). Participants under a good prior-CSR reputation showed significantly greater intent regarding resistance to negative information, than those under a bad prior-CSR reputation ($M_{good} = 4.43$, $SD = 1.17$ vs $M_{bad} = 3.45$, $SD = 1.32$) as Table II shows. $H_2$ was supported and $H_6$ was not supported.

$H_3$ tests whether a good prior-CSR reputation leads to greater supportive communication intent among consumers compared to a bad CSR reputation. A two-way ANCOVA test was performed to determine whether significant interaction effects between prior reputation and crisis type on supportive communication intent exist as proposed in $H_7$. The test was conducted while controlling for general attitudes toward the company. No interaction effects were found. However, significant main effects of prior reputation ($F (1, 226) = 180.33$, $p < 0.001$, $\eta^2 = 0.45$) and significant main effects of crisis type ($F (1, 226) = 10.21$, $p < 0.005$, $\eta^2 = 0.05$) were found. A good prior-CSR reputation resulted in stronger supportive communication intent among consumers compared to bad CSR reputation ($M_{good} = 5.08$, $SD = 1.39$ vs $M_{bad} = 2.67$, $SD = 1.38$). Victim crisis produced more favorable supportive intent than preventable crises ($M_{victim} = 4.25$, $SD = 1.89$ vs $M_{preventable} = 3.56$, $SD = 1.73$). Thus, $H_3$ was supported and $H_7$ was not supported.

$H_4$ tests whether a good prior-CSR reputation leads to greater crisis resiliency among consumers, compared to a bad CSR reputation. A two-way ANCOVA test was conducted to determine possible interaction effects proposed in $H_8$, while controlling for general attitudes toward the company. No interaction effects were found. Significant main effects of CSR reputation and significant main effects of crisis type were found instead. Consumers exhibited significantly greater crisis resiliency when a company had a positive CSR reputation than a bad CSR reputation in general ($M_{good} = 5.30$, $SD = 1.08$ vs $M_{bad} = 3.75$, $SD = 1.23$; $F (1, 226) = 98.21$, $p < 0.001$, $\eta^2 = 0.31$). Consumers also showed significantly greater crisis resiliency when a company experienced a victim crisis than a preventable crisis ($M_{victim} = 4.75$, $SD = 1.24$ vs $M_{preventable} = 4.33$, $SD = 1.48$; $F (1, 226) = 4.94$, $p < 0.05$, $\eta^2 = 0.02$). Thus, $H_4$ was supported and $H_8$ was not supported.

$H_9$ proposes that as post-crisis CSR reputation is more positive, consumers will display greater resistance to negative information. A regression test was performed. As Table IV shows, the results revealed that as post-crisis CSR reputation is more positive, consumers display greater resistance to negative information ($\beta = 0.66$, $p < 0.001$). Thus, $H_9$ was supported. $H_{10}$ proposes that as post-crisis CSR reputation is more positive, consumers display greater supportive communication intent. A regression test revealed that as post-crisis CSR reputation is more positive, respondents display stronger supportive communication intent ($\beta = 0.88$, $p < 0.001$), thereby supporting $H_{10}$. $H_{11}$ proposes that as

<table>
<thead>
<tr>
<th>Table III. Effects of CSR reputation and crisis type</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decrease in CSR reputation</strong></td>
</tr>
<tr>
<td>Prior-CSR reputation</td>
</tr>
<tr>
<td>Crisis type</td>
</tr>
<tr>
<td>CSR reputation × crisis type</td>
</tr>
</tbody>
</table>

**Notes:** *$p < 0.05$; **$p < 0.01$; ***$p < 0.001$
post-crisis CSR reputation is more positive, consumers display greater crisis resiliency. Another regression test revealed that as respondents evaluate post-crisis CSR reputation more positively, they showed stronger crisis resiliency ($\beta = 0.80, p < 0.001$). Thus, $H11$ was supported (Tables IV and V).

**Discussion**

This study examines the role of prior-CSR reputation in protecting a company’s CSR reputation during product-harm crises and how it influences consumers’ crisis-related behavioral intentions (i.e. supportive communication, resistance to negative information and crisis resiliency). We test whether the impact of prior-CSR reputation differs by crisis type as well. An experiment of $2$ (prior reputation: good vs bad) $\times 2$ (crisis: victim vs preventable) $\times 2$ (retail and food industry) with consumer samples was conducted to test the proposed hypothesis.

The results revealed the substantial role of positive prior-CSR reputation in protecting reputational assets against losses during product-harm crises. Overall, when a company has a good prior-CSR reputation, the decrease in its CSR reputation during product-harm crises was significantly less severe compared to a company with a bad CSR reputation. Besides the main effects of prior-CSR reputation, we found insightful interaction effects between prior-CSR reputation and crisis types. A company with positive CSR reputation experiences no decrease in its CSR reputation during victim crises, and consumers seem to evaluate its post-crisis CSR reputation even higher than before. A positive CSR reputation company still encounters decreases in CSR reputation in the case of preventable crises, but the decreases seem to be fairly minor, compared to those of poor CSR reputation companies. The findings support and extend the notion that positive reputational capital can safeguard corporate assets against loss by operating as a buffer (Fombrun, Gardberg and Barnett, 2000; Fombrun, Gardberg and Sever, 2000; Minor, 2010). Positive buffering effects appear even when the company is liable for a preventable crisis.

<table>
<thead>
<tr>
<th>Resistance to negative information</th>
<th>Supportive communication intent</th>
<th>Crisis resiliency</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\beta$</td>
<td>$\beta$</td>
<td>$\beta$</td>
</tr>
<tr>
<td>Post-CSR reputation</td>
<td>0.66***</td>
<td>0.88***</td>
</tr>
</tbody>
</table>

**Notes:** *$p < 0.05$; **$p < 0.01$; ***$p < 0.001$*

**Table IV.** Effects of post-crisis CSR reputation

**Hypothesis**

- $H1$: prior-CSR reputation $\rightarrow$ decrease in CSR reputation  
  - Supported
- $H2$: prior-CSR reputation $\rightarrow$ resistance to negative information  
  - Supported
- $H3$: prior-CSR reputation $\rightarrow$ supportive communication intent  
  - Supported
- $H4$: prior-CSR reputation $\rightarrow$ crisis resiliency  
  - Supported
- $H5$: prior-CSR reputation $\times$ crisis type $\rightarrow$ decrease in CSR reputation  
  - Supported
- $H6$: prior-CSR reputation $\times$ crisis type $\rightarrow$ resistance to negative information  
  - Not supported
- $H7$: prior-CSR reputation $\times$ crisis type $\rightarrow$ supportive communication intent  
  - Not supported
- $H8$: prior-CSR reputation $\times$ Crisis type $\rightarrow$ crisis resiliency  
  - Not supported
- $H9$: post-CSR reputation $\rightarrow$ resistance to negative information  
  - Supported
- $H10$: post-CSR reputation $\rightarrow$ supportive communication  
  - Supported
- $H11$: post-CSR reputation $\rightarrow$ crisis resiliency  
  - Supported

**Notes:** The table simplifies the suggested hypotheses for readers

**Table V.** Hypothesis tests results
The determinant roles of prior-CSR reputation impact bad reputation companies as well, but in a completely opposite way. A company with a bad prior-CSR reputation experiences a greater decline in its CSR reputation across both crises cases. Important to note here is that the level of decline during victim crises in which the company was not liable for the crisis (victim crisis) was as substantial as the decline experienced during a preventable crisis. That means the effects of negative CSR reputation are very strong, to the point that once product-harm crises happen, serious reputational damage can be done notwithstanding the causes of product-harm crises. This stronger negative impact of bad CSR was observed in a study by Klein and Dawar (2004), who concluded that “a poor record on social responsibility can be asymmetrically damaging relative to the credit a firm receives for a good record” (p. 203). Coombs and Holladay (2015) proposed that a company’s social irresponsibility can lead to serious challenges or risky situations for a company brought by stakeholders such as consumers. One of the risky situations may include a much harsher hit (reputational capital loss) when product-harm crises occur, even when the company would otherwise be regarded as a victim.

We found that the prior-CSR reputation also directly affects consumers’ crisis-related intentions (i.e. supportive communication, resistance to negative information and crisis resiliency). When a company has a good prior-CSR reputation, consumers show significantly more favorable communication-related intentions (i.e. supportive communication, resistance to negative information) as well as more positive intentions regarding crisis resiliency. The main effects of a prior-CSR reputation on consumer intentions do not differ by crisis type. When it comes to the impact of crisis type, preventable crises produce weaker intent regarding supportive communication and crisis resiliency in general, but no impact of crisis type was found with resistance to negative information. Instead, consumers display similar resistance to negative information across both crisis types (victim; preventable) and are only influenced by a prior reputation. In other words, consumers are greatly influenced by a prior reputation but not always influenced by crisis type.

Finally, the study findings revealed a determinant role of post-crisis CSR reputation on consumers’ crisis-related behavioral intent (resistance to negative information, supportive communication and crisis resiliency). As post-crisis CSR reputation becomes more positive, consumers display greater resistance to negative information, supportive communication intent and crisis resiliency. The findings provide additional empirical evidence to confirm CSR benefits as shields against negative scrutiny (Eisingerich et al., 2011), boosters for consumer intent to engage in supportive communication (Kim, 2017) and activities that encourage intent to display strong resilience (Bhattacharya and Sen, 2003). The findings imply that a crisis-influenced, possibly damaged post-crisis CSR reputation still holds significant value and can assist in the damage repair process. The finding may provide support for prior studies’ proposal that “reputation repairs” should be a main goal of crisis response strategies to best mitigate crisis-inflicted damage (Coombs, 2015). Considering the values of post-crisis CSR reputation, a corresponding emphasis regarding crisis management needs to be placed on the means of protecting reputational assets (Coombs and Holladay, 2002). However, business managers and communication specialists need to remember that once a crisis occurs, damage can result even with the best crisis management plans, especially if a company does not have an established CSR reputation.

The study has some drawbacks. The artificiality that an experimental study carries limits the generalization of the study’s findings. This study used only four companies (Panera, McDonald’s, Target and Walmart) to represent food and retailing industries and used one crisis topic as an example of each crisis type. By its nature, an experiment tends to focus more on internal validity to demonstrate clearer associations between variables, and this study was not an exception. However, unlike many previous studies this study avoids
the use of fictitious companies for its stimuli to increase external validity. That is because a reputation should be built over time, which is how it carries strong value in consumers’ minds. When using a fictitious company, manipulating reputation through stimuli cannot possibly reproduce the impact of reputation in real life. Despite the importance of using real companies, doing so poses difficulties for controlling possible interference. To address the issue, several techniques were used, including matching familiarity and statistical control, to control for pre-existing attitudes. The random distribution of participants into conditions also should have helped reduce systematic errors by interfering factors. With these possible limitations, we interpreted the study’s findings with caution, and future studies should consider assessing more factors to control. We also suggest that future studies use real crisis cases and a survey method to validate the findings of this study. Finally, we purposely focused on the specific dimensional effects of reputation to determine whether a CSR reputation carries a buffering effect on consumers’ reactions to product-harm crises, because the findings can encourage companies to consider adopting more systematic CSR programs. While corporate reputation consists of multiple dimensions that often are interconnected, it is very difficult to truly separate the specific dimensional effects of reputation. This study is not free from such fundamental discussions. In this study, the impact of CSR reputation on consumer responses during crises seems to be similar to the impact of overall reputation, and therefore there might be a valid question as to whether it is necessary to explore specific dimensional impacts of reputation. This is a valid point that future research needs to consider to find answers.

Despite the study’s limitations, it provides valuable implications for scholars in crisis management and for practitioners in the field. First, the findings support the notion of reputational capital (Fombrun and van Riel, 2003b); when a company has accumulated positive CSR-bred reputational capital, it can maintain positive capital after losing some of that capital during product-harm crises. The leftover CSR capital will further buffer against possible damage inflicted by future crises.

Second, this study demonstrates the importance of establishing CSR reputation prior to a crisis as a way of buffering against the debilitating impacts of product-harm crises. Also, it shows that negative prior CSR reputation can amplify possible reputational damage caused by product-harm crises. One rationale for managers to engage in CSR initiatives and CSR reporting is that it serves as a form of reputation risk management (Eisenegger and Schranz, 2011; Fombrun, Gardberg and Barnett, 2000; Fombrun, Gardberg and Sever, 2000). We add one more important rationale: that failing to demonstrate CSR can intensify serious reputational damage inflicted by crises. This finding also provides empirical support for the notion of the Velcro effect (see Coombs and Holladay, 2001), in that negative prior reputation snags additional reputational damage. “The organization seems to start from a one-down position when there is an unfavorable relationship or crisis history” (Coombs and Holladay, 2001, p. 338).

Third, this finding provides strong support for the theoretical framework of confirmatory bias effects at anticipating CSR reputational impact during product-harm crises (Dean, 2004), while discovering that the expectancy violation theory does not have the best utility unlike prior studies (Sohn and Lariscy, 2014). Consumers were more likely to ignore or discount negative information and draw positive conclusions about a company with favorable CSR reputation, whereas consumers augmented negative information to draw less positive conclusions for a negatively perceived company. One possible explanation of why the expectancy violation theory has less utility is because product-harm crises are not technically a violation of a “CSR” reputation. A CSR reputation is not directly related to a company’s ability to produce goods and services. Therefore, it seems that confirmatory bias effects carry a greater utility over an expectancy violation theory for studies focusing on a “transferring effects” of CSR reputation onto consumers’ perception of unrelated areas (e.g. corporate ability).
Finally, examining consumers’ communication-related intentions and crisis resiliency is one of the strengths of this study. Negative publicity in times of product-harm crises, in particular, has the potential to damage corporate tangible and intangible assets (Dean, 2004). Publicity is generally regarded as more credible and more influential than company-controlled communications (Bond and Kirshenbaum, 1998). Minimizing the damage of negative information and maximizing consumers’ supportive communication can be key for faster recovery from crises, not to mention that stronger crisis resiliency helps this process as well. Given that consumers can function as active agenda-builders through different online platforms and become important influencers in times of crisis, knowing the impact of consumers’ communication-related intentions are more important than ever. We found a direct association between a prior- and post-crisis CSR reputation and consumer intentions regarding supportive communication, resistance to negative information and crisis resiliency. Because this is the first study to our knowledge to test the effects of CSR reputation (not CSR engagement periodically) on consumers’ communication-related intentions and crisis resiliency during product-harm crises, additional studies to verify the impact of a prior-CSR reputation will be needed.

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Further reading


Corresponding author

Yeonsoo Kim can be contacted at: kim28yx@jmu.edu
The challenges of gamifying CSR communication

Kateryna Maltseva  
BI Norwegian Business School, Oslo, Norway

Christian Fieseler  
Department of Communication and Culture,  
BI Norwegian Business School, Oslo, Norway, and

Hannah Trittin-Ulbrich  
Leuphana Universität Lüneburg, Lüneburg, Germany

Abstract

Purpose – A growing number of research report positive effects of gamification, that is the introduction of game elements to non-game contexts, on stakeholder intentions and behaviors. Hence, gamification is proposed as an effective tool for organizations to educate their stakeholders about corporate social responsibility (CSR) and sustainability-related topics. The paper aims to discuss these issues.

Design/methodology/approach – In this paper, the authors ask whether gamification can communicate matters of social and environmental concern. Based on three consecutive experimental studies, the authors show that there are boundary conditions to the effectiveness of gamified communication on stakeholder attitude, intention and behavior.

Findings – The authors find positive, negative and insignificant effects of gamification on pro-environmental attitude, intention and behavior. Based on these ambiguous results, the authors conclude with a call for more rigorous forms of designing gamified experiences to foster stakeholder learning and highlight and develop several such future research and engagement opportunities.

Originality/value – The study is the first to apply gamification to the context of corporate and in particular CSR communication. It is furthermore one of the first studies that actually research the effects of gamification empirically, and in controlled experimental conditions.

Keywords Internet, CSR communication, Gamification, Serious games

Introduction

Encouraging individuals to learn about sustainability and subsequently, to change their behavior, has traditionally been a challenging conundrum for corporate social responsibility (CSR) and sustainability research, practice and education. Frustrated by the lack of effectiveness of conventional forms of engaging their stakeholders with environmental and social concerns, in recent years, business and non-profit organizations increasingly turn to game features in their digital CSR communication to motivate their stakeholders to engage more in pro-social or pro-environmental behavior (Coombs and Holladay, 2015). The use of game elements (i.e. reward systems, feedback or competition) in contexts that are normally not associated with games is referred to as “gamification” (Robson et al., 2015). Designs of gamification vary in their content and structure, but gamification generally constitutes persuasive interventions that convey strategic messages that aim to lead to desirable cognitive or behavioral outcomes (Seaborn and Fels, 2015). Hence, games and gamification are generally viewed as suitable device for educating stakeholders about business practices (Landers, 2014; Veltos, 2017; Vesa et al., 2017).

Initial conceptual research suggests that gamified messages on environmental or social matters are useful devices for corporations to educate their stakeholders about CSR and sustainability (Coombs and Holladay, 2015). In contrast to other, more traditional forms of communication, gamification provides a subtler and less direct form of communication that might raise stakeholder awareness in a unobtrusive manner (Coombs and Holladay, 2015).
In other words, gamification is proposed as a suitable mechanism to change stakeholder perceptions toward CSR and sustainability, which is a necessary precondition for changes in the stakeholders' behaviors toward further pro-social or pro-environmental behavior. Gamification might thus engage audiences in CSR matters that would, under different circumstances, not pay attention to CSR messages in the first place, raising and creating awareness for issues which might lead audiences to engage deeper with the message they would otherwise not be sufficiently motivated to.

Beyond these initial propositions from the CSR and sustainability domain, the gamification literature in general advocates for a positive effect of gamification on the effectiveness of communication, and subsequently on stakeholder perceptions and behavior. However, a substantial amount of the current studies on the effect of gamification is based either on conceptual (Veltsos, 2017) or survey-based methodologies (Roth et al., 2015; Seaborn and Fels, 2015; Zichermann and Linder, 2013); for a notable exception, see Hamari (2013). Yet, we argue that current research designs do not allow for a comprehensive analysis of the effect of gamification. Hence, in order to test the effects of gamified messaging regarding sustainability-related issues on stakeholder intentions, attitudes and behavior, we in the following rely on an experimental design. We find that gamification may have a positive, negative as well as insignificant effect on pro-environmental attitude, behavioral intention and behavior.

With these results, our paper makes the following contributions. First, we contribute to CSR and sustainability research with the first study that empirically investigates the effectiveness of gamification in the context of CSR communication and education. We find that gamification raises stakeholder attention for CSR and sustainability-related topics, but only to a limited degree changes their intentions and behaviors. Our ambiguous empirical results indicate that gamification is only to a degree able to support organizations in their endeavors to educate their stakeholders about CSR and sustainability. Second, we contribute to gamification research with a rigorous experimental study on the effects of gamification on stakeholder attention, intention and behavior. Our experimental insights echo skeptical voices that question the effectiveness and appropriateness of gamification (Bogost, 2011) in the organizational context, at least as far as sustainability issues are concerned. Our study thus enables practitioners, researchers and educators interested in gamification to develop a better understanding of the conditions under which gamification can positively influence pro-sustainability attitudes, intentions and behavior, and to develop the design of more effective learning and engagement measures.

We proceed as follows: first, we review research concerned with the effects of gamification, particularly in the context of CSR and sustainability. Second, we present the methodology of our three experiments that were conducted to test the effects of gamified sustainability communications on pro-environmental concerns and stakeholder behavior toward sustainability. Third and finally, we conclude and discuss the results of our studies in the light of the existing literature and suggest future research opportunities.

**Literature review**

In recent years, it has become more challenging for organizations to reach their stakeholders via communication in a meaningful way. With a plethora of new media and content emerging, organizations struggle for stakeholder attention. Among other messages, the intended dialogue about an organization’s ecological, social and governance activities, commonly termed CSR, sustainability or stakeholder communication (Bhattacharya and Sen, 2004; Crane and Glozer, 2016; Du et al., 2010), has to compete in this new communication regime. Generally, communicating with stakeholders about CSR and sustainability and educating them about these matters is essential for successful organizational attempts of implementing and encouraging responsible and sustainable actions in
and outside of the organizational sphere (Crane and Glozer, 2016). Still, communicating CSR remains challenging, which Morsing et al. (2008) termed the catch-22 of CSR communication – seemingly companies that engage proactively in social and sustainability issues raise more scrutiny about their behavior than those that do not. Hence, new approaches to CSR communication are necessary, and in order to create awareness and engagement among their constituencies, organizations consequently look for new ways to engage their stakeholder base communicatively. Morsing et al. (2008), for instance, proposed enabling employees to act as ambassadors for an organization’s efforts, together with building larger coalitions with stakeholders that work together on talking issues, but may also act as supporters when needed. On the tactical and instrumental level, one of the most promising and most novel measures of attracting stakeholder interest in the first place, and to engage in the processes above, might be the use of gamification in stakeholder communication (Coombs and Holladay, 2015).

Generally, gamification is defined as the use of elements characteristic to games in non-game contexts (Deterding et al., 2011), including the integration of game elements in messaging regarding sustainability. Game elements are different tangible and intangible units that constitute game experience. Both artifactual (leaderboards, badges, etc.) and social (team spirit, competitiveness) game elements contribute to a gamified experience (Deterding et al., 2011). Robson et al. (2015) suggested that gamified experiences are built upon three pillars of game design: mechanics that embrace goals, rules and rewards; dynamics that reflect how players enact mechanics, and emotions that players feel toward the gamified experience. Yet, while in the well-established research field on sustainability and CSR, other, new digital technologies have garnered much attention (Capriotti, 2011; Fieseler et al., 2010), gamification has been given limited attention. To our best knowledge, Coombs and Holladay (2015) are the first scholars that conceptualize on the effects of gamification in CSR communication. The authors suggested that the provision of stakeholders with gamified experiences when learning about CSR or sustainability-related issues can be utilized to attract stakeholder to sustainability messages and can generate positive reactions – an important prerequisite for engaging stakeholder in pro-social or pro-environmental behavior. Yet, at least as far as sustainability issues are concerned, little can be said about how gamification effects intentions, attitudes and behavior. Consequently, in the following, we turn toward research that directly addresses the effects of gamified communication.

Gamification has generally garnered increasing attention from management and organization research and practice (Vesa et al., 2017). In this context, conceptual and empirical studies generally document positive effects of gamification. For example, gamification is conjectured to improve work efficiency (Zichermann and Linder, 2013), increase motivation for learning (Seaborn and Fels, 2015), grow public awareness and to contribute to the development of trust (Gordon and Baldwin-Philippi, 2014), to improve group reflection at initial stages of innovation development processes (Roth et al., 2015), to increase productivity and to contribute to social bonding (Seaborn and Fels, 2015). Gamification is also presumed to increase user motivation to engage with products and services (Ašeriškis and Damaševičius, 2014), and to enhance employees’ productivity, efficiency, engagement and innovation potential (Maan, 2013). Importantly, some studies suggest that gamification makes communication on rather complex and abstract organizational matters more engaging. Hence, gamification is also a suitable educational device in the context of business ethics.

Such positive effects of gamification are attributed to a number of different psychological mechanisms. Hamari et al. (2014) emphasized the property of motivational affordances of gamification. Gamification invokes experiences similar to playing recreational games (Huotari and Hamari, 2012). Groh (2012) concluded that gamification rests on three main
principles adopted from self-determination theory (Deci and Ryan, 1985): relatedness, competence and autonomy. The experience of engaging with games is assumed to satisfy these three needs that together constitute intrinsic motivation. Games provide the context for meaningful choices and interactions – well-designed games provide a sense of competence and mastery (Rigby and Ryan, 2011). To wit, the engaging properties of gamification are rooted in an intrinsically driven pursuit of fun and meaning.

The better part of studies in the gamification literature, including the aforementioned, are either conceptual, case-based or survey-based and, to a great extent, depend on self-determination theory to explain the effects of gamification through the facilitation of intrinsic motivation. However, conceptual and survey-based research designs inherently do not allow for the comprehensive analysis of whether gamified messages, campaigns or experiences are more persuasive than non-gamified analogies. For this reason, rising interest in gamification has led to the increased adoption of experimental designs.

A recent study on the effects of gamification on self-brand connections suggests, for instance, that gamification exerts a positive effect on the self-brand connection through the interactivity of interactions and through emotional or cognitive engagement (Berger et al., 2017). Another experimental study by Müller-Stewens et al. (2017) manipulates gamification through exposing control groups to static (visual or textual) stimuli, compared to the experimental groups that were engaged with fully fledged games. Their findings suggest that gamified information has a positive effect on consumer adoption of innovations through two parallel processes: gamification increases individuals’ playfulness and stimulates curiosity about the innovation. Simultaneously, gamification increases the vividness of information which, in turn, increases the perceived advantage of the innovation.

Both articles made a significant and necessary contribution to gamification literature. Their experiments suggest positive, statistically significant effects of gamification. However, it may be argued that through introducing gamification in two papers mentioned above, the authors did not manipulate gamification, but different variables. Müller-Stewens et al. (2017) manipulated the product experience through exposing the experiment group in four studies to a game while exposing the control group participants to only textual information. Such forms of manipulation pose certain challenges in assessing the effect of gamification. Even though the authors claim that the participants were exposed to similar information about the product, the experience of the exposure to a textual stimulus and the experience of playing a game are incomparable.

In their study, Berger et al. (2017) manipulated gamification though engaging an experiment group with a game in comparison to exposing a control group to a video of someone else playing the game. We would argue that such a manipulation of gamification is more accurate, as it renders the experiences of the participants more comparable. However, since both groups are exposed to a game, one may suggest that the participants from the control condition were also exposed to a gamified stimulus. The accurate manipulation of gamification is paramount to investigate the effect of gamification on any outcome variable. Consequently, we suggest that the manipulation of gamification should imply minimal differences in the amount, quality and quantity of information available to the participants of the control group and the experiment group. In this paper, we therefore develop three experiments that are designed with the aforementioned considerations in mind: we manipulate gamification through creating two types of stimuli that are very similar in the content and differ only in framing. We expose the participants to similar text and graphics, while manipulating the presence of gamified elements.

Methodology
This paper draws on three experiments that were conducted in the context of sustainability communications, in particular to raise pro-environmental concerns
(measured as attitude and behavioral intention) and behaviors. The interest in the gamification of communication practice related to sustainability is recent, yet, striking. For example, charity organizations partnered with (social) game developers to develop donation schemes in games, such as FarmVille 2 and ChefVille. In these games, players could purchase virtual goods and the developer donated its share of the purchase to the respective charity organizations. Further, players learnt about social issues and their relevance and thus are incentivized to change their “real-world” behavior and to increase their donations. Similarly, corporations use gamification elements in the form of reward systems and competitions as mechanisms to foster positive employee motivation for sustainability-conscious behavior in the workplace. Yet, despite the increasing popularity of gamification in communication practice, it has received little attention in social responsibility and management research. Likewise, there is little research available that rigorously compares the effectiveness of traditional forms of messaging to gamified experiences, both in general terms and with focus on pro-environmental and social issues. Hence, more evidence is needed before settling on the true potential of gamification to solving lacking engagement with environmental or social matters. We therefore have chosen the context of environmental campaigns to test the effectiveness of gamified CSR communication.

**Operationalization**

Due to the fact that different game elements trigger different psychological responses and levels of playfulness, for instance, curiosity, frustration, need for achievement or joy, there is no universal way to operationalizing gamification. However, scholars suggest that there are certain general principles of gamification design within different fields. Stott and Neustaedter (2013) suggested that in the context of education, freedom to fail, rapid feedback, progression, storytelling and narrative are essential game characteristics to gamification. Mavletova (2015) synthesized findings from previous research on the gamification of surveys and presented a list of main elements of a gamified survey in her research on the effect of gamification in web surveys. There are four elements essential to gamify a survey: clear rules and goals for respondents; relevant and entertaining narrative to involve participants, interesting and achievable tasks in order to maintain motivation; and feedback on progress and rewards for the completion of the tasks. Gamification design principles constitute certain levels of fun, interactivity, challenge, playfulness and gamefulness.

**Manipulation check**

In the first experiment that this paper presents, we adopted Berger et al.’s (2017) logic and measured the perceived level of gamification through asking participants how interactive the experience was, and whether there was an element of challenge. In addition, we asked participants whether the experience in itself was fun. The dimension of fun was introduced as an aggregated measure for the manipulation check of gamification, due to the extensive amount of gamification literature building up on self-determination theory. In other words, the dimension of fun was introduced to discover whether the gamified experience was enjoyable in itself.

Interactivity was provided by allowing participants to interact with a stimulus, navigate through it and see the consequences of their actions. The challenge was created by designing certain tasks and providing feedback.

After the first experiment, we revised our operationalization of gamification, due to moderate reliability of the aggregated construct of gamification (further elaborations are presented in the description of the Studies 2 and 3). In the second and third experiments, we tested the gamification manipulation through asking respondents to what extent the...
experience was interactive, playful and game-like. The gamified stimulus was created to allow interaction, similar to the Study 1. Playfulness allowed certain improvisation of interaction and the game-likeness of the stimulus implied that the experience of interaction reminded participants of playing a fully fledged game.

**Theory of pro-environmental behavior**

Pro-environmental behavior is defined as “a behavior that consciously seeks to minimize the negative impact of one’s actions on the natural and built world” (Kollmuss and Agyeman, 2002, p. 240). Pro-environmental behavior is one of example of pro-social behavior (De Groot and Steg, 2009); therefore, theories of pro-social behavior may serve as a foundation for studying pro-environmental behavior. Specifically, norm-activation theory, developed by Schwartz (1970, 1973, 1977), is commonly used by environmental psychologists to explain how to engage people in pro-environmental behavior (Froehlich, 2014).

Norm-activation theory was initially proposed by Schwartz (1970) in order to explain helping behavior or in other words – pro-social behavior. According to Schwartz (1970), there are two preconditions for pro-social behavior: first, individuals must be aware of the consequences of their actions for the welfare of others; and second, individuals must feel some capability to control actions and their consequences. The first precondition for pro-social behavior is referred to as “awareness of consequences” and the second precondition is called “ascription of responsibility.”

The activation of pro-social norms is a complex process that requires interest, focus and a certain degree of concern for a situation or a problem. Intuitively, one may become more aware of one's actions and feel responsible for one's behavior in the situation that has an individual's attention and focus. Because gamified experiences are characterized as engaging, absorbing and intrinsically enjoyable, we argue that gamification can be an appropriate tool to activate a norm of pro-social, and in the case of the current research – pro-environmental behavior.

**Pro-environmental behavior measure**

Turaga et al. (2010) described two types of pro-environmental behaviors: household behaviors and environmental protection behaviors. Energy conservation and recycling are examples for the former, while petition signing and volunteering, donations are examples for the latter. We have chosen examples of environmental protection behaviors to model dependent variables. In the experiments described below, we measure three sets of dependent variables associated with pro-environmental orientation and behavior: environmental attitude, pro-environmental behavioral intention and pro-environmental behavior. By environmental attitude we refer to concern for a certain environmental issue. Pro-environmental behavior intention denotes an intention to act in a way that maximizes individual’s efforts to reduce the negative impact of human activity on the environment through, for instance, learning more about pro-environmental initiatives, participating in pro-environmental events, etc. Finally, pro-environmental behavior denotes behavior aimed at protecting the environment.

**Study 1 – combating deforestation**

**Study design**

Study 1 was designed to test the effect of a gamified survey on pro-environmental attitude intention and behavior. An online experiment with between-subject design was used for data collection. Prior to participation, respondents were randomly assigned to two groups – the experimental group, exposed to a gamified treatment, and the control group, which was not exposed to the gamified treatment.
The experiment consisted of several stages. During the first stage, participants from both groups were asked to read a text about an environmental problem of deforestation. During the second stage, all participants proceeded to the survey questions. Participants from the control group received a survey that was designed by means of one of the default templates in Qualtrics (non-gamified survey), whereas participants from the experiment group received a gamified version of the survey that contained various pre-programmed tasks placed on an external website (see Figure 1). During the third, final stage of the experiment, participants were asked to answer questions related to environmental attitude, behavioral intention and behavior.

The design of the gamified survey for this study was developed by implementing several game elements suggested by Mavletova (2015). First, our research group set a goal for participants – to earn money for an environmental organization to fight deforestation. Clear rules to achieve the goal were provided by stating that in order to earn money for the organization, participants were supposed to answer a set of questions about deforestation correctly.

![Figure 1. Stimulus design for the Study 1](image.png)

Note: The figure presents a sample of question from a non-gamified survey (left image) and from a gamified survey (right image).
Second, we developed three interactive tasks in the form of flashcards, “drag and drop” quizzes and “fill-in” questionnaires in order to motivate participants to achieve the goal. Third, all three interactive tasks had a feedback element; therefore, all participants could keep track of their performance. As a reward for the performance, we promised to make a financial contribution to the organization on behalf of every participant.

Sample
The online experiment was administrated through Amazon Mechanical Turk in October 2015. In total, 352 participants were recruited. Participants, who did not complete the survey or failed the attention check questions, were excluded from the analysis. The final sample consisted of 311 participants: 41.5 percent female and 58.5 percent male. Most participants (62.1 percent) were between 18 and 34 years old. In all, 69.1 percent had either a college degree or some college education.

Measures
We measured environmental attitude through aggregating three items related to perceived importance, concern and impact of deforestation and necessity of immediate actions to combat deforestation (α = 0.852). Behavioral intention in the context of pro-environmental behavior was measured through the level of agreement with five items measuring whether participants would like to receive additional information about deforestation and organizations that work to combat this issue. Pro-environmental behavior was measured through asking participants to make a donation to combat deforestation.

Results
A measure of perceived gamification (varying from 1 to 5), composed of dimensions of fun, challenge and interactivity, was constructed for manipulation check purposes (α = 0.669). The analysis of variance revealed that the manipulation was successful (Mcontrol = 3.97, SD = 0.700 vs Mgamification = 4.25, SD = 0.53; F (1, 310) = 15.84, p < 0.000). The participants within the experiment group who received the gamified survey indeed perceived the survey as more interactive, fun and containing an element of challenge.

Analysis of variance was further employed to determine the effect of gamification on environmental attitude. The effect of gamification on environmental attitude proved to be positive (Mcontrol = 4.21, SD = 0.76 vs Mgamification = 4.37, SD = 0.58; F (1, 310) = 4.37, p < 0.05).

In order to investigate the effect of gamification on the behavioral intention to learn more about deforestation, fractional probit regression model was tested. This particular technique was chosen, because the categorical data from five items were aggregated into one variable, varying from 0 to 1[1]. The results from the regression analysis turned out to be surprising: gamification had a negative, significant effect on the willingness to learn more about the environmental challenge of deforestation (β = −0.331, p < 0.01).

The results from a χ² test suggested that the effect of gamification on the willingness to donate money to a NGO to combat deforestation was negative (Pearson’s χ² = 6.15, p < 0.05).

These results are ambivalent: they contradict the existing gamification literature and suggest that the intention to motivate individuals to engage in pro-environmental behavior through gamification may backfire. One possible explanation for the negative effect of gamification may lie in the inappropriateness of introducing the element of fun into the communication of serious issues. We will elaborate this argument further in the Discussion section.
In order to further investigate the effectiveness of gamification, we conducted two more online experiments, but with a different stimulus. We designed and programmed gamified advertisements to test the effect of gamification with a stimulus that resembles communications better.

Study 2 – preserving bird habitats

Study design

In Study 2, we tested the effect of gamification on pro-environmental attitude, behavioral intention and behavior by means of a different stimulus – advertising, in the context of a different environmental problem – extinction of exotic birds. Similar to Study 1, an online experiment with three stages was designed. Participants were randomly assigned to two conditions of the experiment – an experimental condition with a gamified advertisement and a control condition with static advertisement. In order to prevent respondents from guessing the true purpose of the study, a cover story with filler tasks was created. In the beginning of the experiment, all participants received some information about the procedure: both groups were informed that researchers were interested in people’s opinions about various design and branding concepts related to a group of coffee shops. Additionally, participants were informed that they might be asked questions about their views, beliefs and opinions about food, music, environmentalism, etc.

During the first stage of the experiment, participants completed some filler tasks by evaluating different interior elements of a coffee shop. After evaluating furniture designs, menus and uniforms, participants proceeded to the second stage that had a manipulation. Participants from the control condition were exposed to a conventional advertisement in form of a static image. In contrast, participants from the experimental condition were exposed to a gamified advertisement.

The ad of a fictional coffee brand “Arabica Shade” was addressing the topic of deforestation and its destructive effect on the wildlife habitat, specifically, the population of birds. In the control condition (with the non-gamified ad), participants were simply asked to look at the ad and answer some questions about it later. They were then presented with an image of a coffee cup displaying birds and coffee plants on it. The message on the ad stated that by switching to the new coffee brand “Arabica Shade,” they could save eight bird species. In the experimental condition, participants were asked to look at the ad, but in addition, they had to participate in a challenge to construct the advertising message that was similar in context to the message from the control condition group (see Figure 2). Gamification was manipulated through creating an interactive advertisement that required participants to engage with it. The ad displayed the same coffee cup; however, there were no birds on the cup. Instead, the cup was covered with images of coffee beans. Participants were instructed to click on the coffee beans and find the number of bird species that could be saved by switching to the new coffee brand. After counting the birds, participants were asked to write the number down on the ad. If the number was correct, participants would be displayed a message “Correct” and taken further to the survey. If the number was wrong, participants would receive a message “The number seems to be incorrect, please, count the birds again.”

To summarize, both ads (in the experimental and control conditions) provided participants with similar information about the value proposition of the coffee brand. The manipulation concerned only the framing of the message: participants from the control condition looked at the static, conventional advertisement displaying the message, while participants from the gamified condition interacted with the ad and contributed to constructing the message by participating in a challenge.

During the final stage of the experiment, participants from both groups were asked questions about pro-environmental attitude, behavioral intention and behavior.
Sample

The online experiment was administrated through Amazon Mechanical Turk in June 2017. In total, 163 participants were recruited. Participants, who did not complete the survey, failed the attention check or could not open interactive ads, were excluded from the analysis. The total amount of the participants after cleaning the data was 145. The sample was slightly dominated by male participants – 60 percent male, 38.6 percent female and 1.4 percent identified themselves as “Other gender.” The majority of the participants (65.5 percent) were between 19 and 34 years old. In all, 76.6 percent had either a college degree or some college education.

Measures

We measured environmental attitude by adopting a six-point scale of involvement from Mittal (1995) ($\alpha = 0.966$). Participants were asked whether they perceived the issue of...
diminishing habitats for wildlife as important, of concern, of matter, etc. Pro-environmental behavioral intention was measured by asking participants whether they would like to join a pro-environmental event in their community as a volunteer. Pro-environmental behavior was measured by asking participants how much money they would like to pay for a cup of environmentally friendly coffee. During the analysis of the effect of gamification on the dependent variables, we controlled for personal preference for coffee, frequency of coffee drinking and previous engagement with pro-environmental initiatives.

Results
A measure of perceived gamification (varying from 1 to 7), comprised of dimensions of interactivity, playfulness and game-likeness, was constructed for manipulation check purposes ($\alpha = 0.877$). The analysis of variance confirmed that the manipulation was successful ($M_{\text{control}} = 3.27$, SD = 1.53 vs $M_{\text{gamification}} = 5.78$, SD = 0.98; $F(1, 144) = 131.92$, $p < 0.000$). Participants, who were exposed to the gamified advertisement perceived the ad as being more interactive, playful and game-like in comparison to participants from the control group, exposed to a static advertisement.

Gamification had no effect on environmental attitude ($F(1, 144) = 1.43$, $p = 0.234$), pro-environmental behavioral intention ($F(1, 144) = 0.006$, $p = 0.799$) nor on pro-environmental behavior ($F(1, 144) = 0.57$, $p = 0.451$). However, importantly, the pattern of the results was similar to Study 1: participants from the gamified advertisement condition expressed more concern about the issue of species extinction in comparison to participants from the control condition ($M_{\text{control}} = 5.72$, SD = 1.4 vs $M_{\text{gamification}} = 5.9$, SD = 1.17). Similar to Study 1, the effect of gamification on behavioral intention and behavior was negative. Participants from the gamified condition expressed less interest in joining an environmental event ($M_{\text{control}} = 3.86$, SD = 1.88 vs $M_{\text{gamification}} = 3.76$, SD = 1.93), and were less willing to pay a price premium for a cup of environmentally friendly coffee ($M_{\text{control}} = 121.01$, SD = 96.8 vs $M_{\text{gamification}} = 107.87$, SD = 89.6).

A possible explanation for these insignificant results may be the size of the sample. It is possible that the power of the effect was insufficient due to the fact that there were only 78 participants in the control condition and 67 participants in the experiment condition.

Another possible reason for the lack of statistical significance is the qualitative aspect of gamification. The gamified advertisement did not include any complex game elements, such as, for instance, time pressure. The interaction time with an advertisement was also quite short. In order to account for those shortcomings, the third experiment was designed.

Study 3 – reducing the ecological footprint of food

Study design
Study 3 was designed with the purpose of having a more sophisticated gamification manipulation and to measure the effect of a gamified advertisement on pro-environmental attitude, intention and behavior. The logic of the structural setup in Study 3 was similar to the previous two studies. Study 3 was also designed as an online experiment (to recreate the setting in which gamified ad is delivered in real life: online). Participants were randomly assigned to either a control group that was exposed to a static advertisement, or to an experiment group that was exposed to a gamified advertisement.

The experiment consisted of two stages: during the first stage, participants were asked to review different ads. In the control condition, participants were exposed to a visual stimulus in form of a static advertisement. Participants were asked to follow a link that took them to an external website, where they could see one ad on the web page. Participants were informed that the website had multiple ads and could either keep reviewing the ads by clicking a “Next Ad” button or go back to the survey, by clicking a “Back to Survey” button. The participants were informed that they were free to review as many ads as they wanted.
Each ad presented two different meals: a photo of an environmentally friendly meal framed in green color, and a photo of a meal harmful to the environment framed in a red color. In addition, a textual explanation why certain meals are eco-friendlier than others were provided.

In the experiment condition, participants were exposed to a visual stimulus in the form of a gamified advertisement. They were also asked to follow a link that took them likewise to an external website. They were provided with the following instructions on the external web page: to look at the ad, to choose a meal that was better for the environment, according to their personal judgment. After they made their choice, they received a color-coded feedback. Similar to control condition, a photo of an environmentally friendly meal was framed in green color, whereas a photo of a meal harmful to the environment was framed in red color. Text, clarifying the environmental footprint of each meal, was provided after participants made a choice and was identical to the text in the control condition. Participants were also informed that they could review as many ads as they wanted and they could either keep check the ads or skip the task and go back to the survey (see Figure 3).

As soon as participants from both groups finished reviewing the ads, they proceeded to the second stage of the experiment to answer questions on pro-environmental attitude, behavioral intention and behavior.

Note: The figure presents a non-gamified advertisement (left image) and a gamified advertisement (right image)
Participants were recruited from Amazon Mechanical Turk in November 2017. Responses from 149 participants were registered. Participants who failed to complete the survey or failed the attention check were excluded from the sample. Due to a technical error of the software, responses of two participants turned out to be blank. In addition, participants who reported dietary allergies and/or intolerance were also excluded from the analysis. The final sample for analysis consisted of 126 participants. The sample was slightly dominated by male participants – 55.6 percent male, 43.7 percent female and 0.8 percent identified as “Other gender.” The majority of participants (61.9 percent) were between 20 and 34 years old. In total, 85.7 percent had either a college degree or some college education.

Measures
We measured environmental attitude by adopting an eight-item measure of attitude toward the pollution problems from the Ecology Scale by Maloney et al. (1975). Participants were asked whether they believe that the issue of the environmental footprint is overrated, whether they feel frightened or indifferent about the consequences of pollution, etc. \( \alpha = 0.922 \). To measure behavioral orientation, a variable “future orientation” was constructed from five items \( \alpha = 0.928 \). “Future orientation” measured intentions to buy environmentally friendly food, to eat organic food in the restaurants, to pay attention to eco-friendly food selection in the supermarket, etc. Pro-environmental behavior was measured as willingness to donate money to a certain NGO. Participants were informed that they would receive a 50 cent bonus for completing the survey. They were later asked how much out of those 50 cents they would be willing to donate to a NGO that supports local food producers with sustainable farming techniques. During the analysis of the effect of gamification on dependent variables, we controlled for previous engagement with pro-environmental initiatives.

Results
A measure of perceived gamification (varying from 1 to 7), comprised of dimensions of interactivity, playfulness and game-likeness (similar to Study 2) was constructed for manipulation check purposes \( \alpha = 0.746 \). The manipulation was successful \( M_{\text{control}} = 2.99, \ SD = 1.45 \) vs \( M_{\text{gamification}} = 4.29, \ SD = 1.54 \); \( F (1, 125) = 23.51, \ p < 0.000 \).

Gamification had no effect on environmental attitude \( F (1, 125) = 0.004, \ p = 0.95 \), pro-environmental behavior intention \( F (1, 125) = 1.65, \ p = 0.202 \) and pro-environmental behavior (Pearson’s \( \chi^2 = 0.67, \ p = 0.413 \)). Participants from the control condition expressed slightly more concern for the problem of pollution caused by food production, transportation and recycling in comparison to the participants exposed to the gamified treatment \( M_{\text{control}} = 4.47, \ SD = 1.43 \) vs \( M_{\text{gamification}} = 4.36, \ SD = 1.41 \) \( (M_{\text{con}} = 4.47, \ SD = 1.43) \). The value “future orientation” was also higher in the control group than in the experiment group \( M_{\text{control}} = 4.72, \ SD = 1.41 \) vs \( M_{\text{gamification}} = 4.29, \ SD = 1.58 \). Similarly, participants exposed to the gamified ads were less willing to donate money to the charity in comparison to participants from the control condition.

Similar to Study 2, the effect size and its insignificance could be explained by low number of participants. However, if gamified communications are indeed not more effective than conventional communication tools, both scholar and practitioners should reconsider their optimism regarding gamified communications.

Discussion
This paper aimed at testing the effectiveness of gamification as communicative device to educate stakeholders about CSR and sustainability-related topics. In this pursuit, it is the
first empirical project that establishes the link between gamification and CSR or stakeholder communication. We conducted three experiments for this purpose. Our results suggest that gamified advertisements can have positive, negative or insignificant effects on individual pro-environmental attitude, intention and behavior. Importantly, the overall valence, ambivalence and inconsistency of our results suggests the importance of further theoretical and empirical investigation when and under which conditions gamification is an effective means to engage stakeholders in sustainability-related concerns. In the following, we discuss the results of our three experiments in the light of the existing research.

**Positive effects**

In line with existing research, we initially hypothesized a positive effect of gamification on pro-environmental attitude, intention and behavior, which turned out to be the case only for the measure of attitude in the first experiment. The positive effect of gamification may be explained by the curiosity it sparks toward a communicated issue (Müller-Stewens *et al.*, 2017). Sustainability issues traditionally tend to be, for the most part, communicated in a rather utilitarian format. However, looking at related research such as in consumer behavior, it might be adequate to assume that the interest in ecological, social and governance issues could also be driven, at least among certain stakeholder segments, by additional, more hedonic factors. Gamification might hence serve as a conduit for such motivations. Furthermore, the competitive facets of gamification might bring an otherwise underutilized social dimension to sustainability communication, which corresponds with for instance research by Caruana and Chatzidakis (2014) who painted conscious consumption as a conduit of social bonding, similar to other research in eco-communities that implicitly employ sustainable consumption practices to cement relationships (Alba and Williams, 2013; Etzioni, 1999; Kozinets, 2002).

Next to the social aspect, Schaefer and Crane (2005) identified the element of exploration as a motivation to buy organic products. Some sustainable forms of consumption, as well as getting involved in the overall lifestyle of being interested and contributing to sustainability may fulfill certain hedonic motives such as aesthetic, experiential and enjoyment-related benefits (Batra and Ahtola, 1991; Chitturi *et al.*, 2007; Dhar and Wertenbroch, 2000; Strahilevitz and Myers, 1998). Associated with hedonic experiential behaviors is the desire to be entertained, have fun and to be immersed in the experience (Wolfingbarger and Gilly, 2001), which may be further conduit why gamified experiences might exert positive effects on attitudes, intentions and behaviors.

**Negative effects**

Our study further reveals negative effects: the gamification of the survey had a negative effect on participants’ willingness to learn more about an environmental issue of deforestation. Participants from the gamified survey condition were also less likely to donate money to a NGO. The negative effect of gamification could be an indicator for a “depleting” nature of play. Interacting with playful environments requires certain cognitive resources to navigate the environment of play. Respondents may believe that by engaging with information and stimuli about pro-environmental initiatives, they might have already exhausted their interest with the topic. A number of studies from psychology suggest that when individuals exercise too much self-control (e.g. when making choices, controlling an environment or initiating an action), their energy, available to self, decreases (Ryan and Deci, 2008). Individuals get into the state of depletion that resembles cognitive tiredness. Under such conditions, people may engage in hedonic rather than rational behaviors (Baumeister *et al.*, 2008), or as in the case of gamification, they may develop feelings of indifference toward the subject of pro-environmental campaigns.
Alternatively, gamification itself as a tool may not be appropriate to construct messages of serious content. Gamification has to be congruent with the task and context to be successfully implemented (Liu et al., 2016). Environmental problems are those serious issues that many companies, governments and civic society members try to resolve. Environmental challenges have proved to be detrimental to people’s comfort, well-being and safety. Therefore, incorporating the elements of playfulness and interactivity into communication about environmental challenges may trivialize the significance of these challenges and, as a result, undermine the effectiveness of communication.

*Insignificant effects*

The partial insignificance of our results may be explained by the nature of the experimental method and stimulus design. We intended to create experiment conditions, close to laboratory conditions and therefore created three experiments with gamified stimuli that were core to the experimental procedure. Our focus on gamification stimuli, rather than on a background story, may to a degree explain the ineffectiveness of gamification. In fact, the observed ineffectiveness of gamification might also be explained by the fact that one of the most challenging aspects of implementing gamification is to design a gamified experience in a way that would support the main activity (Knaving and Björk, 2013). The three experiments presented in this paper relied on gamified messages that might have been considered outside of real, believable contexts, which, in turn, might have diminished the effect of the manipulation.

Finally, as we previously suggested, the insignificance of the results might be explained by a low number of participants within each experimental and control conditions. Indeed, some of the experimental studies that have been discussed in the literature review of our paper used between 80 and 900 observations per condition. We have followed a common recommendation of selecting at least 30 participants per condition (VanVoorhis and Morgan, 2007) in sample. However, our number of participants may not have been sufficient to ensure the significance of gamification effect.

**Conclusion**

Despite the ambivalence of the results, we argue that the present research adds new insights to literature both on CSR communications and on gamification research.

In the domain of CSR communications, to our knowledge, this paper is one of the first empirical studies to add to the debate of implementing gamification in sustainability messaging. Second, the results obtained from the three experiments question initial, optimistic views on the relevance of gamification for CSR or stakeholder communication (Coombs and Holladay, 2015). Gamification could likewise be a form of slacktivism, a phenomenon that describes engagement with issues such as sustainability via online media, without making any tangible impact on solving those issues in real life (de Bakker, 2015; Morozov, 2009).

We further add to the gamification literature by developing a robust manipulation of gamification and empirically testing it in three different experiments. We show that the robustness of manipulation may explain that gamification in itself may have a small or insignificant effect on attitudes, intentions and behaviors. Aligned, on a practical note, we propose that the proper contextualization of gamification may be a key requirement for gamification to be effective. We deem it highly important that the game, its narrative and mechanics are closely connected to the activity the user was intending to perform in the first place. In other words, it is likely that controlled experimental settings might underreport gamification’s effectiveness for cases where participants were not actively looking for sustainability information in the first place. A fairer comparison would be between users that are already actively engaged in a very focused, sustainability-related activity such as, for instance, online shopping for organic food.
In such scenarios, however, the gamified experience should not only align closely with the ends the user wants to achieve, but we furthermore propose that the gamified elements should be as unobtrusive as possible. Currently, gamified experiences are still novel, hence there could be an over-reporting of their effectiveness as long as consumers are still curious about such a novelty. With more exposure, we deem it likely that the novelty of gamification wears off (see also Koivisto and Hamari (2014)). At least the more attention demanding gamification implementations then could lose their effectiveness, particularly, when they impact convenience of interacting with a message, product or service. Hence, the implementation should require as little extra effort as possible.

Our findings illustrate that gamification may not be a suitable tool to educate individuals about sustainability challenges. The results of the first experiment (with a gamified vs non-gamified survey) showed that the gamification of information presentation sparked less interest in individuals than conventional framing. In particular, our respondents showed less interest in learning more about the environmental issue of deforestation. They also expressed more reluctance to donate to a NGO. Such increased indifference to an environmental issue among people exposed to gamification is an indication that the potential of gamification to increase retention of communication is questionable. Gamification of information may shift individual’s focus from the topic to an experiential component of play and exhaust individual’s interest in the topic. Alternatively, the element of fun associated with gamification may seem incongruent to the topic of sustainability. Different groups of stakeholders may find it inappropriate to implement playful and interactive design for communication about issues of sustainability. Such incongruence may affect information retention and result in “mixed feelings” about the topic. These considerations imply that intention to educate people about sustainability issues by implementing gamification in communications may be a fruitless attempt.

Finally, at least in our experimental conceptualizations, there is some inherent contradiction between the more ego-driven hedonic principle and asking users to consider the greater-good – that is winning, in order to give the spoils of the game away. It is challenging to design the reward system just right, so that it works to the player’s benefit while not making him unobservant of the bigger picture.

The results thus suggest that more empirical research is needed in the context of gamification in general, and gamified sustainability communications in particular. Future research could profit from robust gamification manipulations while developing more complex experimental designs. More research is also needed to address the issues of appropriateness of using gamification in communicating the issues of sustainability and eco-friendliness. One important and unexplored qualification has to be added to our results, which might explain the ambivalent results of gamifying CSR communication. We did not distinguish between those that have an inherent exposure and liking for gaming and the states that come with this, such as, for instance, a higher preference for competitiveness, or a higher acceptance for audiovisual cues. It could very well be that people that dislike the states inherent in gamified approaches might be turned off from the underlying message. It would be interesting for future research to untangle these possible underlying explanatory variables more, and to explore the then possibly emerging practical challenge: if gamified CSR communication might be suitable for some audiences but not for others, how to address the right audience via the right instrument.

Note

1. The data for behavioral intention were in parallel analyzed by means of linear regression. The measure of interest was treated as a continuous variable, varying from 1 to 5, and the results obtained by the method of linear regression were convergent with the result from the fractional probit regression model.
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Corresponding author
Christian Fieseler can be contacted at: christian.fieseler@bi.no

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How different CSR dimensions impact organization-employee relationships

The moderating role of CSR-culture fit

Zifei Fay Chen
University of San Francisco, San Francisco, California, USA
Cheng Hong
Virginia Commonwealth University, Richmond, Virginia, USA, and
Aurora Occa
University of Kentucky, Lexington, USA

Abstract
Purpose – Drawing on interdisciplinary insights from stakeholder theory, relationship management and organizational justice, the purpose of this paper is to examine corporate social responsibility (CSR) from an internal and relational perspective. Specifically, it examines the effects of CSR in overall as well as the discretionary, ethical, legal and economic CSR dimensions on organization–employee relationships, respectively. The moderating role of employees’ perceived CSR-culture fit on these effects was also explored.

Design/methodology/approach – An online survey was conducted with 303 participants from the USA who were full-time employees at for-profit organizations.

Findings – Results indicate that CSR performance in overall positively influences organization–employee relationships, and such effect is amplified as employees’ perceived CSR-culture fit increases. Discretionary and ethical CSR positively influence organization–employee relationships, but perceived CSR-culture fit only amplifies the influence from ethical CSR. For legal and economic CSR, the effects on organization–employee relationships are only significant when perceived CSR-culture fit is high.

Research limitations/implications – This study extends the body of knowledge of CSR and internal relationship management. However, the limitations regarding the factors from culture, business sectors and organizational setting should be addressed in future studies through both quantitative and qualitative approaches.

Originality/value – This study provides a comprehensive understanding of the effects from four different CSR dimensions on organization–employee relationships as well as how such effects were moderated by employees’ perceived CSR-culture fit. Integrating interdisciplinary theoretical frameworks, this study offers insights for corporate communications and public relations professionals on how to effectively build and cultivate relationships with employees through different dimensions of CSR.

Keywords Corporate social responsibility, CSR-culture fit, Organization-employee relationships

Paper type Research paper

Corporate social responsibility (CSR) has attracted growing scholarly attention in the fields of corporate communications, public relations, advertising and marketing (Kim, 2011). Rooted in stakeholder theory (Carroll, 1991; Freeman, 1984), CSR addresses a company’s long-term value through its relationships with various stakeholders including customers, investors and employees (Wheeler and Sillanpää, 1997). However, to date, most existing research on CSR has focused on external stakeholders, especially customers or consumers (e.g. Brown and Dacin, 1997; Kim, 2011; Schmelz, 2012; Sen and Bhattacharya, 2001). Except for some studies in the areas of management and organizational behavior (e.g. Aguilera et al., 2007; Lee et al., 2013), the impact of CSR on organizations’ internal climates and stakeholders such as employees has been relatively understudied (Dhanesh, 2012). Such contrast is problematic because employees, as a salient stakeholder group, have the power and legitimacy to influence their companies (Greenwood, 2007), and can perform as credible spokespersons for companies and brands (Men and Stacks, 2013). Research evidence from
the industry also supported the importance of engaging employees through CSR. In the Millennial Employee Engagement Study, Cone Communications (2016) found that 75 percent of millennial employees surveyed were willing to take a pay cut to work for a responsible company and 88 percent claimed to have more fulfilling jobs if they were provided opportunities to make a positive impact.

To ethically engage employees and drive organizational justice, more focus on employees is called for in CSR research (Aguilera et al., 2007; May, 2008). Following this call, Dhanesh (2012, 2014) examined the influence of CSR on employees’ commitment and relational outcomes. The empirical evidence from information technology companies in India illustrated the effect of CSR on organization–employee relationships (Dhanesh, 2014), suggesting that social responsibility should be incorporated as a relationship management strategy (Kelly, 2001; Waters, 2009) from the internal perspective. Dhanesh’s (2012, 2014) work helped lay the ground for further investigation of CSR from an internal and relational perspective, yet gaps still exist in current literature. First, the definition and operationalization of CSR in academic research is yet to be consolidated. While some studies consider CSR as companies’ effort to fulfill perceived obligations from various stakeholders and society at large (e.g. Coombs and Holladay, 2012), some regard CSR as activities that companies facilitate in order to build better organizational image and drive financial gains (Drucker, 1984). Such inconsistency makes it difficult to understand and interpret the impact of CSR. Moreover, merely focusing on image-oriented and monetary-driven outcomes can be problematic for ethical stakeholder engagement as such perceptions are not set for the long-term values. Second, from an internal perspective, very few studies have taken into consideration the role of perceived fit in CSR research. To examine the specific situations under which CSR initiatives are effective, a considerable amount of scholarly attention has been paid to the effects of perceived fit, yet most studies on this revolve around the cause-brand fit for consumers (e.g. Bigné-Alcañiz et al., 2012; Sen and Bhattacharya, 2001). As an important factor that influences the effects of CSR, the congruence between corporate culture and CSR should also be examined from the internal perspective (Lee et al., 2013).

To fill the aforementioned gaps and drawing on interdisciplinary insights from stakeholder theory, relationship management and organizational justice, this study adopts Carroll’s (1991) comprehensive definition of CSR and sets out to examine the effects of CSR and specifically, four different CSR dimensions (i.e. discretionary, ethical, legal and economic) on organization–employee relationships. It also incorporates employees’ perceived CSR-culture fit as a potential moderator of these effects. Findings from this study can help extend the body of knowledge of CSR from an internal and relational perspective, and can help provide practical guidelines for corporations to effectively build, nurture and maintain relationships with employees through CSR.

Literature review

CSR and the stakeholder theory

CSR can be broadly conceptualized as companies’ commitment to benefit the welfare of society and the activities conducted (i.e. doing good) to meet perceived society obligations (Brown and Dacin, 1997; Davis and Blomstrom, 1975; Sen and Bhattacharya, 2001). However, specifically, different focuses and definitions of CSR exist in previous studies. According to Dhanesh (2014), the myriad definitions can be categorized into two major categories. The first considers CSR as a resource designated to increase companies’ profits and financial gains (e.g. Drucker, 1984), whereas the second considers CSR as corporations’ obligations to the values and objectives of society at large (Dhanesh, 2012, 2014).

To consolidate the different perspectives and the economic and social orientations, Carroll (1991) proposed a comprehensive definition of CSR that embodies a four-part conceptualization. A pyramid of CSR was therefore introduced to portray the four components of CSR (Carroll, 1991). The economic responsibility is the basic building block
and refers to a company's ability to be profitable. The next level is businesses' legal responsibility that refers to the expectations for a company to obey the law and to "play by the rules of the game" (Carroll, 1991, p. 42). The third level is businesses' ethical responsibility that addresses the importance for a company to respect and adapt to the ethical norms and expectations from society. Finally, the discretionary/philanthropic responsibility refers to a company's responses to the societal expectations of being a good citizen (Carroll, 1991; Dhanesh, 2014).

This study follows Carroll's (1991) definition of CSR that encompasses the four different dimensions for two primary reasons. First, Carroll's (1991) definition of CSR has been adopted in previous studies from internal perspectives (e.g. Dhanesh, 2012, 2014). Second, this definition is based on stakeholder theory, a foundation that necessitates research on CSR from the internal perspective. A stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984, p. 46). The stakeholder theory stresses on the importance of addressing interests from a broad set of stakeholders, rather than merely shareholders (Freeman, 1984). This emphasis calls for adaptation of a holistic view of CSR that incorporates different dimensions of responsibilities into a firm's core operations (Argenti, 2013; Werther and Chandler, 2011).

In the conceptualization of the CSR pyramid, Carroll (1991) pointed out that stakeholder theory help delineate the "societal members who are most urgent to businesses, and to whom it must be responsive" (p. 43). As an important group of stakeholders, employees who are in good relationships with their organizations are more likely to establish positive performance (Kim and Rhee, 2011) and can become the driving force to create advocacy at scale to build the authentic enterprise (Arthur W. Page Society, 2007). As such, employees bare the legitimacy and power to influence organization’s decision making. Therefore, it is important to examine the impact of different CSR dimensions as identified in Carroll's (1991) pyramid from an internal perspective focusing on employee stakeholders.

CSR and organization–employee relationships: the mechanism of organizational justice

Resonating with the stakeholder theory, the relationship management theory in public relations addresses the essence of public relations efforts that take into account the functions and values both within the organization and the society at large (Ledingham and Bruning, 2000). The concept of strategic publics in public relations literature (e.g. Hon and Grunig, 1999) is similar to that of stakeholders in management literature (Dhanesh, 2012). Specifically, employees are a strategic public that merit attention from both the academy and the profession for organizations to cultivate positive relationships with (Men and Stacks, 2014).

Under the relationship management paradigm, public relations scholars have proposed an important construct – organization–public relationships (OPR). OPR is defined as "the pattern of interaction, transaction, exchange, and linkage between an organization and its publics" (Broom et al., 2000, p. 18). To measure OPR, Hon and Grunig (1999) created a scale that consists of control mutuality, trust, commitment and satisfaction. Control mutuality emphasizes on “the rightful power to influence one another” (Hon and Grunig, 1999, p. 3) and refers to the extent to which parties agree on that. Trust refers to the confidence and willingness of relating parties to open to one another. Commitment refers to the extent to which the relationship is felt worth maintaining and promoting. Satisfaction refers to the level of favorable feelings. This scale has been validated and widely adopted to measure OPR in previous studies under different organizations contexts and with various strategic publics (e.g. Dhanesh, 2014; Li and Li, 2014; Men and Stacks, 2014; Seltzer et al., 2012). This study adopts this measure and follows Men (2014) and Men and Stacks (2014) by operationalizing organization–employee relationships as the extent to which control mutuality, trust, commitment and satisfaction are obtained between an organization and its employees.
Although previous studies have identified various antecedents of positive organization–employee relationships, the influence of CSR on internal relationship building still remains understudied (Dhanesh, 2014). This study draws insights from organizational justice to examine the impact of CSR on organization–employee relationships. Organizational justice literature posits that employees’ attitude and behavior toward organizations are impacted by their perception of the fairness in organizational actions (Cropanzano et al., 2001; Rupp et al., 2006). An organization’s CSR performance, in this regard, provides heuristic cues through which employees evaluate their employers’ fairness (Aguilera et al., 2007). Fairer perception of organizational behavior would lead to more positive attitude and behavior among employees (Rupp et al., 2006). Previous studies revealed positive impact of perceived company CSR performance on employees’ organizational identification (Carmeli et al., 2007), commitment (Collier and Esteban, 2007; Dhanesh, 2012), engagement (Glavas and Piderit, 2009) and job satisfaction (Vlachos et al., 2013). In addition, companies’ CSR efforts may be seen as “in-house” justice judgments for employees to build trust with their employers (Rupp, 2011). As fairer organizational processes help lead to more accurate prediction of organizational actions, higher perception of CSR performance can also positively influence employees’ instrumental motive as their need for control is met (Aguilera et al., 2007; Rupp, 2011). Based on the mechanism of organizational justice, it can be inferred that employees’ perception of companies’ CSR performance helps lead to more positive commitment, trust, satisfaction and control mutuality with their companies, resulting in better organization–employee relationships:

**H1.** Employees’ judgment of companies’ CSR performance positively influences organization–employee relationships.

However, as CSR encompasses multiple dimensions, the overall influence of CSR performance on organization–employee relationships may over-simplify such effects. Dhanesh (2012) found that different dimensions of CSR had varied effects on employees’ organizational commitment. Yet to date few studies have investigated the specific effects from different CSR dimensions. This study thus takes a step further to seek the effects from discretionary, ethical, legal and economic CSR on organization–employee relationships:

**RQ1.** How do employees’ perceptions of companies’ a) discretionary, b) ethical, c) legal, and d) economic CSR influence organization–employee relationships?

**Perceived fit between CSR and corporate culture**

Previous research has generally shown the positive impact of CSR on various stakeholders’ attitudinal and behavioral outcomes, but such positive impact does not always pertain under certain conditions (Chen et al., 2017; Sen and Bhattacharya, 2001). Studies suggest that the effects of CSR may be further influenced by many factors, such as stakeholders’ belief in CSR, perceived importance of the CSR cause, and perceived CSR fit (e.g. Du et al., 2010; Sen and Bhattacharya, 2001). Among these factors, the role of perceived fit has drawn a considerable scholarly attention. Perceived fit refers to the transferability and compatibility among different domains (Sen and Bhattacharya, 2001). Empirical evidence from previous studies show that CSR fit serves as a moderator between CSR initiatives and stakeholders’ responses. When consumers perceive high cause-brand fit, positive influence of CSR associations on the formation of brand attitude can be amplified (e.g. Bigné-Alcañiz et al., 2012; Menon and Kahn, 2003). However, research on the moderation effect of perceived fit is still lacking from the internal perspective.

Focusing on employees’ perceived fit, Lee et al. (2013) pointed out that the alignment of an organization’s strategy and culture is a key concern in building corporate brand
This study follows Lee et al. (2013) and specifically focuses on the moderating role of employees’ perceived fit between CSR and corporate culture. The perceived CSR-culture fit is operationalized as “the extent to which people believe that CSR activities are congruent with the culture of the organization or corporation” (Lee et al., 2013, p. 1717).

Although employees and consumers are different stakeholder groups, they both go through the cognitive attribution process after learning CSR initiatives (Bögel, 2015; Du et al., 2010; Haley, 1996; Menon and Kahn, 2003). People would initially attribute CSR initiatives to intrinsic motives of the company (e.g. value and culture); after that, if they engage in more elaboration of the information, they may change decisions by attributing such CSR initiatives to extrinsic motives (e.g. financial motivation) (Du et al., 2010). When there exists higher incongruence between a company’s CSR activities and corporate culture, people are more likely to experience elaborated processing of the information. Low CSR-culture fit, in this regard, would result in attribution of CSR to more extrinsic and self-serving motives (Du et al., 2010), whereas high CSR-culture fit is more likely to enhance employees’ commitment and engagement with the organization (Chong, 2009; Lee et al., 2013). Therefore:

**H2.** Employees’ perceived CSR-culture fit moderates the effects of their judgment of companies’ CSR performance on organization–employee relationships; such effect would be amplified as perceived CSR-culture fit increases.

Since CSR encompasses different dimensions which may have varied effects on organization–employee relationships, the second research question is asked to further investigate how employees’ perceived CSR-culture fit moderates the effects from different CSR dimensions:

**RQ2.** How does employees’ perceived CSR-culture fit moderate the effects of a) discretionary, b) ethical, c) legal, and d) economic CSR on organization–employee relationships?

To consolidate the proposed hypotheses and research questions and further elucidate their inter-relationships, the conceptual model being examined in this study is depicted in Figure 1.
Method

Data collection
Quantitative survey method was used to test the proposed hypotheses and answer the research questions. An online survey questionnaire was created using the survey software Qualtrics and the survey link was distributed through Amazon Mechanical Turk (MTurk). On MTurk, requesters are able to recruit participants by posting human intelligence tasks (HITs) when paying a small amount of monetary incentives. Requesters on MTurk are allowed to approve or reject a specific HIT based on its quality. For this survey, a randomly generated code was prompted upon completion of the survey to verify participation and offer small incentives. MTurk has been regarded as a new source to obtain high-quality yet inexpensive data for social sciences research (Buhrmester et al., 2011). Studies have suggested similarities between MTurk and traditional samples (Buhrmester et al., 2011; Goodman et al., 2013; Mason and Suri, 2012). Previous studies have used traditional samples recruited through sampling firms to examine internal communication (e.g., Men, 2014; Men and Stacks, 2014). To obtain data with better quality on MTurk, the use of screening questions and attention checks are recommended (Goodman et al., 2013). Therefore, the sample obtained through MTurk after applying the screening criteria and attention checks was deemed appropriate for this study.

Inclusion and exclusion criteria. Previous scholars suggested the adoption of 90 percent and above approval rate of tasks done by MTurk workers for behavioral research (Mason and Suri, 2012). This study requested an approval rate of 95 percent and above from workers, and restricted location to be only in the USA. A brief screening questionnaire was used to determine participants’ eligibility for the main study. Four criteria were used for screening purposes: participants had to be employed at the time of the survey, participants had to be full-time employees, they had to be employed by for-profit organizations and the organizations had to have more than 50 employees. One attention check question was included. A total of 670 participants were initially recruited. After filtering through the above-mentioned screening criteria and attention check question, a final sample of 303 participants were retained.

Participants
Among the 303 participants included in the final sample, 114 (37.6 percent) were female and 189 (62.4 percent) were male. The average age was 32.88 (SD = 10.44), and the average tenure for current employment is 5.49 years (SD = 4.858). The majority of the participants held a bachelor’s degree (50.8 percent), worked in a non-management position (50.2 percent), and had an annual income of below $50,000 (54.8 percent). Participants were from various industry types and business sectors such as technology, finance, entertainment, healthcare and consumer products.

Measures
All measures of the key constructs included in the study were adapted from previous research and were measured based seven-point Likert-type scales ranging from “strongly disagree” to “strongly agree.” The measure of employees’ perception of their companies’ CSR performance consisted of 21 items and was adapted from Maignan and Ferrell (2000) and Dhanesh (2014) (α = 0.93). Four dimensions were included: discretionary CSR (α = 0.90), ethical CSR (α = 0.86), legal CSR measured (α = 0.83) and economic CSR (α = 0.70).

The measure of organization–employee relationships was adapted from Hon and Grunig (1999) and consisted of 21 items in total (α = 0.97). It contained four dimensions: control mutuality (α = 0.76), trust (α = 0.92), commitment (α = 0.94) and satisfaction (α = 0.96).

Perceived CSR-culture fit was measured by four items adapted from Cable and DeRue (2002) such as “my company’s CSR activities are relevant to our corporate culture”
(α = 0.94). Several factors that may affect the organization–employee relationships were controlled in this study, including years of tenure in the company, age, income and current position held.

**Results**

To answer the proposed hypotheses and research questions, a series of hierarchical multiple regressions were analyzed. Mean centering was used to minimize the collinearity problem in multiple regressions. See Table I for means and standard deviations (before mean centering), as well as Cronbach’s α of CSR performance, organization–employee relationships and perceived fit constructs.

**Overall CSR influence on organization–employee relationships**

The two hypotheses proposed the effect from employees’ overall judgment of companies’ CSR performance on organization–employee relationships and the moderating role of perceived CSR-culture fit. Hierarchical regression was employed to test the hypotheses. In the first model, the dependent variable was regressed onto the control variables (i.e. years of tenure in the current company, age, income, and current position held), which accounted for a significant amount of variance in organization–employee relationships, ΔR² = 0.062, F(6, 289) = 3.19, p = 0.005. In the second model, the dependent variable was regressed onto control variables, CSR performance with four dimensions combined, perceived CSR-culture fit and the interaction term of overall CSR performance and perceived CSR-culture fit. The second model accounted for a significant additional 45.7 percent of the variance, ΔR² = 0.457, F(3, 286) = 90.69, p < 0.001. Employees’ judgment of companies’ overall CSR performance significantly predicted organization–employee relationships, β = 0.563, t = 9.96, p < 0.001. H1 was supported. In addition, the interaction of overall CSR performance and perceived CSR-culture fit was also significant, β = 0.087, t = 2.25, p = 0.025, indicating that perceived fit acts as a moderator for the effect of CSR performance on organization–employee relationships. The positive effect of CSR performance is amplified as perceived CSR-culture fit increases. H2 was supported. To further demonstrate the interaction pattern, Figure 2 was plotted. One standard deviation above and below the mean was used to depict high and low perceptions of CSR performance and fit.

**The impact from different CSR dimensions**

To examine the impact of different CSR dimensions on organization–employee relationships and how perceived CSR-culture fit moderates the effect from each dimension, a series of hierarchical regression models were tested, focusing on each CSR dimension. In each set of the models, the focal CSR dimension, perceived CSR-culture fit, as well as their interaction were tested after controlling for the control variables and other dimensions.

**Discretionary CSR.** The hierarchical regression models were tested to examine the impact of discretionary CSR on organization–employee relationships (RQ1a) and how perceived CSR-culture fit moderates this effect (RQ2a). In the base model, the dependent variable was regressed onto the control variables. In the second model, the dependent variable was regressed onto the control variables and ethical, legal, and economic CSR dimensions, which accounted for an additional 37 percent of the variance, ΔR² = 0.370, F(3, 286) = 61.97, p < 0.001. In the third model, discretionary CSR, perceived CSR-culture fit, and their interaction term were added, which accounted for a significant additional 9.8 percent of the variance, ΔR² = 0.098, F(3, 283) = 19.72, p < 0.001. Discretionary CSR significantly influenced organization–employee relationships, β = 0.344, t = 5.87, p < 0.001. But the interaction between discretionary CSR and perceived CSR-culture fit was not significant, β = 0.049, t = 1.34, p = 0.181, indicating there is no moderation effect.
<table>
<thead>
<tr>
<th>Constructs and items</th>
<th>Mean</th>
<th>SD</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall CSR performance</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Discretionary CSR</td>
<td>0.93</td>
<td></td>
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</tr>
<tr>
<td>Overall CSR performance</td>
<td>0.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This company gives adequate contribution to charities</td>
<td>4.87</td>
<td>1.65</td>
<td></td>
</tr>
<tr>
<td>This company supports private and/or public educational institutions</td>
<td>4.63</td>
<td>1.64</td>
<td></td>
</tr>
<tr>
<td>This company has a program in place to reduce the amount of energy and materials wasted in its business</td>
<td>4.60</td>
<td>1.68</td>
<td></td>
</tr>
<tr>
<td>This company participates in activities that aim to protect and/or improve the quality of the natural environment</td>
<td>4.48</td>
<td>1.69</td>
<td></td>
</tr>
<tr>
<td>This company encourages partnerships with local businesses</td>
<td>4.71</td>
<td>1.64</td>
<td></td>
</tr>
<tr>
<td>This company implements special programs to minimize its negative impact on the natural environment</td>
<td>4.47</td>
<td>1.65</td>
<td></td>
</tr>
<tr>
<td>This company supports employees who acquire additional education</td>
<td>5.05</td>
<td>1.64</td>
<td></td>
</tr>
<tr>
<td>This company has flexible policies that enable employees to better co-ordinate work and personal life</td>
<td>4.84</td>
<td>1.64</td>
<td></td>
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<tr>
<td><strong>Ethical CSR</strong></td>
<td>0.86</td>
<td></td>
<td></td>
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<tr>
<td>Ethical CSR</td>
<td>0.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This company has a comprehensive code of conduct</td>
<td>5.61</td>
<td>1.29</td>
<td></td>
</tr>
<tr>
<td>This company is recognized as a trustworthy company</td>
<td>5.55</td>
<td>1.34</td>
<td></td>
</tr>
<tr>
<td>In this company, fairness toward co-workers and/or business partners is an integral part of the employee evaluation process</td>
<td>5.29</td>
<td>1.48</td>
<td></td>
</tr>
<tr>
<td>The salespersons and employees of this company are required to provide full and accurate information to all customers</td>
<td>5.50</td>
<td>1.40</td>
<td></td>
</tr>
<tr>
<td>This company has a confidential procedure in place for employees to report any misconduct at work</td>
<td>5.45</td>
<td>1.41</td>
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</tr>
<tr>
<td><strong>Legal CSR</strong></td>
<td>0.70</td>
<td></td>
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<tr>
<td>Legal CSR</td>
<td>0.70</td>
<td></td>
<td></td>
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<tr>
<td>This company seeks to comply with all laws regulating hiring and employee benefits</td>
<td>5.87</td>
<td>1.14</td>
<td></td>
</tr>
<tr>
<td>This company has internal policies that prevent discrimination in employees' compensation and promotion</td>
<td>5.53</td>
<td>1.38</td>
<td></td>
</tr>
<tr>
<td>The managers of this company try to comply with the law</td>
<td>5.80</td>
<td>1.23</td>
<td></td>
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<tr>
<td>This company has programs that encourage the diversity of its workforce</td>
<td>5.32</td>
<td>1.43</td>
<td></td>
</tr>
<tr>
<td><strong>Economic CSR</strong></td>
<td>0.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic CSR</td>
<td>0.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This company has been successful at maximizing its profits</td>
<td>5.59</td>
<td>1.21</td>
<td></td>
</tr>
<tr>
<td>This company strives to lower its operating costs</td>
<td>5.72</td>
<td>1.20</td>
<td></td>
</tr>
<tr>
<td>The top management of this company establishes long-term strategies for the business</td>
<td>5.61</td>
<td>1.21</td>
<td></td>
</tr>
<tr>
<td>This company closely monitors employees' productivity</td>
<td>5.52</td>
<td>1.32</td>
<td></td>
</tr>
<tr>
<td><strong>Organization–employee relationships</strong></td>
<td>0.97</td>
<td></td>
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</tr>
<tr>
<td>Organization–employee relationships</td>
<td>0.97</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This company and I are attentive to what each other say</td>
<td>4.78</td>
<td>1.54</td>
<td></td>
</tr>
<tr>
<td>This organization believes my opinions are legitimate</td>
<td>4.88</td>
<td>1.55</td>
<td></td>
</tr>
<tr>
<td>In dealing with me, this company has a tendency to throw its weight around</td>
<td>4.14</td>
<td>1.63</td>
<td></td>
</tr>
<tr>
<td>This company really listens to what I have to say</td>
<td>4.57</td>
<td>1.59</td>
<td></td>
</tr>
<tr>
<td>This company really listens to what I have to say</td>
<td>4.45</td>
<td>1.70</td>
<td></td>
</tr>
<tr>
<td><strong>Trust</strong></td>
<td>0.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>0.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This company treats me fairly and justly</td>
<td>5.23</td>
<td>1.45</td>
<td></td>
</tr>
<tr>
<td>Whenever this company makes an important decision, I know it will be concerned about me</td>
<td>4.36</td>
<td>1.74</td>
<td></td>
</tr>
<tr>
<td>This company can be relied on to keep its promises</td>
<td>4.93</td>
<td>1.58</td>
<td></td>
</tr>
<tr>
<td>I believe that this company takes my opinions into account when making decisions</td>
<td>4.42</td>
<td>1.75</td>
<td></td>
</tr>
<tr>
<td>I feel very confident about this company's skills</td>
<td>5.15</td>
<td>1.50</td>
<td></td>
</tr>
<tr>
<td>This company has the ability to accomplish what it says it will do</td>
<td>5.40</td>
<td>1.36</td>
<td></td>
</tr>
<tr>
<td><strong>Commitment</strong></td>
<td>0.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td>0.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel that this company is trying to maintain a long-term commitment to me</td>
<td>4.65</td>
<td>1.69</td>
<td></td>
</tr>
<tr>
<td>I can see that this company wants to maintain a relationship with me</td>
<td>4.74</td>
<td>1.69</td>
<td></td>
</tr>
<tr>
<td>There is a long-lasting bond between this company and me</td>
<td>4.59</td>
<td>1.75</td>
<td></td>
</tr>
<tr>
<td>Compared to other organizations, I value my relationship with this company more</td>
<td>4.76</td>
<td>1.76</td>
<td></td>
</tr>
<tr>
<td>I would rather work together with this company than not</td>
<td>5.17</td>
<td>1.55</td>
<td></td>
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</tbody>
</table>

Table 1. Means, standard deviations, and Cronbach’s α of CSR, employee–organization relationships and perceived fit constructs
Ethical CSR. Similar steps of the hierarchical multiple regressions were employed to examine the effects of ethical CSR on organization–employee relationships (RQ1b) and how perceived CSR-culture fit moderates this effect (RQ2b). Ethical CSR, perceived CSR-culture fit, and their interaction in total accounted for a significant additional 5.4 percent of the variance, after controlling for the control variables and the other three CSR dimensions (i.e. discretionary, legal and economic), \( \Delta R^2 = 0.054, F (3, 283) = 11.02, p < 0.001 \). Ethical CSR significantly influenced organization–employee relationships, \( \beta = 0.333, t = 4.37, p < 0.001 \). In addition, the interaction term of ethical CSR and perceived CSR-culture fit was also significant, \( \beta = 0.080, t = 2.20, p = 0.029 \), indicating a moderating effect. As perceived CSR-culture fit increases, the impact of ethical CSR on organization–employee relationships is amplified. Figure 3 shows the interaction effect following similar plotting procedures for Figure 2.

Legal CSR. Hierarchical regression models were tested to examine the effects of legal CSR on organization–employee relationships (RQ1c) and how perceived CSR-culture fit moderates this effect (RQ2c). Legal CSR, perceived CSR-culture fit, and their interaction term in total accounted for a significant additional 2.5 percent of the variance, after controlling for the control variables and the other three CSR dimensions (i.e. discretionary, ethical and economic), \( \Delta R^2 = 0.025, F (3, 283) = 5.07, p = 0.002 \). Legal CSR performance did
not significantly influence organization–employee relationships, $\beta = 0.049$, $t = 0.633$, $p = 0.528$. However, the interaction of legal CSR and perceived CSR-culture fit was significant, $\beta = 0.118$, $t = 2.95$, $p = 0.003$, indicating that perceived CSR-culture fit acts as a moderator for the effect of legal CSR performance on organization–employee relationships. This moderation indicated that legal CSR only became effective on enhancing organization–employee relationships when perceived CSR-culture fit was high (see Figure 4 plotted using similar procedures for the interaction effect).

**Economic CSR.** Finally, the effects of economic CSR on organization–employee relationships (RQ1d) and the moderation of perceived CSR-culture fit on this effect (RQ2d) were tested. Economic CSR performance, perceived fit and their interaction in total accounted for a significant additional 1.8 percent of the variance, after controlling for the control variables and the other three CSR dimensions (i.e. discretionary, ethical and legal), $\Delta R^2 = 0.018$, $F(3, 283) = 5.07$, $p = 0.012$. Economic CSR performance did not significantly influence organization–employee relationships, $\beta = 0.023$, $t = 0.419$, $p = 0.676$. However, the interaction between economic CSR and perceived CSR-culture fit was significant, $\beta = 0.091$, $t = 2.15$, $p = 0.032$, qualifying the moderating effect. Similar to that of legal
CSR, this moderation indicated that economic CSR was only effective on improving organization–employee relationships when perceived CSR-culture fit was high (see Figure 5 plotted using similar procedures for the interaction effect).

Discussion
This study examines CSR from the internal and relationship management perspectives and provides empirical support for social responsibility to be incorporated by corporations to build and nurture organization–employee relationships (Dhanesh, 2014; Kelly, 2001). Drawing on interdisciplinary theoretical insights from stakeholder theory, relationship management and organizational justice, it advances understanding of CSR from an internal perspective and helps address the effects from different CSR dimensions on organization–employee relationships. Furthermore, by incorporating employees’ perceived CSR-culture fit into this framework, this study offers insights regarding the situations under which discretionary, ethical, legal and economic CSR may or may not work in cultivating relationships with employees.

Consistent with previous findings regarding the positive influence of CSR on employees’ attitudinal and behavioral outcomes (e.g. Carmeli et al., 2007; Dhanesh, 2012, 2014; Glavas and Piderit, 2009; Vachos et al., 2013), findings from this study further supported that employees’ judgment of their companies’ CSR performance in overall positively impacted organizational–employee relationships. In addition, the amplifying moderating effect of perceived CSR-culture fit that was found among consumers (e.g. Bigné-Alcàñiz et al., 2012) also applied to employee stakeholders in this study. These findings support the importance of CSR in internal relationship management for corporate communications, and offer converging support for organizational justice from the fields of organizational behavior and management. That is, a company’s CSR provides cues for employees to evaluate the fairness for organizational actions (Aguilera et al., 2007). As perceived CSR-culture fit increases, the fairness is more likely to be considered as companies’ intrinsic culture and values (Du et al., 2010), thus enhancing the positive employee relationships outcomes generated by CSR.

More importantly, findings from this study demonstrate that different CSR dimensions would have varied effects on organization–employee relationships, and the moderating role of employees’ perceived CSR-culture fit was also found to be different for the four CSR dimensions. Such findings resonate with Dhanesh’s (2012, 2014) argument that CSR should not be examined as a unidimensional construct. Findings show that while discretionary and ethical CSR have significant influence on organization–employee relationships, the amplifying

![Figure 5. Moderating role of perceived CSR-culture fit on the effect of economic CSR performance on organization–employee relationships.](image-url)

**Note:** The “+1” and “–1” indicate one standard deviation above and below the mean.
The moderating effect of perceived CSR-culture fit was only found for ethical CSR. The effects from legal and economic CSR were both significantly moderated by employees’ perceived CSR-culture fit. Specifically, legal and economic dimensions would only work in generating positive organization–employee relationships when perceived CSR-culture fit was high.

According to insights from the organizational justice literature, discretionary CSR is likely to be associated with third-party justice, which refers to individuals’ evaluation of how fair other people are treated (Aguilera et al., 2007; Rupp et al., 2006). Employees’ judgment of their companies’ discretionary or philanthropic CSR performance shows their evaluation of companies’ fair treatment to other parties in the society at large. Ethical CSR is more likely to be associated with first-party justice, which refers to individuals’ evaluation of the fair treatment they themselves receive (Rupp et al., 2006). Since ethical CSR covers organizations’ execution of its ethical code of conduct, employees would directly evaluate the fairness of the organization based on the fair/unfair treatment they receive. In contrast, legal and economic dimensions of CSR are more likely to be perceived as a given for a company to exist (e.g. staying profitable and not to be punished by the law), therefore they would not provide as salient cues for employees to evaluate the fairness of an organization. These findings were somewhat different from Dhanesh’s (2012, 2014) findings where legal and ethical CSR were found to have the greatest impact among employees in India. Such difference may be explained by the different contexts in India and the USA. As a developed economy, USA has been witnessing growing demand for CSR, especially discretionary and ethical CSR in recent years (Cone Communications, 2016; O’Keefe, 2017). Emphasis on CSR engagement has been mainly focusing on employees’ volunteer opportunities, community engagement, charitable donations, as well as organizations’ ethical code of conduct, which fall under the categories of discretionary and ethical CSR. Such speculation, however, merits further empirical tests in cross-cultural settings.

The moderating role of perceived CSR-culture fit renders further insights on the differences among the four CSR dimensions. As explained, higher perceived CSR-culture fit is more likely to result in stakeholders’ intrinsic cognitive attribution of CSR to the organization, whereas lower perceived CSR-culture fit would cause higher cognitive incongruence and more elaborated process of CSR information, which in turn would lead to more extrinsic attribution of organizations’ CSR motives (Du et al., 2010). Perceived CSR-culture fit does not moderate the impact of discretionary CSR, but does moderate the effects from ethical, legal, and economic CSR, especially for legal and economic CSR. This is probably because it is commonly known that discretionary CSR is usually not directly related with an organization’s core business operations. Therefore, the moderating effect of CSR-culture fit is not as salient as in other dimensions. Moreover, it is possible that a company’s legal and economic CSR performance are more likely to be perceived as self-serving as they are more closely related to business bottom line. When a firm’s CSR and its culture does not fit, its effort in generating profit and obeying the law is more likely to be at the expense of sacrificing the need of other stakeholders to satisfy the need of shareholders. On the other hand, when employees do see a high fit between a firm’s CSR and culture, their skepticism toward the company’s CSR performance is more likely to be reduced.

**Theoretical and practical implications**

Findings from this study provide important implications for corporate communications and public relations research and practices. Theoretically, this study extends the body of knowledge of CSR and internal relationship management in the fields of corporate communications and public relations by examining the effects of CSR in overall as well as the discretionary, ethical, legal and economic CSR dimensions on organization–employee relationships. It addresses the gap in extant literature where CSR is mostly examined as a unidimensional construct. More importantly, by incorporating employees’ perceived CSR-culture fit, this study also addresses stakeholders’ CSR skepticism, one of the biggest challenges in CSR communications
(Du et al., 2010). By incorporating the construct of perceived fit that has been widely studied upon consumer stakeholders into the context of internal corporate communications, this study enriches the understanding of CSR as a strategy to build and cultivate relationships with employees. Finally, findings from this study also offer interdisciplinary insights, expanding the scope and application of the organization justice theoretical framework into the fields of corporate communications and public relations.

Practically, findings from this study provide implications for corporate communications and public relations professionals on how to effectively nurture, build and maintain relationships with employees through CSR. Organizations should not only recognize the importance of CSR, but also develop more specific strategies that touch on the different dimensions of CSR. Beyond the basic levels of staying profitable and obeying the laws and regulations, organizations should establish and reinforce ethical business conducts and ensure all stakeholders, including employees, are treated fairly. Organizations should also implement discretionary CSR activities such as charitable donations, volunteer opportunities and community engagement. Moreover, organizations need to ensure that the corporate culture being cultivated is aligned with their CSR efforts. Companies should incorporate their ethical CSR initiatives such as commitment to fair treatment of employees and environmental friendly manufacturing procedures into the corporate mission, vision, and values. Such mission, vision and values should be effectively communicated to employees through various corporate communications channels as well as the activities and initiatives that employees are able to contribute ideas to and participate in. Otherwise, CSR efforts would result in employees’ skepticism. Therefore, companies’ CSR efforts should be authentically ingrained into their corporate culture, rather than merely addressed as a way to increase profits.

**Limitations and future research directions**

Despite its contributions, this study bares several limitations that should be addressed in future research. First, participants recruited for this study work for companies that vary in terms of industry type, size, organizational culture and dedicated CSR domains. Such diversity in culture, business sectors, and organizational settings may have varied impact on the models tested in this study. As such, the generalizability of the results should be interpreted with caution. Future research could replicate the procedure in specific organizational settings to further test the generalizability of the results.

Second, the current study used quantitative survey to answer the proposed hypotheses and research questions. Since participants were asked to self-report their subjective perceptions toward their employers, their response may be biased due to social desirability and self-presentation (Schwarz, 1999). Furthermore, despite its capability to test the relationships among variables, quantitative survey may not necessarily offer insights on the "how" and "why" behind such pattern. Qualitative research methods such as in-depth interviews, focus groups, and participant observation would help provide richer and more in-depth understanding of the questions. Qualitative data would also help discover additional factors that could not otherwise be tested in a survey with pre-identified variables. For example, since CSR activities may not always be perceived positive facing skepticism from stakeholders (Du et al., 2010), the plausible reasons of skepticism behind the moderation effect found in this study could be further explored in qualitative interviews with employees. Therefore, future studies could use multiple methods and qualitative approaches to triangulate the findings and offer more in-depth understandings.

Third, findings from this study provides both converging and diverging patterns from Dhanesh’s (2012, 2014) studies regarding the effects of different CSR dimensions on employees’ attitudinal and relational outcomes. Such differences might be due to the contextual differences between the USA and India. Future studies could use both
quantitative and qualitative approaches to draw samples from different countries to compare the similarities and differences of such effects, thus offering insights for corporate communications at the international level.

References


**About the authors**

Dr Zifei Fay Chen (PhD, University of Miami) is Assistant Professor in the Department of Communication Studies at the University of San Francisco. Her research focuses on corporate communication, social media, corporate social responsibility, crisis communication and consumer psychology. Dr Zifei Fay Chen is the corresponding author and can be contacted at: faychenzifei@gmail.com

Dr Cheng Hong (PhD, University of Miami) is Assistant Professor in Richard T. Robertson School of Media and Culture at the Virginia Commonwealth University. Her research focuses on brand activism, consumer boycott and buycott behaviors and corporate social responsibility.

Dr Aurora Occa (PhD, University of Miami) is Assistant Professor in the Department of Communication at the University of Kentucky. Her research focuses on creating persuasive messages and using multimedia technologies to help people prevent diseases, maintain their health, search for treatments and understand science.
Offshoring language-sensitive services: a case study

Anne Kari Bjørge and Sunniva Whittaker

Department of Professional and Intercultural Communication,
NHH Norwegian School of Economics, Bergen, Norway

Abstract

Purpose – The purpose of this paper is to focus on corporate communication issues that arise when a company offshores language-sensitive services to a country which does not have a workforce with the required language skills. It explores the consequences of adopting a total immersion policy and annual testing regime to build and maintain linguistic competence among the workforce, with regard to motivation, challenges and coping strategies.

Design/methodology/approach – The approach adopted was semi-structured interviews with management and employee representatives, interviewed separately. The interviews were transcribed and submitted to content analysis, supported by relevant company information.

Findings – The company’s language policy has generated a user environment where language proficiency is developed in corporate interaction, and where the workforce is motivated by both intrinsic and extrinsic factors. Strategic decisions relating to language policy need to take the workforce’s input into account to discuss the testing regime with a view to test content and relevance.

Research limitations/implications – The findings relate to a limited material of 6 interviews with 14 interviewees in total.

Practical implications – The paper focuses on how to strike a balance between developing the skills needed to perform job tasks and preparing for new more complex tasks without demotivating the workforce. The conclusion sets out managerial implications.

Social implications – The paper contributes to understanding the dynamics of working in a multilingual context.

Originality/value – To the authors’ knowledge the specificities of offshoring of language-sensitive services with regard to motivation and coping strategies have not been explored previously. The fact that the services in question have to be carried out in a minor language and that a total immersion strategy has been adopted also represents something new.

Keywords Case studies, Motivation, Corporate communication management, Corporate language policy, Language-sensitive services, Offshoring/Outsourcing

Paper type Case study

1. Introduction

In the twenty-first century, the status of a given language is not necessarily commensurate with the economic wealth of the country/countries where it is spoken. The Nordic countries are a case in point. According to data from the International Monetary Fund, these countries are all among the 30 richest in the world in terms of purchasing power parity per capita (Tasch, 2017). At the same time their national languages all fall into the category of minor languages (Harzing and Pudelko, 2013, p. 89). However, for these countries whose wealth stems from international trade, corporate communication across borders is sine qua non. The implications of having an open economy and at the same time having a national language that is spoken and understood by relatively few non-native speakers are legion and have given rise to a fairly large body of research (cf. e.g. Piekkari et al., 2014). Multinational corporations operate in a multilingual environment, and managerial decisions

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need to take linguistic diversity into account when drawing up their corporate language policies (Fredriksson et al., 2006).

The present paper describes one specific aspect of this scenario that seems to have escaped attention thus far, namely, issues that arise when organisations, in pursuit of cost-efficiency, transfer activities requiring a good command of a minor language to another country where the language in question is not spoken. The transfer of language-sensitive activities is, not surprisingly, more prevalent in organisations from countries with widespread languages as there will in general be a ready supply of trained labour. However, relocating activities that require language skills is also considered to be a viable solution by organisations in the Nordic countries due to their high salary and infrastructure costs. In the following a case study from a Norwegian bank (hereafter referred to as BK) that has established a service centre in Latvia will be presented. BK management has opted for a total immersion approach, i.e. requires that its workforce speak Norwegian at all times in order to enhance their language skills. This paper will explore how this strategy plays out in practice with emphasis on challenges, coping strategies and impact on workforce motivation.

2. Theoretical considerations

Language has in recent years received a considerable amount of attention in international business studies. Angouri and Piekkari (2018) drew attention to various contextual categories that have emerged in extant research: manufacturing vs service firms; executive suite vs white-collar and blue-collar workplaces; and private for-profit vs public for-profit/non-profit organisations. Another dichotomy which to our knowledge has not been explored hitherto is outsourcing vs offshoring (Metters and Verma, 2008) of language-sensitive services. The main divide between these two scenarios with regard to language is that in contrast to outsourcing, offshoring of the required language skills tends to be firm specific, and the firm adopts a long-term perspective with regard to the acquisition and maintenance of the skills in question. Offshoring of language-sensitive services is thus a relevant category which can be explored from a variety of angles. Some of the issues are similar to what we find in other multilingual corporate contexts where employees are required to work in a second or third language (cf. e.g. Louhiala-Salminen et al., 2005; Jenkins et al., 2011; Piekkari et al., 2014; Bjørge and Whittaker, 2015), while other aspects are unique. One such aspect is the fact that the language itself is a core element in the unit’s business model. The point of setting up a unit abroad is to provide services that require linguistic skills at a lower cost than would be the case in the home country, where the labour costs are higher, but where no initial training is necessary. Language in this context is conceptualised as an input that can be calculated in terms of cost/benefit. This particular aspect will not be explored further in this paper. Indeed, our focus will be on the language users and language practice rather than on language per se. This is in line with a general shift of focus in international business research on language (Angouri and Piekkari, 2018).

BK’s total immersion policy embraces horizontal and vertical communication, both inter- and intra-unit (Charles and Marschan-Piekkari, 2002). This entails Norwegian being used in intra-unit contexts even when the local language would have served the purpose. This applies both in horizontal and vertical interaction; exceptions only being made for particularly sensitive HR interchanges which may take place in the local language. It should also be added that English is a prerequisite for employment. Service centre interaction with Norwegian customers is in Norwegian. Language classes focus on the specific language requirements of relevant settings or target situations (Basturkmen and Elder, 2006), but also cover social language and general vocabulary building. Previous research has revealed that the individual employee develops coping strategies to deal with the language barrier depending on the specific setting (Andersen and Rasmussen, 2004). The interface between individual agency and company language policy at the micro level is thus central, as the
language situation poses challenges which employees are expected to handle in everyday interactions (Sanden and Lønsmann, 2018).

For the language user, acquiring and maintaining proficiency in Norwegian is linked to career pathing, as linguistic skills determine whether employees are to remain in their jobs, be promoted or singled out for further training (Piekkari et al., 2014, p. 129). In an offshoring context, then, language skills may trump other professional qualifications, which is not the common way language ability is weighted (Piekkari et al., 2014, p. 120). Given the key role played by language in the business unit, acquiring and maintaining a high level of proficiency is defined as a key performance indicator not only for employees, but also for managers at all levels in the organisation who are held accountable for the linguistic performance of the employees working in their division. Delivering on these expectations is thus a powerful motivating factor for BK’s workforce, as career prospects as well as status in the Latvian community are linked to successful job performance. For the language user, performing professionally in a language acquired as an adult requires a higher mental effort than working in one’s own language. Identifying relevant challenges experienced and coping strategies, i.e. reflecting on the psychological aspects of language acquisition and language practice will also shed light on the specificities of the issue.

Our research is phenomenon driven and our aim is to report rich details about this linguistic scenario (Von Krogh et al., 2012). As pointed out by Angouri and Piekkari (2018), institutional and sociocultural aspects and the here and now of language practice are intertwined. It is our aim to provide insights into the specificities of offshoring of language-sensitive services within all three orders. As is the case for most phenomenon-driven research, we have adopted a pragmatic approach to our research design. We will present a case study based on semi-structured interviews which we have subjected to qualitative content analysis with a view to identifying salient topics. Our aim is to determine to what extent language practice and language user experiences in an offshoring context mirror or differ from that in other multilingual professional settings described in extant literature.

3. Research context
Our case study was conducted in a Norwegian bank’s service centre in Riga, Latvia. The bank opted for offshoring rather than outsourcing, as the tasks to be performed required knowledge or skills that were specific to the organisation. The following factors impacted on the choice of country: level of costs, regulatory framework (e.g. working environment regulations and taxation), geographical and cultural proximity to the home country, and the availability of a highly educated workforce with English-language proficiency. As the services to be offshored were language sensitive, the fact that both Latvian and Norwegian are Indo-European languages was an advantage, in addition to the possibility of communicating in English, which may be described in terms of a “language path” (Piekkari et al., 2014, pp. 15-22). However, Scandinavian language skills were in short supply on the labour market, and the organisation has no other choice than to invest in the training of employees. Thus, the potential for learning a new language was an asset in the recruitment process (Piekkari et al., 2014, p. 114).

BK’s service centre in Riga was established in December 2012. BK’s recruits have their linguistic backgrounds in Latvian or Russian language, and in most cases start their employment with no previous knowledge of Norwegian. Language acquisition and assessment are carried out with reference to the CEFR (2001), established by the Council of Europe in 2001, which provides a framework for proficiency assessment. The framework places users on a scale from A1/A2 (“basic”) via B1/B2 (“independent”) to C1/C2 (“proficient”), and there are descriptors for each level that function as criteria for assessment. While the descriptor for B2 refers to the ability to understand technical discussions in the user’s field of specialisation, it also refers to the ability to produce “clear, detailed text on a wide range of
subjects and explain a viewpoint on a topical issue”. This means that users are expected to
develop a broad vocabulary range in addition to the terminological competence they need to
perform professionally. BK regards the B2 level as adequate for their purposes, and expects
recruits to pass this level after eight months, followed by annual tests.

The first Latvian cohort reached the CEFR (2001) A2 proficiency level in February 2013,
and started their professional training in Norway. A2-level speakers are classified as basic
users that “can understand sentences and frequently used expressions related to areas of
most immediate relevance (e.g. very basic personal and family information, shopping, local
geography, employment). Can communicate in simple and routine tasks requiring a simple
and direct exchange of information on familiar and routine matters. Can describe in simple
terms aspects of his/her background, immediate environment and matters in areas of
immediate need”.

Full production in Latvia commenced in November 2013, and between 2014 and 2017 an
increasing number of tasks were transferred from Norway, including more complex tasks.
The offshoring context made management awareness of language a premium. This includes
being aware of potential issues due to the mandatory use of Norwegian; how to ensure that
new employees understand the implications of communicating professionally in a foreign
language; potential management issues – both for Norwegian and Latvian managers
interacting with the Latvian workforce; the implications of “pushing” employees to
communicate in Norwegian among themselves; and how to avoid misunderstandings in
inter-unit corporate communication between the Norwegian and Latvian units (Company
Presentation1, 2017).

Language classes are in company time, 4 h a day for six months. There is an initial trial
period of two months, and candidates failing to reach A1/A2 level at this point have their
employment terminated. At four months, recruits are allocated to a department, and
professional language content is gradually introduced in dedicated language classes. At six
months, employees reach the B1 level and can start working. The B2 level exam takes place
at eight months, and there is a 90 per cent pass rate. Employees are expected to maintain
their B2 level, either on their own initiative, or by attending courses, and are tested annually.
Failing to maintain the B2 level means employees can only communicate with Norway via
standard texts and not write their own texts (Norwegian “fritekst”), and there will be no
bonuses or company travel (Company Presentation2, 2017). B2 thus acts as a gateway to a
professional career in BK.

At the time of writing (2017), BK has approximately 300 employees in Latvia.
It should be mentioned that Latvian employment legislation requires that some central
company documentation is available both in Latvian and English, employment contracts
being a case in point. Other languages than Norwegian were also used in the recruitment
and initial phases.

4. Material/Method
4.1 Material
4.1.1 Interviews carried out on 12 December 2016, not recorded. The authors carried out
five interviews with management and employee representatives on the topic of the
corporate language policy and its implications. The interviews were semi-structured, and
referred to an interview guide that had been developed on the basis of previous research
on corporate language issues in multilingual organisations. The focus was on intra- and
inter-unit written and oral communication using Norwegian, and career pathing in a
multilingual setting (Piekkari et al., 2014). This was our initial meeting with the
organisation, and many of the questions related to practical aspects, e.g. why Norwegian
was used; whether all employees needed to speak the language; and which proficiency
level was required for employment.
The information from these interviews was taken into account when developing the interview guide to be used in the next round of interviews. Questions about practical aspects were not included, while others were added based on the interviewees' experience with the language policy, e.g. relating to their experience of communicating with Norwegians, and the distinction between writing their own texts (Norwegian "fritekst") vs standardised texts in inter-unit communication with Norway (Table I).

Both authors took part as interviewers, and are both referred to as *Int* in the transcription.

All the interviewees were non-native speakers of the interview language, but the interviews were transcribed verbatim without content selection or editing to avoid loss of information (Dörnyei, 2007, pp. 246-247). As our focus was on verbal content and not on issues like intonation or interaction, a broad transcription approach was employed, excluding pausing, suprasegmentals and backchanneling. Unclear passages were marked as such in the transcription. Five of the interviews were in Norwegian, so passages from these cited in the text represent the authors' translations. The interviewees were informed about the content of the interviews beforehand, and signed a consent form preceding the interview. They were advised that participation was voluntary, and that they could withdraw from the interview at any time.

The interviewees were selected by the Norwegian manager of the Latvian unit.

4.2 Method: qualitative content analysis
Understanding the context of the interviews is important in interview-based research to avoid misrepresentations of the data (Bengtsson, 2016). The authors had gathered relevant knowledge through an initial interview round (cf. 4.1), telephone contact with the Norwegian manager, and company documentation, and were both present at all six interviews. The semi-structured interview approach produced a rich text material as the interviewees engaged with the topic, which was fundamental to their professional identity and performance. Qualitative content analysis was chosen to produce a detailed and systematic interpretation of the texts to identify salient themes (Berg and Lune, 2012). The coding process consisted of a pre-coding and a coding stage (Dörnyei, 2007, p. 250f).

4.2.1 Pre-coding stage. As described above, the interviews related to an interview guide, which was based on previous research, and whose focus was the language situation in the company. The texts themselves were produced in dialogue between interviewers and interviewees, which means that the authors' speeches and prompts are present in the transcribed text, and guide the main direction of the interviews. These are, however, not subject to analysis. While the central issues were addressed in all interviews, it is in the nature of the semi-structured method of interviewing that the focus may vary between the interviews, as interviewees may have more to contribute on some topics than others.

<table>
<thead>
<tr>
<th>Interview/Date</th>
<th>Participants/Gender (male/female)</th>
<th>Profession/Position</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>BK1/9 March 2017</td>
<td>3 (1M, 2F)</td>
<td>Employees</td>
<td>52 min and 34 s</td>
</tr>
<tr>
<td>BK2/9 March 2017</td>
<td>2 (1M, 1F)</td>
<td>Employees</td>
<td>66 min and 28 s</td>
</tr>
<tr>
<td>BK3/9 March 2017</td>
<td>3 (1M, 2F)</td>
<td>Department managers</td>
<td>65 min and 1 s</td>
</tr>
<tr>
<td>BK4/10 March 2017</td>
<td>3 (1M, 2F)</td>
<td>Employees</td>
<td>49 min and 36 s</td>
</tr>
<tr>
<td>BK5/10 March 2017</td>
<td>2 (2F)</td>
<td>Service managers</td>
<td>75 min and 31 s</td>
</tr>
<tr>
<td>BK6/10 March 2017</td>
<td>1 (1F)</td>
<td>HR manager (interviewed in English)</td>
<td>62 min and 45 s</td>
</tr>
<tr>
<td>Total</td>
<td>14 interviewees</td>
<td></td>
<td>6 h and 19 min</td>
</tr>
</tbody>
</table>

Notes: F, female; M, male

Table I. Interviews carried out on 9 and 10 March 2017, recorded
There is also the employee–management perspective to take into account, which we will come back to in the analysis.

In the recorded interviews, the interviewers invited descriptions and opinions on the linguistic setting in the organisation:

- Use of Norwegian in different professional and social settings.
- Private time spent on developing Norwegian proficiency.
- Use of English and Latvian/Russian as bridging languages.
- Communication with Norwegians.
- Norwegian as a career advantage.

4.2.2 Coding. The transcriptions were read through several times with a view to coding (Dörnyei, 2007). The unit of analysis employed for the coding was the text produced by the interviewee between the interviewer’s questions or prompts. One unit of analysis could include more than one code. The process was a two-stage one: first, one of the authors carried out an initial coding process identifying salient passages of text. This initial coding process resulted in a list of “informative labels” indicating passages relevant to our topic (Dörnyei, 2007, p. 251), for example:

And particularly when one is very tired, one has had a very demanding day, then one has a tendency to go from Norwegian to Latvian (Manager, BK3).

The informative label for this passage was “Feeling tired”:

And some of those who have no problems using Norwegian every day are scared stiff at the thought of handling a phonecall from Norway (Manager, BK5).

The informative label chosen for this passage was “Telephone interaction with Norwegians”.

The informative labels resulting from the initial coding were then submitted to a second-level coding process, producing “broader labels” (Dörnyei, 2007, p. 252f). While the coding of informative labels was an inductive and data-driven process, the establishing of broader labels included an a priori aspect, as the interviews focussed on the BK language situation, including views on situations that might be experienced as challenging. For the two examples cited here, then, the label Challenges was regarded as appropriate.

Coding was an iterative process in which the number of broader labels was reduced, moving towards a latent content analysis procedure with the aim of identifying the underlying rather than the surface meaning of the text (Bengtsson, 2016). Thus, interviewees referred to job opportunities outside BK in Latvia, which we subsumed under the broader label “Professional aspects”. References to their attitude to Norway were labelled “Relationship with Norwegian language/culture”. The deeper meaning behind these two broader labels, however, could be analysed as motivational issues, and led to the establishing of “Motivation” as a broader label. Also, the informative labels subsumed under the label “Testing” were subsumed under the broader labels “Challenges”, “Strategies” and also impacted on motivation (cf. Figure 1).

The clustering process of the informative labels resulted in the following three broader labels, or codes:

1. MOT: Motivation.
2. CHALL: Challenges.
3. STRAT: Coping strategies.

For the informative labels subsumed under the three codes, see the Appendix.
A final coding using these three labels was then carried out by one of the authors, and relevant passages for illustration were selected. Next, these passages were read through by both authors with a view to validation by discussing the application of the codes.

5. Interview results

The coding process identified three main topic areas, namely:

1. Motivation (MOT), i.e. observations concerning the workforce’s motivation with regard to learning and using Norwegian.
2. Challenges (CHALL), i.e. challenges experienced by individuals and between co-workers, as well as managerial challenges related to the use of Norwegian as a mandatory language at work.
3. Coping strategies (STRAT), i.e. the strategies developed to deal with the challenges in question.

Employees and management were interviewed separately. Below, we present the results of our interviews according to the three main topic areas, indicating managerial or employee perspective where relevant.

5.1 Motivation (MOT)

BK is perceived as an attractive employer providing stability, an international perspective and career development. BK is only one of several Scandinavian companies setting up units in Latvia, making Norwegian a transferable skill well worth investing in. As the willingness to learn Norwegian is a prerequisite for employment, it stands to reason that job seekers will be externally motivated (Ryan and Deci, 2000). The mandatory use of Norwegian is explicitly stated in BK’s job adverts and the potential for learning languages is taken into account in the hiring process:

When I started four years ago I just wanted to work in an international environment. I did not choose the job because of Norwegian language, it only came as a package. But it is now useful, because more and more companies move to Latvia […]. And then I assume that if one applies for a new job, it could be an advantage (Employee, BK2).
I think that Norwegian gives us more value [...]. In the labour market now you get more opportunities if you speak Norwegian, or Swedish also. Because those companies that are in Norway or that region, they want to come here (Employee, BK2).

And it is quite certain that they will not be without a job long with knowledge of Norwegian (Manager, BK5).

Maintaining a high proficiency level also has a great impact on career prospects. Pay, bonuses, job travel and tasks are all dependent on passing the annual B2 test:

It is a demand, if you are eligible for wage revision, you must have passed B2. And many other things together with job travel, that are also linked to B2 (Manager, BK3).

However, in addition to the obvious external rewards, the interviews also revealed that intrinsic motivation (Ryan and Deci, 2000) entered into the equation. Interviewees used words such as interesting and exciting about learning a new language:

We understand that [learning Norwegian] is necessary for us, because perhaps since we work in a bank, it is impossible for us to use only English [...]. So it is very interesting (Employee, BK2).

The most exciting thing is that you learn a different language, you work in a different language and really you manage to communicate both with those who live here in Latvia, but you also manage to communicate rather well with Norwegians [...]. That is exciting (Manager, BK3).

Acquiring knowledge about another culture and having access to a different type of organisational culture were also reported as motivating factors:

I try to listen to radio every day, NRK, also to develop, and read media sometimes. And at NRK TV there are many exciting TV shows. Some that suit me (Employee, BK1).

I think that there is also very much focus on Norwegian culture and environment during the study period [...] Equal opportunities and social life and everything. Healthy living, food, environment, anything. Everything (Manager, BK5).

And I think that in international companies the leader is more accessible and communicate more clearly [...] Like here it is more free, for young people (Employee, BK2).

The ability to speak Norwegian gave employees a certain status outside the workplace:

Everyone is usually very interested when I relate that I use Norwegian at work, and then they ask questions and almost admire how we have learnt it in such a short time (Employee, BK1).

However, using Norwegian when working for a Norwegian company was perceived as logical by other Latvians:

None of them ever asked me why I am learning Norwegian [...] It is expected that it is quite natural to know the language. You are working with Norway, and you are connected with Norwegian customers (Manager, BK6).

Management also reported on intrinsic motivation as an important factor:

And I think it helps a lot that we have young people. Because they want to show the rest of the world “I can do it, I read Jo Nesbo in Norwegian” (Manager, BK3).

Interviewees reported that motivation decreased after the initial training programme as the employees’ time was no longer devoted to learning the language but to performing tasks that required a more limited work-related vocabulary:

Unfortunately, it is really the case that after having passed the B2, and start working full time, the level drops, it does not rise. But everything that has to do with work, so I try to remind myself as much as possible that Norwegian is the most important thing, really (Manager, BK3).
The annual B2 test, which was introduced in order to ensure that employees maintained a high proficiency level, seemed to have an adverse effect on motivation. The test was perceived to include elements irrelevant for job purposes. Uncertainty surrounding exam topics caused stress and frustration as it made preparation difficult:

And when we have this test, and when we meet these usual daily topics concerning food and about daily life and healthy life and suchlike, then it becomes difficult, because you then have to think very much to imagine what you want to say. For example in essay assignments (Employee, BK4).

Because in fact that test shows nothing. It is about daily language that we do not in fact use at work (Employee, BK4).

There were also some reservations regarding the relevance of the test among managers:

They deliver great volumes, without B2 (Manager, BK3).

So it is a bit amusing that when our customers assess us, but they say good work and good quality, but when we have B2 test – no. Not so good (Manager, BK3).

As management was accountable for their subordinates maintaining the B2 level, having a motivated workforce was also a matter of concern at this level:

My personal opinion is that people should quit BK if they do not have a good chance of getting a pay rise […] Because in the market there are many companies looking for people who speak Norwegian, and their Norwegian is good enough to find a different job (Manager, BK3).

5.2 Challenges (CHALL)

Norwegian was the third or even fourth language of the workforce. This multilingual situation is not unproblematic and it is only to be expected that our interviewees experienced linguistic challenges due to the mandatory use of Norwegian. Negatively loaded formulations such as “difficult”, “challenging”, “demanding”, “almost impossible”, “not standard”, “problem issue”, “misunderstanding” and “uncomfortable” were used. General proficiency issues concerned both linguistic production (speaking and writing) and reception (listening and reading). The former included lack of general and professional vocabulary, grammatical issues, achieving preciseness, developing proficiency and maintaining the B2 level. As for reception, interviewees found it demanding to understand rapid spoken dialectal Norwegian and synonymous expressions in inter-unit communication. All interviewees spoke Latvian or Russian at home. Switching between languages on a daily basis could lead to transference of cognitive patterns, vocabulary and syntax:

I also speak English, and Russian. But what I experience after having learned Norwegian, is that Norwegian is taking over, and it has a very great influence on the other languages that are in my head (Employee, BK2).

And particularly when one is very tired, one has had a very demanding day, then one has a tendency to go from Norwegian to Latvian (Manager, BK3).

But I think in Norwegian. That is the situation when I talk to friends or my boyfriend, that suddenly there is a word in the middle of the sentence that is Norwegian, such as “or”. The little words. And then I must say obs, that was Norwegian (Employee, BK2).

The genre of professional telephone conversations was considered to be particularly challenging. Understanding rapid and dialectal Norwegian was perceived as difficult, and not being understood by Norwegian interlocutors due to having a Latvian accent was also an issue. Task performance under these conditions was seen as stressful, and many wanted
to avoid it altogether. Management was well aware of this, and worked to motivate more employees to take on this challenge:

The most demanding for me is surely telephone contact with a person in Norway – if I meet dialect. So it is just that I cannot see the person, and I cannot understand what he or she understands or not. I just listen (Employee, BK4).

And some some of those who have no problems using Norwegian every day are scared stiff at the thought of handling a phonecall from Norway (Manager, BK5).

Interviewees also reported that using Norwegian to perform specific job tasks was easier than informal communication where the vocabulary required was much broader and unpredictable:

All assignments are in Norwegian […] Professional issues are quite OK because we are used to using those concepts. When it comes to leisure and things that happen outside work, it is more challenging to find words (Employee, BK2).

I think we lack small talk in Norwegian. We need it. If […] we are in the lift, and maybe there are also Norwegians who say "it is raining outside", or some very small things, I do not know what to respond (Employee, BK2).

In addition to the linguistic challenges related to proficiency, interviewees reported that the cognitive load of having to use Norwegian throughout the working day was substantial. Some reported feeling fatigued at the end of the working week, and that it took some time to go back to Norwegian on Monday morning:

When Friday comes, I am again a little tired by using it for five days (Employee, BK2).

I think it affects how the person feels after work, if he has not been allowed to speak Latvian. It probably does not feel so good (Manager, BK3).

In inter-unit communication, feeling at a disadvantage linguistically could lead to lack of confidence concerning content:

But always the first thought in our head is that it is our fault. Because we are Latvians – how can we know better than Norwegians […]. But often there is also a fault from the other side, and we must just have a little more faith in ourselves and what we do (Employee, BK2).

From a managerial perspective, the use of Norwegian also creates specific challenges. The managers we interviewed focussed on vertical interaction like leading and communicating with a team having different proficiency levels; allocating tasks according to proficiency level; and dealing with employees whose proficiency was inadequate for task performance:

It may be that learning a language is demanding, and then unfortunately we see that there are no assignments we can offer with for example A1 or A2 level […]. And it is also quite demanding for a leader to have a department where there are different levels among the employees […]. You do not know whether that person has understood what you mean, and what you say (Manager, BK5).

Managers also commented on their own proficiency issues, but these related to higher performance levels, such as defending a position in discussions, giving negative feedback, answering complaints and dealing with other sensitive issues in inter-unit dialogue with Norway. In these interactions they could not rely on standard procedures and formulations, and had to develop their own solutions:

[…] [using Norwegian] makes work a little more demanding, you are surprised that you do not have that broad vocabulary to relate everything you want and think, and as already said if there are discussions and you must defend your argument, you often lack some words. So that is a challenge. The same thing applies when you lead a team who have just learned Norwegian, or have learned Norwegian two years ago, so they are all different levels […]. I never know if the message I say in Norwegian reaches them (Manager, BK3).
The setting also made it harder to bridge the communicative gap with Norwegian colleagues living in a Norwegian setting; humour and politeness being cases in point:

Humour is difficult. You know that you wish to say something that could be funny, but it is not so easy to do it. But when Norwegians come here and they tell us things, we understand, but it is a little difficult to respond in the same way (Employee, BK2).

Management shared the employees’ perception of this situation, but their professional position and better opportunities for stays in Norway may have made this less pressing.

5.3 Coping strategies (STRAT)
Our interviewees had developed a broad range of coping strategies to deal with the challenges presented above. As for language production and reception, general proficiency issues were addressed through games and quizzes to build vocabulary; using English or Latvian/Russian as support languages together with Google translate; focussing on getting the message across rather than on grammatical correctness; developing terminology lists; reformulating; explicitation; developing standardised answers and texts; and asking for repetitions at reduced speed:

Sometimes on the board we write today’s new word […] And sentences, which one has found something interesting. And this has helped us to use Norwegian much more than before (Employee, BK1).

You adapt, you ask questions (Employee, BK2).

Explicitation was a common strategy when interacting with colleagues in Norway, particularly when it came to politeness, and sensitive issues like disagreeing and expressing criticism:

[On being told by a Norwegian colleague to start an email with ”hi (Norw. “hei”)”:] “No, it is not polite to do that, I do not know that person.” But it is so that one must learn to be a little different in Norway than in Latvia (Employee, BK4).

Perhaps what you can write in two sentences, we sometimes describe in four or five (Employee, BK2).

I have noticed that […] instead of giving a brief explanation we write a very long text. What has happened? […] What shall we do to avoid it in the future? And then we try to be kind, and excuse us many times (Manager, BK3).

Inter-unit telephone conversations were dealt with by careful preparation; asking interlocutors to slow down and repeat; and asking questions. In some cases, particularly when dialectal pronunciation was an issue, e-mail was preferred. Management encouraged or pushed employees to take on this necessary but daunting task:

We speak with our [Norwegian] colleagues in other departments, who also speak in dialect […]. They also understand us, and they feel it in some way when we lose contact and understanding, and then they start speaking more slowly, or they switch to perfect standard Norwegian (Employee, BK4).

But I think it is the same situation that we had at first to use language […] it took a lot of energy and it was difficult. And it is the same with telephones […] The first time is demanding, difficult, you get stressed, but after a while the more phonecalls you take the simpler it gets for you (Manager, BK5).

Although the use of Norwegian was mandatory, there seemed to be some latitude in communicative settings that were not task related. This gave employees a respite from the mental effort of speaking a language that did not allow them to express all their thoughts and feelings:

When we are in the kitchen or eat, then, when we speak Latvian, we can say more, and we can also add some emotions (Employee, BK2).
The time factor was seen as important when it came to coping with cognitive issues. The workforce distinguished between two linguistic environments, the job one and the private one. While some felt that they could switch on and off without any problems, others relied on time to help bridge the gap between the two:

When I come to work on Monday it is a little more difficult to talk, but when it is at the end of the week, then it is a little easier, because you get used to it during the week. So the two days when you relax, then perhaps you forget a little and relax from Norwegian (Employee, BK2).

The language situation also led to employees remaining silent due to lack of vocabulary and general proficiency, or even due to the fear of making mistakes. Some also questioned the policy itself, claiming that they could perform according to their job specifications without using Norwegian all the time:

I work well, I deliver high volume [...] why then do I have to speak Norwegian all the time (Manager, BK3).

As maintaining a high proficiency level in the workforce is a managerial responsibility, management had also adopted a number of strategies. Thus, management took on the role of defending BK’s language policy, setting a good example and encouraging employees in developing their language skills:

It gives little value if you only know the professional register. That means that you know it today, but next day your tasks change, and then what? It means that you do not know the language any longer, and you have to start again (Manager, BK5).

So we must be role models [...] show that one uses Norwegian everywhere all the way (Manager, BK5).

It is not just a question of pushing and referring to consequences [...] it is also important to keep a positive environment and be playful (Manager, BK5).

With regard to ensuring the quality of performance, checking understanding was done by taking into account body language and asking questions:

You have to be very careful when you choose words, eye contact is very important to see if the message is understood. So one has to be on guard all the time, really (Manager, BK3).

But when we have problems, then I have to double check that they understand. That we avoid misunderstandings (Manager, BK5).

Managers shared best practices via an improvement log; they discussed nonstandard correspondence with colleagues; and followed up e-mails by telephone or link. The really awkward messages were passed on to higher management:

This man [...] said that it was our mistake. There were some unkind words. And then we reacted fairly strongly. Then we sent it up to a higher level, so those leaders sorted it out. It was his mistake in any case. But he certainly did not use the best words (Manager, BK3).

6. Discussion
In the following, we will distinguish between factors that are inherent to offshoring of language services per se and those that result from BK’s language policy, i.e. the total immersion policy.

6.1 Factors that are inherent to offshoring of language services per se
In general, the motivation for offshoring services is financial, and this is also the case for BK, who could have opted for hiring a Norwegian-speaking professionally qualified workforce in Norway. As the services in question must be performed in Norwegian, language is a key
performance indicator and adequate proficiency a sine qua non for employment, which has implications for careers at BK.

Previous research has identified hypothetical scenarios for language-driven career paths (Piekkari et al., 2014, p. 139). However, the offshoring context introduces an additional scenario when it comes to linking language competency with career prospects, as the primary motivation for learning the language is to work locally, not internationally. Norwegian being a minor language, its value as a job qualification mainly extends to Scandinavia and to other offshored or outsourced operations in the region. At BK, Norwegian proficiency trumps other professional qualifications (cf. Piekkari et al., 2014, p. 120), but this would not necessarily be the case for a career move locally, where it may merely represent an additional qualification.

6.2 Factors that result from BK’s language policy

The workforce interviewed at BK speak Norwegian as their third or even fourth language (mother tongue, English, additional language and Norwegian). There is no previous research focussing explicitly on how this multilingual situation impacts on performance in a corporate setting, but research into second language acquisition (SLA) identifies some general issues that are relevant to explore for the present context. One issue concerns the language learner vs language user perspective in social or professional interaction. According to Firth and Wagner (1997/2003, p. 175), SLA research has prioritised “the individual-as-’nonnative speaker’/’learner’ over ‘the participant-as-language-’user’ in social interaction”.

From a “participant/user” perspective, we find that our interviewees have adequate mastery of Norwegian to function professionally, and to reflect on their own professional performance and linguistic usage. BK’s Latvian setup functions because its workforce deliver professional services using a Norwegian that is adequate for the purposes in question, which clearly defines them from a participant and user perspective. This is a situation that may arguably be related to research into English as a lingua franca (ELF), which defines ELF speakers not as deficient communicators, but as language users in their own right (Jenkins et al., 2011, p. 284). Similarly, one interviewee stated that in everyday interaction, getting the message across was given priority over observance of strict grammatical rules. This approach has also been in focus in Business English lingua franca research, where interlocutors may decide to focus on “getting the job done” rather than “emulating native speaker discourse” (Charles, 2008); i.e. prioritising communicative over grammatical competence.

Defining BK’s workforce as users in their own right is supported by their taking charge of their own linguistic development. According to Firth and Wagner (1997/2003, p. 176) “language – as a social and cultural phenomenon – is acquired and learned through social interaction”. At BK, language development is through intra- and inter-unit interaction, both with other Latvians and with Norwegians. As for the former, language games and daily interaction are central. As for the latter, face-to-face contact with Norwegians is valued, but in the case of leaner mediums like telephone interaction users are less confident, mainly due to being at the receiving end of different dialectal pronunciations. Some also experienced scepticism from Norwegian interlocutors due to having a Latvian accent, which may be linked to the fact that people tend to put more trust in content communicated in their own native accent. Contextual factors like wanting to plan and revise their language led some employees to prefer using e-mail to the telephone, as they found it less stressful. While e-mail is defined as a leaner medium than the telephone, it allows for careful formulations and revision in addition to providing a record. In a banking context where a high level of precision is essential, this is a priority. This picture was not universal, however, as some found telephone interaction with Norway to be adequate for their purposes.

In line with taking charge of their own language development, BK’s workforce used various coping strategies in Latvian–Norwegian oral interaction, such as repetition,
explicitation and slower speech. These are communication accommodation strategies whose aim is to promote mutual understanding, with interlocutors using a convergence strategy to build rapport and promote understanding (Gallois et al., 2005).

On the other hand, the annual B2 test introduces a “learner” perspective. BK practises an annual testing regime at B2 level. This is mandatory for workers who have already passed the test as an entry requirement, and who may experience that their Norwegian is adequate to manage their tasks. This had led to cases where employees who delivered according to expectations but who failed the annual B2 test decided to leave, as failing the test would affect their career path. Another “learner” feature concerns the issue of testing grammar, which contrasts with the user perspective, where employees may find it expeditious to prioritise communicative competence over grammatical correctness. A third issue concerns the focus on learning general language content and vocabulary, which may also be linked to the B2 test, but is not always perceived as useful. From a management perspective, however, the annual B2 test may be seen as a necessary control mechanism to maintain high-quality language production, and as a tool to ensure a linguistic mindset to take on more complex assignments in the future. It does, however, introduce a test-driven element in the workforce’s linguistic development.

So far, BK’s workforce has been discussed as a unit. However, non-native speaker groups are not necessarily homogeneous (Firth and Wagner, 1997/2003, p. 182). When employees and management were interviewed separately, they reported challenges specific to their professional role. BK managers who had to take part in meetings with native speakers found it challenging to hold their own in discussions, which is an issue familiar from previous ELF research into professional discourse (Rogerson-Revell, 2008). In general, task complexity and character impacted differently depending on job level. Here, a “learner” aspect surfaced, with some wishing for courses at C1/C2 level (managers), or specific input relating to professional vocabularies and telephone training (employees). However, as stated above, the BK workforce discourse is a powerful driving force for language development.

It will be clear that BK’s workforce had chosen a career path involving the heavy investment of learning a new language. The interviewees’ motivation reflected a combination of intrinsic factors, in the sense of “doing something because it is inherently interesting or enjoyable”, and extrinsic factors, in the sense of “doing something because it leads to a separable outcome” (Ryan and Deci, 2000, p. 55). As for intrinsic motivation, some interviewees reported a genuine desire for learning a new language as a reason for applying for a job at BK. For others, the acquisition of the new language had generated an increasing interest in Norwegian culture and language, including the pleasure of communicating with Norwegian tourists in Riga. The positive feedback experienced in such interactions, the feeling of mastery when using the language professionally, together with the status it gave in the Latvian community all contributed to the feeling of competence and autonomy central to intrinsic motivation (Ryan and Deci, 2000, p. 58). On the other hand, it will be clear that the primary motivation among our interviewees was extrinsic, at least initially. Extrinsic factors related to separable outcomes such as getting employment with an attractive international employer and possessing a valuable transferable skill in the Baltic region. As for maintaining the B2 level, the avoidance of sanctions was another separable outcome, as it failing the annual test would lead to loss of privileges and bonuses.

In conclusion, it may be argued that Norwegian proficiency has become part of the professional identity of BK’s workforce, in the sense of “how we perceive ourselves within our occupational context and how we communicate this to others” (Neary, 2014, p. 14). This competence is of central importance, both when performing job tasks and communicating with the local environment. They may also be seen to represent an emerging multilingual workforce in low-cost regions, whose professional identity is linked up to the provision of language-sensitive services.
7. Conclusion
Our study demonstrates that offshoring of language-sensitive services is a linguistic setting that merits particular attention. This type of activity is an aspect of the internationalisation of the European labour market which has led to an unprecedented status for minor languages within specific geographical areas. Through the analysis of our interviews we have attempted to describe aspects of this activity that pertain to the institutional order, i.e. the overarching choices made by the organisation such as the total immersion policy and the regular testing of the workforce; the sociocultural order, i.e. collective strategies adopted by employees to maintain their linguistic skills; and the employee experience of working in a language that is used solely at work. Our study uncovers the underlying tensions between the perception of employees as language users on the one hand and as language learners on the other hand.

The total immersion policy has generated a user environment at BK where language proficiency is developed in corporate interaction, and where the workforce is motivated by both intrinsic and extrinsic factors. However, the B2 annual test introduces a learner aspect, where in some instances employees who experience that their proficiency is adequate for professional performance live with the uncertainty of a pass/fail exam situation and its consequences for their career paths. The fact that the exam content is more broadly based than what is required for professional purposes is also a demotivating factor. This prompts the question of how to strike a balance between developing the skills needed to perform present job tasks and preparing for new more complex tasks which are likely to be required in the future, without demotivating the workforce.

Our project has revealed some implications for managers working in multilingual corporate contexts. When it comes to inter-unit telephone communication, we found a preference for using written media like e-mail to the telephone. This was not only due to comprehension issues involving dialectal pronunciation, but also because e-mail generated a record for later reference. Another issue concerns corporate meeting contexts, where some reported that they remained silent even if they felt they had a relevant contribution. Knowledge transfer is also an issue, as different proficiency levels in teams may lead to loss of information in vertical interaction. Finally, the annual language testing regime may lead to resignations of otherwise well-functioning employees. Awareness of these issues, and of any strategies that the workforce have developed to deal with these challenges are well worth taking into account, and even address in training sessions.

In conclusion, we would like to point out that the present project is based on a limited number of interviews. While this must be taken into consideration concerning representativeness, it should be noted that there were no major contradictions in the accounts, and that the material revealed results that were in keeping with findings from (B) ELF and other research into multilingual work environments.

References


Appendix. Codes and informative labels

Motivation (MOT)
- Career prospects
- Status
- Cultural differences Norway – Latvia
- Interaction with Norway/Norwegians
- Task allocation according to proficiency
- Implications of the B2 test

Challenges (CHALL)
- Proficiency issues (vocabulary, grammar, syntax, pronunciation)
- Social language; humour and small talk
  - Telephone interaction with Norwegians
- Lack of Norwegian native speaker input
- Politeness issues
- Remaining silent due to lack of context-appropriate Norwegian
- Different linguistic levels among the workforce
- Writing “fritekst”
- Interacting with awkward Norwegian customers
- Misunderstandings
- Feeling tired

Coping strategies (STRAT)
- Language games with colleagues (local)
- Developing standard texts together with colleagues (local)
- Use of English/Latvian/Russian/Google translate as support
- Asking questions; asking for repetitions at slower speed; double-checking
- Focussing on getting message/content across rather than “correctness”
- Mutual linguistic adaptation with interlocutor
- Explicitation
- Observing body language, checking for understanding
- Using e-mail to follow up oral interaction

Corresponding author
Anne Kari Bjorge can be contacted at: anne.bjorge@nhh.no

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Winning in the court of public opinion
Exploring public relations–legal collaboration during organizational crisis

Soojin Kim
School of Communication, Faculty of Arts and Social Sciences, University of Technology Sydney, Sydney, Australia

Arunima Krishna
Department of Mass Communication, Advertising, and Public Relations, Boston University, Boston, Massachusetts, USA, and

Kenneth D. Plowman
School of Communications, Brigham Young University, Provo, Utah, USA

Abstract
Purpose – The purpose of this paper is to explore how public relations (PR) professionals develop co-narratives with legal counsel when formulating crisis communication strategies. Understanding how PR practitioners work with their legal counterparts may help lead to more advanced and effective PR practice in the area of crisis communication and management. The authors attempt to do so in this study through interviews conducted with PR practitioners in two Asian countries – South Korea and Singapore.

Design/methodology/approach – In total, 11 semi-structured interviews with PR consultants, 6 in Korea and 5 in Singapore were conducted between May and August 2016. Data analyses revealed key points of interest for PR practice.

Findings – First, PR consultants in both countries reported increased collaboration with legal counsel in times of crisis. Second, PR consultants report that legal professionals have begun to realize the significance of winning in the court of public opinion. However, the process by which PR–legal collaboration takes place to develop co-narratives followed extremely different patterns in the two countries.

Research limitations/implications – This exploratory study is not exempt from limitations. The findings from this study may not be applicable to other countries. As data collection in both countries relied on snowball sampling techniques, the participants in the interviews may not be representative of PR consultants in South Korea and Singapore. Email interviews had limitations due to their lack of richness and details compared to other forms of interviews (i.e. face-to-face or Skype interviews). However, computer-mediated interviews including e-mail interviews can still create good level of understandings about the phenomenon in question.

Originality/value – This study was an attempt to understand PR–legal collaboration particularly in times of crisis and contribute to the development of Asia-centric models of PR practice. There has been little research that explores how legal and PR counsels actually collaborate to devise optional crisis communication strategies for their clients (or organizations) in the times of crisis. Given that crisis communicative strategies have been shown to affect publics’ perceptions of an organization’s credibility and trustworthiness, it is important to understand how PR work with legal practitioners to develop co-narratives for optimal crisis management, and understand how their different professional perspectives, practices, and approaches affect the collaboration.

Keywords Crisis communication, Conflict resolution, Co-narratives, Legal strategy, Public relations strategy

Paper type Research paper

In times of organizational crises, public relations (hereafter PR) managers face the dilemma of seemingly competing crisis management objectives – protecting organizational reputation, or reducing legal liability (Hoger and Swem, 2000). Although scholars have warned that the dominance of legal motives may be short-sighted and costly, organizations tend to place more weight on legal strategy than on PR strategy (Fitzpatrick and Rubin, 1995; McCann, 1994). Moreover, strained relationships between PR and legal counsel, stemming from inherent tensions (Cooper, 1992), and a lack of understanding of the other
side’s practice and approaches (Reber et al., 2001) hinders effective crisis management (Fitzpatrick, 1996; Reber et al., 2001). However, effective collaboration between PR and legal is an essential element for crisis management (Fitzpatrick, 1996; Lee et al., 1999). PR professionals should, therefore, find ways of facilitating smooth and efficient PR–legal collaboration for crisis management strategy development.

Yet, there has been relatively little research that explores how legal and PR counsels actually collaborate to devise optimal crisis communication strategies for their clients (or organizations) in times of crisis. Huang and Su (2009) identified the determinants of crisis communication strategies as being PR autonomy, legal dominance, strategic orientation, and organizational factors. Although their study discussed the dilemma of balancing legal and communication strategies faced by PR practitioners, how PR practitioners actually resolve these dilemma is a question that needs to be addressed. Furthermore, although previous research such as Reber et al.’s (2001) study on co-orientation between PR practitioners and lawyers has improved our understanding of their working relationships and view each other, how PR consultants reconcile (possibly) contradictory positions with those of lawyers’ when devising crisis communication strategies for their client is a question that remains unanswered.

Thus, this study explores the process by which PR professionals develop co-narratives with their legal counterparts when formulating crisis communication strategies. Co-narratives are communication messages that both legal and PR counsels can agree upon as being optimal in addressing the crisis as well as aligning with the mission and goals of an organization. It is becoming more complicated and challenging than before for PR managers to create effective crisis communication messages that satisfy both publics and their organization. The recent United Airlines re-accommodation case where CEO Oscar Munoz had to issue an apology twice (Mutzabaugh, 2017) demonstrates how significant it is for organizations to devise their communications messages carefully. It is important for counsel to create crisis communication messages that allow organizations to take care of financial and legal liabilities as well as liability for organizational reputation and public trust.

However, winning battles in the legal courts does not always guarantee that organizational reputation will escape unscathed; instead, the “court of public opinion is often much harsher than the court of law” (McCann, 1994, p. 43). It is, therefore, important to understand how PR professionals may effectively collaborate with their legal counterparts to win not only in the legal courts but also in the court of public opinion. PR practitioners and lawyers do not always agree on what to say (Lee et al., 1999). Understanding how PR practitioners work with their legal counterparts may help lead to more advanced and effective PR practice in the area of crisis communication and management.

We attempt to do so in this study through interviews conducted with PR practitioners in two Asian countries – Singapore and South Korea. Our study is a departure from Reber et al.’s (2001) work that investigated both PR and legal professionals. Instead, we seek to compare how PR practitioners in two Asian countries perceive the PR–legal collaboration and how they manage to devise an optimal crisis response strategy despite tensions, dissimilarities, or challenges that come from collaborating with lawyers. In an attempt to answer Halff and Gregory’s (2014) call for more Asia Pacific-oriented models of PR, through this study we aim to bring Asian perspectives into explorations of PR–legal collaboration dynamics. Participants from two Asian countries – Singapore and South Korea – were selected for data collection, as these nations are considered to be in different phases of development in terms of how their respective PR industries have progressed. According to the Edelman (2016) Trust Barometer, Singaporeans report a high level of trust in institutions including government, while South Korea still suffers from levels of distrust. Although the media are the least trusted institutions for Singaporeans, their trust in media and journalism is still higher than South Korea. Furthermore, South Koreans’ level of trust
in business continues to slide, while Singapore’s remains steady. Many multinational PR firms, such as Edelman and Fleishman-Hillard, have operations in both countries. Interestingly, four Korean PR companies are part of global top 250 PR agencies while no Singapore companies were included in the list (Holmes Report, 2018). All these elements create unique PR environments for study in the two countries. Comparing the collaboration and practices reported by PR professionals from the two nations may provide further insight into the fragmented nature of PR practice in Asia, and further answer Halff and Gregory’s (2014) call to investigate Asia Pacific PR practice. The next section provides a review of the literature in which this study is situated, especially interprofessional collaboration and PR.

Literature review

Interprofessional collaboration

Although several definitions exist, collaboration is usually defined based on the underlying concepts of sharing, partnership, power, interdependency and process (D’Amour et al., 2005). According to D’Amour et al.’s (2005) literature review on definitions, collaboration means sharing responsibilities (Henneman et al., 1995; Henneman, 1995; Liedtka and Whitten, 1998) and shared decision making (Liedtka and Whitten, 1998). It requires (c) partnership, which implies two or more parties’ collaborative undertaking (Sullivan, 1998) and pursuit of common goals (Stichler, 1995). Collaboration also requires that involved parties be interdependent (Evans, 1994) and power be shared among participants (Sullivan, 1998). It is a dynamic and evolving process (Hanson et al., 2000) which follows negotiation and compromise in decision making (Liedtka and Whitten, 1998). Compromise is considered as part of the newer model of symmetry proposed by Plowman (1996) for PR that also included accommodation and might be well considered in this study along with the concept of power. Collaboration is considered a win/win in the negotiation literature where both sides adapt to each other, and compromise is more of a 50/50 or split the difference proposition. Accommodation is closer to a lose/win concept where one side is willing to lose more than the other side to reach an agreement (Brooks et al., 2018).

Interprofessional collaboration, specifically, is an idea that emerged out of increasingly complex medical and healthcare practice, which necessitates collaboration between practitioners from multiple (health-related) disciplines and specialties (Bridges et al., 2011). The Canadian Interprofessional Health Collaborative defined interprofessional collaboration in the context of healthcare as “the process of developing and maintaining effective interprofessional working relationships with learners, practitioners, patients/clients/families and communities to enable optimal health outcomes” (Canadian Interprofessional Health Collaborative, 2010, p. 8).

Of note is Gray’s (1985) listing of several conditions under which collaboration among stakeholders is guaranteed: problems cannot be solved by a single organization, limitations of traditional adversarial methods of problem solving, and increasing environmental turbulence. Dealing with organizational crises satisfies these conditions, especially in case of organizational transgression (Coombs, 1995), particularly as the business, political, regulatory, and social environments continue to become increasingly complex and intertwined. For organizations to cope with these dynamic and complex environments, interprofessional collaboration between practitioners (in-house or consultants) is not just preferable, it is necessary.

Interprofessional collaboration takes different forms of interaction, engendering tensions as well as opportunities. The complexities and problems associated with interprofessional relations have been acknowledged by several scholars (e.g. D’Amour et al., 2005). Freeth (2001) identified several issues in interprofessional collaboration, including allocation of limited resources, ability and willingness to share power with the counterpart, congruence
of objectives between parties, resistance to change, and communication. Cottrell and Sheldon (1963) classified problems in professional collaboration as: cultural or subcultural barriers to communication and collaboration, social status and structure that are associated with each occupation, and role ambiguity and incongruent expectations. Concerns about potential loss of identity (Beattie, 1995; Biggs, 1997) and inherent tensions between parties (Grant, 1986) are also worthy of attention.

In this study, we examine PR–legal collaboration for crisis management as a specific type of interprofessional collaboration, investigating whether the problems and complexities of interprofessional collaboration identified in extant literature may also appear in PR–legal collaboration, particularly as perceived by one party generally considered to be less powerful in the dyadic relationship. Differentiating from Reber et al.’s (2001) study, which involved interviews with both lawyers and PR practitioners to understand their co-orientation, we focus our attention on the perspectives of PR consultants across two nations.

**PR–legal collaboration for crisis management**

In dealing with organizational crises, PR–legal collaboration is a necessary collaborative problem solving process. Resolving an organizational crisis is a daunting task, and often requires immediate and intensive involvement of both PR and legal practitioners. While there is a growing need to encourage effective PR–legal collaboration, there is a dearth of research that investigates how such collaboration happens and works for crisis management (Hoger and Swem, 2000), particularly from the PR consultants’ perspective.

The PR–legal relationship has been generally known to be adversarial (Reber et al., 2001), like mixing oil and water (Simon, 1969), albeit with a few exceptions (e.g. Lee et al., 1999; Martinelli and Briggs, 1998), and often results in turf battles (Fitzpatrick, 1996; Huang and Su, 2009). PR literature defines this relationship as contention or competition, a win/lose scenario where one side wins and the other side loses (Brooks et al., 2018). There is a need, then, to emphasize the collaborative or win/win relationship between PR practitioners and legal counsel (e.g. Lee et al., 1999). As part of collaboration, other aspects should be considered, like compromise, a 50/50 splitting the difference in an agreement as well as accommodation, a lose/win scenario where one side loses what it does not consider essential to allow the other side to win in a dispute (Plowman, 1998). Fitzpatrick and Rubin (1995) suggested that more collaborative approaches be taken by both PR practitioners and lawyers. Considering that frequent professional interactions between PR practitioners and legal counsel have been reported to positively benefit their working relationship, and that crises are best handled by PR practitioners who already have built relationships with lawyers prior to the crisis (Fitzpatrick, 1996; Lee et al., 1999), it is important for scholarship to focus on understanding what PR consultants can do to ensure mutually beneficial relationships and effective collaboration with legal counsel.

Fitzpatrick and Rubin (1995) found that when it comes to crisis response strategy, legal considerations tend to dominate organizational decision making over PR considerations. As many organizations prioritize avoiding legal repercussions when managing crises, “no comment” or silence tends to be the most preferred communication strategy (Fitzpatrick and Rubin, 1995). However, to emerge from a crisis unscathed, it is becoming more and more important for organizations not just to avoid the arms of the law, but also protect organizational reputation by winning in the court of public opinion (McCann, 1994; Schneier, 2013). This is where the role of communication strategy comes in, as how and what to communicate to publics affect the formation of public opinion. Public opinion can be very powerful as “this court of public opinion is based on reputation, revenge, public shaming, and the whims of the crowd. Having a good story is more important than having the law on your side.” (Schneier, 2013, paragraph 6, italics emphasis added). This necessitates a close

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and efficient collaboration between crisis professionals to ensure that selected crisis communication messages that are both public- and media-friendly are devised. Given that crisis communicative strategies have been shown to affect publics’ perceptions of an organization’s credibility and trustworthiness (Huang and Su, 2009), it is important to understand how PR professionals work with lawyers to develop co-narratives for optimal crisis management, and understand how their different professional perspectives, practices, and approaches (Cooper, 1992; Hoger and Swem, 2000; Lee et al., 1999) affect the collaboration. Accordingly, the following research questions guide this exploratory, qualitative study:

RQ1. How do PR practitioners develop co-narratives in collaboration with lawyers?

RQ2. What differences and commonalities do PR practitioners identify from their collaboration with lawyers?

RQ3. How do PR practitioners ensure effective collaboration with lawyers?

Method

Selection of countries: Singapore and South Korea

Singapore. The PR industry in Singapore has grown rapidly since the early 1950s when multinational corporations resumed their businesses after the Second World War (Institute of Public Relations of Singapore, n.d) and there was a “marked increase in the number of MNCs entering Singapore […] As one of Asia’s leading financial, media, and industrial hubs, Singapore’s public relations industry burgeoned in tandem with a competitive economy” (Lim et al., 2005, p. 319). Singapore’s Government was the main agent that influenced the formation and growth of its PR industry (Curtin and Gaither, 2012). Although PR in Singapore is not typically used as a strategic management function (Lim et al., 2005), Tan (2001) concluded that PR agencies’ practices in Singapore were more strategic and advanced than corporations, where PR managers perform technician roles.

South Korea. South Korea’s PR industry has also evolved dynamically with the entry of multinational corporations, and South Korean companies’ pursuit of foreign markets (Key, 2014; Rhee, 2002). Similar to other Asian countries, the growth of the PR industry in South Korea has too been driven by its government (Halff and Gregory, 2014). Key (2014) found that although South Korean companies such as Samsung and LG have advanced the approach of public engagement like other developed countries, there is still room for improvement, particularly when PR is still seen as a means to controlling the story in the media. As Key (2014) pointed out, “with the opening of borders, the country also became vulnerable to international standards and learned the hard way that South Korea needed to shape up practices and regulations in order to take a place at the global level” (paragraph 14). One key area that will affect the growth of South Korea’s PR industry in the future is crisis management (Benjamin, 2016, March 23).

Sampling

As the market for PR-legal collaboration is still in its infancy, it was difficult to identify participants who have experienced such collaboration. Therefore, one of researchers in this study combined two sampling methods: purposive and snowball sampling. Given the exploratory nature of this study, such sampling techniques were considered appropriate. A purposive sample is a “non-probability sample that is selected based on the characteristics of a population and the objective of the study” (Crossman, 2017, paragraph 1). This sampling approach is often known as selective sampling, but it can be very useful when sampling for proportionality is not a concern for the purpose of the study.
It allows the researchers to reach the targeted sample efficiently (Crossman, 2017). Principles of homogeneous purposive sampling and expert purposive sampling were adopted in this study as the researchers sought to find one shared characteristic among PR consultants, i.e., several instances of collaborating with legal counsel/lawyers for organizational crises. Additionally, expert purposive sampling was required in this study, which aims to gain knowledge and information about a specific expertise (i.e. PR–legal collaboration).

There are five possible combinations of using internal and external sources for dealing with an organizational crisis. To explain, one team could consist of an internal PR manager and an internal lawyer. A second team could consist of an internal PR manager and an external lawyer. A third combination of an external PR consultant and an internal lawyer too is possible. Fourth, a company might retain both an external PR consultant and an external legal team. And finally, a company’s internal PR manager may team up with external crisis communication consultants and lawyers and coordinate the process of crisis management. Although exploring these five combinations is worthy of investigation, in this study, we chose to investigate interprofessional collaboration by external PR experts given a common mission (with the legal team) from a client. Combining internal resource (i.e. either internal PR manager or internal lawyer) and external resource (i.e. either external PR consultant or external lawyer) involves new dynamics and contexts, i.e., a client–agency relationship. This context is different from looking into the perspectives of external experts, whose views may be different from their clients’ views.

Both PR consultants and lawyers from law firms are called in to resolve an organizational crisis as third parties. Furthermore, internal lawyers or internal PR managers may not be experts in dealing with an organizational crisis and reputational threat even with knowledge of the internal situation. Finally, we delimit the scope of our study to the perspectives of PR consultants, rather than comparing both PR consultants and lawyers. To differentiate from previous research, such as Reber et al.’s (2001) study, which involved interviews with both lawyers and PR practitioners to understand their co-orientation, we focus our attention to PR consultants’ perspective across two different countries, instead of replicating Reber et al.’s (2001) study in other two countries. Our intent is to build on previous research by exploring different cultural contexts.

Therefore, referring to information regarding PR agencies such as the Global top 250 PR agency ranking (Holmes Report, 2016), Top 10 PR Agencies in Singapore (Focus Singapore, 2017), and the Korean PR Consultancy Association (KPRCA, n.d.), one of authors contacted PR firms in the two countries and approached her professional network of PR firms in each country and asked them to recommend other consultants who may be interested in participating in this study (see Table I for background information of the participants).

**Data collection**

In total, 11 semi-structured in-depth interviews with PR consultants, 6 in South Korea between October to November 2015 and 5 in Singapore between May to August 2016 were conducted. In-depth interviews are usually used to “obtain the point of view of the respondent on a topic, phenomenon or subject under study and seek as much detail as possible about the research subjects’ views on the topic via their opinions expressed” (Weerakkody, 2009, p. 178). The interview protocol was created based on literature pertaining to the dynamics of PR–legal collaboration for resolving organizational crisis (Fitzpatrick and Rubin, 1995; Fitzpatrick, 1996; Huang and Su, 2009; Lee et al., 1999; Reber et al., 2001).

Participants were asked to share their experiences and opinions regarding the following topics: their description of PR–legal collaboration; identification of motives between PR and legal counsels; their definition of relationship between PR and legal counsels; process of
co-narrative development; challenges and obstacles in finding the optional communication strategy; and the ideal process for PR–legal collaboration to identify the optimal strategy. Although the interviews followed the interview protocol in general, interviewees were free to speak about other topics they felt relevant during the interview.

Today, in-depth interviews can be conducted in various forms, such as face-to-face, phone, or e-mail, to allow for the inclusion of global subjects and informants (Weerakkody, 2009). All interviews in Singapore were conducted via face-to-face meetings, while the ones in South Korea were conducted via one of three methods: face-to-face meetings (two), Skype video interviews (one), and e-mails (three). South Korean participants could choose the type of interview that best fit their schedules and situations. The face-to-face and Skype video interviews went for approximately two hours each. In the case of e-mail interviews, follow-up e-mail interviews were used when necessary for clarification.

**Data analysis**

All interviews that used face-to-face meetings and Skype video calls in Singapore and South Korea were audio-recorded upon the permission of participants. E-mail interviews were saved as text-form data. Interviews in Singapore were conducted and recorded in English. Audio-recorded files were transcribed. Transcripts of South Korean interviews were translated into English by professional translators, and one of authors of this study, a native speaker of Korean, rechecked the quality of the Korean–English translation. Quotations have been revised for clarity.

The interviews resulted in 135 pages of data, which were then analyzed using a thematic analysis to identify salient patterns from interviews in two countries (Braun and Clarke, 2006). Themes pertaining to the research questions were specifically focused on in this process. First, the first author read through the data to identify emergent themes pertaining to the research questions. The data were read and re-read and initial codes were identified.
Then, the second author read through the data to further confirm and refine the themes using the constant comparative method. The first two authors then discussed the themes, reviewed them for resonance, and modified direct quotations for clarity while ensuring that the meaning as conveyed by the participants remained intact.

Findings
The analyses of the data revealed key points of interest for PR practice. First, PR consultants in both countries reported increased collaboration with legal counsel in times of crises, despite several issues for effective collaboration (RQ3). Second, PR consultants report that legal professionals have begun to realize the significance of winning in the court of public opinion. However, the process by which PR–legal collaboration takes place to develop co-narratives (RQ1) followed extremely different patterns in the two countries (RQ2). The sections that follow are organized around seven major themes to answer our research questions: increased collaboration; from courts’ opinion to public opinion; differences between motives of legal and PR practice; finding common ground; developing and finalizing co-narratives; power relations; and tactics to ensure effective collaboration. Due to the emergent and intersecting nature of the findings, this section is organized thematically rather than by research question.

Increased collaboration
PR consultants who were interviewed in both Singapore and South Korea mentioned that they had noticed a change in the PR industry: increased collaboration between lawyers and PR consultants in the area of crisis management consulting. Respondents noted that the increasing demand for PR–legal collaboration may be attributed to the recognition of the importance of public opinion in crisis management by organizations as well as by society at large.

One crisis communication consultant in Singapore said, “We find that the most two important people whenever a crisis happens is the corporate communication person and the legal team” (SG Participant No. 1). Another communication consultant who specializes in public affairs also discussed how he had been invited many times to work together with legal counsel during crises. He summarized his perspective on the collaboration as “So our job really is, to really become strategic in terms of how do you communicate the legal position?” (SG Participant No. 5). For this participant, collaborating with the legal counsel to work out the best communication strategies to communicate the organization’s legal position was crucial for effective crisis management.

South Korean participants discussed an incident that they considered to be pivotal in changing the PR industry: Korean Air’s peanut U-turn crisis. One participant noted, “As seen in the Korean Air case – companies actually have started to recognize that the legal approach isn’t everything, and to realize the importance of reputation management. I think this is a positive sign for crisis communication consultants. […] There have been recent reports of successful collaboration between PR and legal, a rarity in the past” (KR participant No. 1). Participants noted that organizations in South Korea have begun to invite PR firms to resolve legal issues and to get support on media relations. “Recently, overall awareness on the importance of public opinion is increasing. Communication consultants are often invited to provide advice on public opinion even in cases where reducing prison sentences [presumably for company executives] is being discussed” (KR participant No. 2). All Korean participants reported having recently experienced working with top-tier law firms to resolve client(s)’ crisis(es) together (KR participants No. 1, 2, 3, 4, 5, and 6).

Interestingly, participants noted that this realization on the part of industry, i.e., the significant role of public opinion and PR in the area of crisis management, is not necessarily
great news for PR; it has also resulted in non-PR consultants and/or agencies encroaching upon territory normally claimed by PR. One PR consultant discussed this by saying, “One other aspect is that big-scale law firms such as Kim & Chang have started to establish its own public opinion research function with academic partners, and even media team. Law firms have realized that they need public opinion management service for clients, so they have decided to recruit media related partners or to invest in their capabilities. I know a lawyer whose main job is managing public opinion. This is a recent trend for issue/crisis management” (KR participant No. 1).

In South Korea, the way PR firms are invited to collaboration projects with lawyers varies: “Some global companies hire both a PR firm and a law firm. As lobbying is illegal in Korea, law firms usually provide public affairs services. In terms of issue management or lawsuit, a client company hires a PR firm for issue management or to manage public opinion during a lawsuit. A law firm introduces a PR company to a client upon a client’s request. However, a law firm usually does not involve a PR firm in the collaboration unless the legal firm has a strong relationship with a PR firm” (KR participant No. 5). In Singapore, PR–legal collaboration is usually initiated through referrals from legal or management consulting firms, i.e., such collaboration tends to stem from prior experiences that legal and/or management consulting firms have had with PR consultants. For example, two participants in Singapore said that they usually work with lawyers with whom they have worked before (SG participants Nos 3 and 4). One participant noted, “What we have found is, if we have a prior relationship with legal counsel before the crisis, it is more likely that they have professional respect for us to start with. And we can together develop solutions more quickly for the clients, which works better from a legal and reputational point of view. If we have worked hand-in-hand before, we can come together just when crisis breaks out” (SG Participant No. 3).

From courts’ opinion to public opinion
One Singaporean consultant (SG Participant No. 1) described how she helped resolve a litigation case by convincing the top management to act transparently, which subsequently affected other companies’ behaviors too. In a situation where a company was debating whether or not to pursue a joint lawsuit with many other corporations that might have been perceived negatively by the general population, she noted, “I said if you want your money back, you should say something. […] So I told lawyer, “are we allowed to say yes, we will pursue the lawsuit?” The lawyer said, “Sure, why not?” In the end, [anonymous client name] was the only company out of 12 who said that we will pursue the case to get back the money. I said, this is a strategy in order to convince the court that you are serious about the case. If you don’t say anything, are you serious about pursuing the case? Because it is a joint suit, it is not only one company. […] So I said, “let’s lead the way”. So after the CEO said that we will pursue, the rest of them followed” (SG Participant No. 1).

Consultants in South Korea discussed their impressions of the impact of public opinion on court cases, noting that:

The fear of public opinion is about being publically criticized, while the fear of legal action means going to prison physically. Korean Air’s peanut U-turn case is a classic example. It was not necessary for prosecutors to send Korean Air’s vice president to a jail, considering the privileges Korean conglomerates usually have. But the intense media scrutiny and public criticism made prosecutors take notice and eventually take legal action. One important point here is that public opinion definitely influences legal decisions, such as immediate custody investigation with public uproar. Prosecution’s office is a political organization anyway […] After the Korean Air “peanut U-turn” case, many business leaders have been shocked into realizing the impact of ignoring public opinion – they could go to jail (KR participant No. 1).
Differences between motives of legal and PR practice

PR consultants from both Singapore and South Korea echoed the findings of prior literature, i.e., that lawyers and PR consultants have different perspectives and approaches to crisis management (Cooper, 1992; Hoger and Swem, 2000; Lee et al., 1999). One major point of departure noted by participants Nos 1 and 3 from Singapore was about expressing empathy. Participant 1 from Singapore described this difference, saying:

So I find that the lawyers are very good at handling legal terms but they are not so familiar in the compassionate part of managing situations. It is the communication people to show compassion. The lawyers don’t care about compassion; the lawyer just wants to make sure that we don’t get sued by another party because we said something wrong.

Participant No. 3 in Singapore also compared lawyers and PR consultants regarding differences in approaches:

I think what we have found is that especially among more junior lawyers the tendency is to look only at legal frames and precedents. There is a clear right or wrong in their minds, and this tends to be a very inflexible approach. If you look at communication professionals, they tend to see more grey areas based on their experience; things are not just either right or wrong.” (SG participant No. 3).

Interestingly, one of the Korean consultants interviewed did not view this as a barrier, allowing for the win/lose nature of the legal profession, instead taking a more matter-of-fact approach to these seemingly discordant motives, saying:

Naturally, all law firms’ main interest is winning the case. Although they’re not indifferent to public sentiment, lawyers maintain their position. It’s not their scope of work to take care of public reaction and to take any action for public opinion. [...] Law firm/legal counsel’s argument has the purpose of preventing visible damage of the company. On the other hand, PR department concentrates on preventing relatively invisible damage. [...] They’re (lawyers) fully aware of the importance or definition of communication during issue/crisis management. They just don’t care about it because it’s not their responsibility. Lawyers are strategically skilled at such “on and off,” which means this is my job or that is your job. This is not the case in our field (KR participant No. 3).

Finding common ground

Despite differences in their motives and approaches for crisis management, PR professionals emphasize that both lawyers and PR consultants need to work together to find solutions for their clients, a process which can be intense and often requires urgency. Consultants in Singapore try to understand the lawyers’ positions and to create a synergistic effect from working together with lawyers, saying:

So I find that the advantage is that if you have a lawyer on your side, you can get things done easily, more easily than without a lawyer. Corporate communication people always say, ‘when it comes to difficult situation, we can only say what we can, and up to a certain point’. The lawyer is there to reinforce [...] (SG Participant No. 1).

Participant No. 3 spoke in a spirit of compromise by saying:

And it is understanding how lawyers think their approaches, meeting them half-way which I think it means that we often do get good results for a lawyer. We can understand the constraints that the lawyers are under, and we can recommend examples and language that have worked in the past, and also doesn’t open too much legal risk (SG Participant No. 3).

Singaporean participants tended to place the agency of meeting half-way and finding common ground upon themselves.

In contrast, South Korean consultants highlighted the importance of lawyers’ understanding of the impact of public opinion on reputation to come up with a solution
for their client(s). Interestingly, a consultant used the term “war” to highlight the pressure of public opinion organizations in crisis face, saying:

Legal counsel also have to understand the characteristics of the issues which involve the war against public opinion. If it’s a public case, legal counsel have to collaborate with communication consultants. Recently, lawyers’ mindsets have undergone a change, and a lot of it has to do with how they’ve even seen prosecutors trying to sway public opinion in their favour by leaking information to the media that favors them (KR participant No. 4).

Developing and finalizing co-narratives
Within a limited timeframe, both PR consultants and lawyers have to agree upon a key message for their client. Most of the South Korean PR consultants start drafting messages based on what they have been told of the legal position, get a review from the legal team, and then release these messages. However, South Korean PR consultants reported a few issues related to finalizing co-narratives, such as limited roles and information secrecy:

The final decision about co-authoring a message is generally up to the CEO and top management [as in the dominant coalition]; there is no set rule of thumb in place. In general, the co-authoring process is decided by the client’s priorities. When working independently, it’s desirable not to pay too much attention to conflicts with the law firm for the sake of client (KR participant No. 4).

Such a tentative view of the process of developing co-narratives, or a lack thereof, was common across the South Korean participants. The participants did not indicate that the process of developing key messages for crisis communication was collaborative; it is more competitive in nature. One participant stated that:

Legal counsel are reluctant to share related information due to the nature of their jobs, thus PR managers often experience ‘information vacuum’ state […] It’s extremely rare that law firms and PR firms draft consulting proposals together. Law firms are not that much considerate towards other firms. PR firms don’t receive enough information from legal partners […] (KR Participant No. 3).

Singaporean participants shared a slightly different view of the nature of the process of developing co-narratives in their practice. Participants reported that co-narrative development was a far more collaborative process for them than it was for South Korean practitioners. However, the collaborative nature of the process did not preclude it from being difficult. Different participants reported different procedures that they followed to craft messages during a crisis, the common thread being that there was no one best way. The process seemed to be dependent on the case, more than anything else. PR consultants in Singapore talked about a variety of procedures that they usually followed, including preparing a statement first and then having the legal team check it (SG Participant No. 3), and sending the prepared statement to the CEO first and then the legal team (SG Participant No. 1).

Some consultants noted that depending on the situation, they may be briefed by the CEO or the legal prior to drafting a message (SG participants Nos 4 and 5). This finding was in direct contrast to South Korea, where PR consultants discussed being concerned about legal teams’ reticence about sharing information. Singapore-based consultants reported that they can request briefings from the legal team, saying, “They have told us the entire story, we have all the information possible, […] so it’s that perfect balance of bringing all of those things together in order to mitigate as much reputational risks as possible” (SG Participant No. 4). So, in a collaborative manner, scenario planning and education may follow such briefing sessions in an effort to combine the expertise of legal and PR counsel. Participant No. 3 reported that her partner legal firms in general understand the importance of
reputation and they listen to her advice, as long as it is backed up by data and experience. She stated:

We use our experiences, we come up with materials, and we share with lawyers. They might tweak it. We will come up with first drafted those key messages, then talk to the lawyers, we usually get broad agreements with lawyers, then it goes to the clients (SG Participant No. 3).

However, this process sometimes involves negotiation with lawyers. As one participant explained:

I think the strategy is to convince the lawyer that number one, the communication people know what they are doing and what they are saying and the communication people are offering the right counsel, in collaboration with the right counsel on the legal team. Because when the legal team sometimes, when they write the statements, it looks like very technical and I said nobody will understand! [...] we are not going to court of law, we are going to the media. The media needs to understand what we are trying to say in simple English. So all this, I find that it is a [...] negotiation with the lawyers (SG Participant No. 1).

Power relations
While Singaporean PR consultants reported the collaboration to be cooperative, balanced, and based on mutual respect for the objectives of each, Korean consultants’ experiences were the opposite, with collaboration reported as being driven by significant power differences between PR and legal, with legal having the upper hand. For example, participant No. 6 in Korea expressed his concern about PR firms being subordinate to law firms, by saying, “partnership between those industries has not been industrialized. In addition, the legal sector usually sees the communications expert as someone they merely hired rather than a partner” (KR participant No. 6). Participant No. 1 was also very concerned about the status and power discrepancy between two professional groups:

I’ve been working as communication consultant for 18 years now, and I’ve experienced some situations of PR consultants being overruled [...] I think the PR consultant is still located at a lower level than lawyer when evaluated directly. One example is that communication consultants rarely have the authority for final say (KR participant No. 1).

Participant No. 2 also argued that even if PR consultants can be part of the process, legal counsel usually lead the discussion. Participant No. 3 attributed this power difference to the C-suite’s focus on protecting the company legally, saying:

I don’t think there’s any superior-subordinate relationship between legal and PR. But top executives including the CEO tend to check corporate liability first from a legal perspective; legal counsel seem to hold a relatively dominant position for CEO accessibility compared to PR (KR participant No. 3).

In the future, the court of public opinion could serve to balance the power between lawyers and PR practitioners.

In contrast, most participants in Singapore reported that they receive mutual respect from their counterparts, with their relationships with lawyers being collaborative (SG Participant Nos 1, 3, 4). A few participants were reserved when discussing the collaborative nature of their relationship with legal counsel, stating that the collaboration was contingent on working with the right lawyer (SG Participant Nos 3, 4), and that external legal firms can be more powerful than PR firms (SG Participant No. 5). As one participant stated:

You know I’ve been very lucky that I’ve worked with lawyers for the past two to three years whatever, that where we have a very good, mutual respect for one another. It’s more about each person owning their expertise and giving the other person the right to you know, to do what they were hired to do. I think if you meet the right lawyers and the right situation, it’s good. The clients should set the tone as well (SG Participant No. 4).
Interestingly, some companies may place more weight on PR than on legal (SG Participant Nos 1 and 5). Participant No. 1 said:

Some companies put more weight on communication because they think communication is important and lawyers should be kept in the background to approve documents. So I find that that is still the mentality [...] how to give equal weightage? I think it is a long [...] long way to go and it depends on the case. [...] For [anonymous client’s name] it was a lawsuit, at the same time, the challenge was also to maintain [another anonymous client’s name]’s credibility to its stakeholders. So to the CEO, he put both image and the lawsuit equally. For the [another anonymous] client, I was glad to see that the CEO placed communication people first because we had to assist him in all the so many issues and crises and they were all not lawsuits.

Having the PR/communication person considered more powerful than legal counsel is an exception (Participant No. 5).

**Tactics to ensure effective collaboration**

PR consultants in both countries provided suggestions for PR practitioners to ensure effective collaboration. While consultants in Singapore highlighted building relationships with lawyers before they work on a crisis together, the ones in Korea focused on communicating with top decision-makers. One Singapore-based PR consultant said:

I think what is very important for consultants, if you’re consultant acting for a car company, an airline, a supermarket chain, is to make sure you have a good relationship with the legal team and the top management in advance, and there’s no sort of ad hoc decisions being made without thinking them through. (SG Participant No. 2).

Participants No. 3 and 4 also had a very similar view about forming and maintaining favorable relationship with lawyers in advance. One said:

It is not in clients’ interests to have two advisors providing contradictory advice, which is why we try to establish relationships with legal firms ahead of the crisis, so we understand where they are coming from where their role is, they understand where we are coming from, they also understand that we are looking at this holistic view (SG Participant No. 3).

Meanwhile, South Korean consultants emphasized the role of and communicating with top decision-makers for effective PR–legal collaboration:

The only way to overcome this disparity (between legal and PR) is that top decision-makers put themselves in a sense of public affairs, acumen for public opinion, sound sociality, and genuine stakeholder values. There’s no option but to care for strategic collaboration to win the actual litigation case as well as in the court of public opinion […] when the top decision maker powerfully leads the collaboration, it’s relatively easy for both parties to cooperate. In this case, there exist no power relations, but equal business collaboration. […] What I suggest is that PR and legal heads hold meeting together with CEO (KR participant No. 3).

The above was said by a South Korean PR consultant.

**Discussion**

This study was an attempt to understand PR–legal collaboration in times of crisis from PR practitioners’ point of view and contribute to the development of Asia-centric models of PR practice. To do so, we interviewed PR consultants in two Asian countries – Singapore and South Korea – to understand the status of their interprofessional collaboration with legal counsel, and the process by which they develop co-narratives during crises. Analyses of the interviews revealed that PR–legal collaboration has increased in recent years in both Singapore and South Korea. Practitioners in South Korea in particular pointed to a specific event as the turning point in heightening the importance of PR among the C-suite
complementing Plowman’s (1998) and Berger’s (2005) findings of power and PR stemming from the dominant coalition (the core group of management decision-makers).

However, PR practitioners in South Korea and Singapore experienced different forms of interprofessional collaboration when working with legal teams on crisis management. This interprofessional collaboration operationalized through our participants trying to find common ground with their legal counterparts, and is known in the PR literature as motivating self-interests, underlying values shared by both parties in a negotiation (Plowman, 1996). Furthermore, practitioners in the two countries noted different power dynamics with lawyers. While in Korea, PR–legal collaboration continues to reflect “power over relations,” in Singapore, increasingly, is more reflective of a “power with relations” dynamic, where both professions use “dialog, inclusion, negotiation, and shared power” for their decision making (Berger, 2005, p. 6). PR practitioners in Singapore reported having a fairly equal relationship with their legal counterparts and receiving respect from them, while South Korean PR consultants reported facing several challenges that hindered effective collaboration with their legal counterparts. In Singapore, more compromise and accommodation were practiced. Compromise, a 50/50 split, or accommodation, where one side wins more than the other side, is in play here as long as all parties are satisfied with the results. In contrast, South Korean PR consultants experienced more contention, or competition, the win/lose aspect of PR negotiation theory models (Plowman, 1998).

This situation represents the difference between collaboration as a win/win strategy and competition as a win/lose strategy. It seems many consultants’ views reflect their assumption of equal power relations as a desirable solution for effective crisis management, even though in reality two professions have different roles and expertise which may not always necessitate equal power relations. While lawyers may not agree with the views that PR consultants shared for this study, exploring their perspectives is beyond the scope of this research. Additionally, who has more say about the crisis may depend on types and nature of crisis.

Although PR–legal collaboration is necessary for successful crisis management, it still has a long way to go, particularly in South Korea. Issues of power relations, encroachment, secrecy, and different motives and expectations between PR and legal counsel came up consistently as tensions and conflicts that hindered effective collaboration. Although it was not identified as a salient pattern, one participant in South Korea (KR participant No. 6) advocated for professional accreditation of the PR profession to achieve mutual respect and professional collaboration between PR and legal experts. As PR professionals are not perceived to have the kind of legitimacy and power afforded to lawyers or doctors by social systems, professional accreditation may enhance the status of PR professions as KR participant No. 6 suggested. However, more important is whether or not the views and suggestions from PR consultants are considered seriously by their counterparts and clients. Therefore, we should be cautious in using the assumption of equivalence for effective PR–legal collaboration.

This study also redirects scholarly attention to the needs of incorporating legal elements into PR curricula at colleges and universities. Doing so may equip future PR professionals with knowledge and skills to work with their legal brethren, and add to their arsenal of skills. By understanding and adopting language and terms used by their legal counterparts, it may be possible for PR professionals in Singapore and South Korea to experience less resistance and inefficiency in their collaborations with lawyers. As our findings indicated, many lawyers in both countries have begun to recognize the power of communication strategy and to accommodate the communication function in their practices. It may therefore make sense for PR education to also recognize the synergies between the two functions and help equip future generations of PR professionals with knowledge of legalese to reflect such trends toward PR–legal collaboration. It would be worthwhile for the
academy to revisit PR as well as law curricula not only to identify gaps between two different worlds but also to find solutions to reduce such gaps. As our findings indicate, it is time for PR and law educators to collaborate to develop interdisciplinary programs that would benefit both PR and law students who are going to work together as partners in the future, and help advance future interprofessional collaboration.

Educators’ efforts should be extended to the business and management schools, too. Another participant highlighted the importance of curriculum development at MBA schools that would allow top executives and businesses to learn about crisis management and public opinion management (KR participant No. 1). These notions are in line with the previous literature on issues in interprofessional education, such as different prior educational experiences, incompatible curricula, and requirements for professional accreditation (Connor and Rees, 1997). Future research may explore and investigate how these issues in the context of PR–legal collaboration are addressed in different countries more in depth.

We believe that our findings refine and extend the arguments and suggestions made by previous literature on PR–legal collaboration (e.g. Fitzpatrick and Rubin, 1995; Lee et al., 1999) and on factors hindering organizational excellence (Grunig et al., 2002). We acknowledge that other functions’ encroachment into PR (Lee et al., 1999) is not a new phenomenon; PR encroachment has been occurring from several functions or professions, such as accountancy firms or management consulting firms. Our findings indicated legal encroachment into PR, especially in South Korea. In previous research, several factors such as membership in dominant coalition, knowledge and skills in a two-way symmetrical communication, and resource dependency have been identified as affecting encroachment by other functions into PR (Kelly, 1994; Lauzen, 1991, 1992, 1993; Lauzen and Dozier, 1992).

However, in our study, by focusing on PR–legal collaboration process on co-narrative development instead of encroachment into PR, we have tried to redirect attention to positive prospects and future directions for the PR industry. Although encroachment by lawyers into PR is still an obstacle to effective collaboration between PR and legal counsel in South Korea, it may be a positive sign for the industry as a whole that legal counsel are embracing the tenets of PR and understanding the importance of winning in the court of public opinion. This court of public opinion can be represented by the power of the media, social media, and activist groups (Berger, 2005) to equalize power among key publics or stakeholders in any disputed situation.

Recently a participant wrote on his blog, “Many lawyers often say that the court of law and court of public opinion are different and that the verdict in the court of law is not affected by the verdict in the court of public opinion. However, you will not be able to tell until you experience this: how severe the court of public opinion is and how difficult it is for companies to recover from the negative verdict given at the court of public opinion.” The court of public opinion leverages the power of PR to “level the playing field” or equalize the power between lawyers and PR practitioners.

Future study may need to consider the impact of different kinds of crises in the court of public opinion as well as in the court of law, particularly for challenges (Coombs and Holladay, 2012). Challenge crises can occur when stakeholders perceive an organization’s conduct to be irresponsible, but such conduct may not necessarily be legally problematic (Lerbling, 1997). When a challenge becomes a highly visible concern to stakeholders, it becomes a crisis (Coombs and Holladay, 2012). In this age of the social collective and criticism (Fournier and Avery, 2011), organizations are vulnerable to online petitions and challenges where stakeholders request their needs to be addressed as soon as possible. Online consumers have emerged as “ardent arbiters and commentators, providing authoritative judgment and critique of companies and brands” (Fournier and Avery, 2011, p. 200). With their social collective power, online consumers can cause unintended
consequences on organizations (Fournier and Avery, 2011). Digital media technology makes it easier for those consumer publics to attract attention to a certain petition not only from media but also from other stakeholders. In such situations, how PR professionals formulate plans and strategies to handle social challenges while fending off legal challenges, and collaborate with legal counsel to do so, would be a key area for PR scholars to explore.

This exploratory study is not exempt from limitations. The findings from this study may not be applicable to other countries. As data collection in both countries relied on snowball sampling techniques, the participants in the interviews may not be representative of PR consultants in South Korea and Singapore. E-mail interviews had limitations due to their lack of richness and details compared to other forms of interviews (i.e. face-to-face or Skype interviews). However, computer-mediated interviews including e-mail interviews can still create a good level of understandings about phenomenon in question (Lindlof and Taylor, 2011).

References


**Further reading**


**About the authors**

Sojin Kim is Lecturer at University of Technology Sydney. She is interested in strategic management of public relations, public relations strategies, public sentiment, and public behaviors. She received her PhD in Communication from the Purdue University in 2014.

Arunima Krishna, PhD (Purdue University), is Assistant Professor of Public Relations at Boston University’s College of Communication. Her research interests include publics’ perceptions of controversial social issues, including issues such as vaccine hesitancy, and workplace gender discrimination. Her research has been published in journals such as *Journal of Public Relations Research, Health Communication, Journal of Applied Communication Research*, among others. Arunima Krishna is the corresponding author and can be contacted at: krishna.arunima@gmail.com

Kenneth D. Plowman specializes in strategic management and conflict resolution in public relations, Ken Plowman earned a Doctorate in Journalism from the University of Maryland and is now Associate Professor of Communications at BYU. Prior to Maryland, Plowman spent 15 years in the field of public relations. About half that time was spent on Capitol Hill in Washington, DC. He then lobbied at the state, local and federal levels for a government affairs agency, specializing in environmental issues. Plowman’s career in public relations has followed a dual track, the other one being in the US Army Reserve. He has served as Commander of two public affairs detachments. He is Accredited Member of the Public Relations Society of America.

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Identity matters

How the relevance of a crisis to organizational and stakeholder identities influences reputation damage

Simone Mariconda, Alessandra Zamparini and Francesco Lurati
Institute of Marketing and Communication Management (IMCA), Universität della Svizzera italiana, Lugano, Switzerland

Abstract
Purpose – The purpose of this paper is to conceptually develop and empirically test a model according to which a crisis leads to a greater reputational damage when it is highly relevant to the firm’s organizational identity or highly relevant to stakeholders’ identity.

Design/methodology/approach – A total of 299 participants based in the USA were recruited online using the Amazon Mechanical Turk platform. The study uses a 2 (relevance of crisis to organizational identity: low vs high) × 2 (relevance of crisis to stakeholders’ identity: low vs high) between-subjects experimental design.

Findings – The results confirm the hypotheses that an organizational crisis leads to greater reputational damage when it is highly relevant to the firm’s organizational identity or when it is highly relevant to stakeholders’ identity. No significant interaction between the two variables was found.

Research limitations/implications – Future research could focus on further elaborating on how the two identity-related variables tested in this paper interact with other variables that have already been studied for moderating the effects of crises on reputation damage.

Practical implications – The paper reaffirms the deep interconnection between identity, stakeholders and reputation. Concretely, the results of the study suggest an informative way of mapping the degree to which risks or issues could potentially damage organizational reputation.

Originality/value – The paper contributes to the literature by providing a more situational understanding of how the same exact crisis can damage the reputation of organizations differently. By doing so, the paper opens several new avenues for future research.

Keywords Stakeholders, Crisis management, Corporate reputation, Organizational identity, Stakeholder identity, Reputation damage

Paper type Research paper

Introduction
Reputation damage (or reputation loss) refers to any decrease in the favorability of stakeholders’ evaluation of a firm, following a given crisis (e.g. Claeys and Cauberghe, 2010). A crisis may lead stakeholders to stop engaging with the organization involved in the crisis (Coombs, 2007), thereby affecting the benefits derived from a positive reputation such as competitiveness (e.g. Barnett and Pollock, 2012; Barney, 1991) and survival (Rao, 1994). In this context, scholars studying crisis management and communication have dedicated an increasing amount of effort to understanding the variables influencing the effects of crises on reputation damage (Bundy et al., 2017) and advocated for more “research that considers the multiple conditions that influence stakeholders’ perceptions” (Bundy et al., 2017, p. 15). In this regards, existing research on reputation damage has remained relatively silent on how the specificities and characteristics of the actors involved in a crisis (i.e. organizations and their stakeholders), as well as their mutual relationship, affect the way in which people’s perceptions are influenced by the crisis. This is somewhat surprising considering that the literature in the field of organizational reputation has extensively discussed the relationship between reputation and organizational and stakeholder identities (e.g. Cian and Servai, 2014; Foreman et al., 2012; Huang-Horowitz and Freberg, 2016; King and Whetten, 2008; Whetten and Mackey, 2002). With few recent exceptions (e.g. Wang and Wanjek, 2018; Zavyalova et al., 2016), little is known regarding how the connections between the specific
crisis and the identities of the organizations and stakeholders involved are influencing reputation damage.

In this paper, through an experiment conducted online, the authors aim to address this gap by showing how a crisis has a bigger negative effect on organizational reputation when it is highly relevant to the firm’s organizational identity and highly relevant to stakeholders’ identity. In this way, the authors contribute to existing research studying the factors influencing the effect of crises on reputation damage (e.g., Claeys and Cauberghe, 2010; Coombs and Holladay, 2006; Breitinger and Bonardi, 2017) by providing a more relational and situational understanding of the way in which people make sense and react to a crisis. The paper shows how organizational actions are embedded in a complex social context, characterized by multiple expectations that are partially determined by the organization itself and by the myriad of stakeholders that more or less frequently deal with the organizations.

The remainder of the paper is structured as follows. First, the authors review the literature by looking at the variables influencing reputation damage following a crisis and consequently develop the three hypotheses of the study. The experiment designed to test the hypotheses and the results are then reported. The paper concludes with a discussion of the theoretical and practical implications, as well as limitations and directions for future research.

Literature review and hypotheses

The present research looks at the effect of organizational crises on reputation damage by focusing on the variables that influence the extent of such damage. Following previous research with a similar approach (e.g., Claeys and Cauberghe, 2010), the focus of this paper is on reputation damage immediately after a crisis, i.e., before the organizational response takes place (e.g., Coombs, 2007, 2014).

Factors influencing reputation damage

The literature that looks at the phenomenon of reputation damage focuses mainly on three key factors that are likely to influence reputation damage following a crisis. First, the role of organizational reputation prior to the negative event (Coombs and Holladay, 2006; Claeys and Cauberghe, 2010); second, the degree to which stakeholders perceive a firm to be responsible for such an event (Coombs, 2007; Reuber and Fischer, 2010); and third, the role of the source reporting the negative event (Breitinger and Bonardi, 2017). In the following paragraphs, we review the literature on the topic.

A significant body of research has found that organizations that have a positive reputation prior to a crisis suffer less reputation damage following a crisis than organizations that have a less positive reputation (Claeys and Cauberghe, 2010). According to situational crisis communication theory (SCCT), one of the main determinants of reputation damage following a crisis is the degree to which firms have a positive reputation prior to a crisis (Coombs, 2007). In this sense, Coombs and Holladay (2006) found that, on some occasions, firms with a highly positive reputation before a crisis have a better reputation after a crisis than firms with a weak reputation (they also found evidence for what they termed the “Velcro effect” – that is, people tend to attribute more responsibility to an organization when its pre-crisis reputation is negative). Elaborating on such findings, Claeys and Cauberghe (2010) found that a favorable pre-crisis reputation shields organizations from reputation damage. Interestingly, although a significant amount of research supports the idea that a positive reputation prior to a crisis benefits the organization (see also Love and Kraatz, 2009; Pfarrer et al., 2010), various scholars have found that a positive reputation prior to a crisis might also lead to more negative consequences (e.g., Coombs and Holladay, 2006; Rhee and Haunschild, 2006; Wade et al., 2006). They, consequently, express the need to look for variables that
determine whether a positive reputation acts as a buffer and/or as a burden in times of crises (Bundy et al., 2017; Zavyalova et al., 2016).

The second stream of research looks at reputation damage as a function of stakeholders’ perceptions of a firm’s responsibility for the crisis. For instance, Reuber and Fischer (2010) argued that discrepant actions are more likely to lead to reputation damage when stakeholders perceive such actions as being controllable, certain, threatening and deviant from industry norms. Building on attribution theory (e.g. Weiner, 1985), scholars argued that stakeholders’ reactions to a crisis strongly depend on their attribution of the firm’s responsibility. According to SCCT (Coombs, 2007), there are three separate crisis clusters, based on the perceived firm’s responsibility, leading to increasing reputation damage. First, there are events in which the organization is also a victim of the crisis (e.g. natural disasters and product tampering). Others in which the organizational actions leading to the crisis are unintentional (e.g. accidents or product failures caused by technical errors). Finally, there are events in which organizations knowingly engage in inappropriate behaviors putting people at risk (e.g. violation of laws and regulations, accidents caused by human errors). In relation to such research, scholars (Claeys and Cauberghe, 2010; Coombs and Holladay, 1996, 2002) have regularly found that greater attributions of responsibility following a crisis lead to greater reputation damage.

The third stream of research relates to the role of third parties reporting the crisis. In this context, scholars have argued that influential actors, when they report a crisis, have a great effect on the reputation damage suffered by the organization involved. For instance, Reuber and Fischer (2010) argued that media coverage about organizational misconduct plays a key amplifying role in determining the amount of reputation damage. Vogler et al. (2016) found that political stakeholder groups had an increased influence in shaping the reputation of Swiss banks during the financial crisis. In a recent article, Breitinger and Bonardi (2017) found support for the idea that the source reporting a crisis and its credibility play a central role in determining reputation damage, whereas the severity and novelty of the allegations do not. Such research highlights the fact that players such as NGOs and the media play a determinant role in the social construction of firms’ reputation damage, independently from the negative event itself.

Adding to the research discussed above, in the next paragraphs the authors build on the literature on organizational and stakeholders’ identity (e.g. Foreman et al., 2012) and propose that looking at the degree to which a specific crisis is more or less relevant to the identity of the organization and of the stakeholders involved helps in developing a more situated understanding of how crises impact and damage organizational reputations. Although definitions and perspectives on organizational identity abound (e.g. Gioia and Hamilton, 2016; Hsu and Hannan, 2005), this paper draws on a social actor perspective, whereby identity is defined as the set of central, enduring and distinctive (CED) traits that an organization claims in order to describe itself. According to this view, organizations communicate their self-definition and are held accountable for their claims by their stakeholders (King and Whetten, 2008; Whetten and Mackey, 2002). In particular, organizations claim CED traits to positively distinguish themselves from competitors and construct a positive reputation (Foreman et al., 2012; Rindova et al., 2005). By claiming identity traits through various expressive means (Hatch et al., 2000), organizations are to an extent declaring to stakeholders what to expect from them, thereby building a reputation “for something” (Foreman et al., 2012, p. 186; Lange et al., 2011). At the same time, organizations claim their CED traits with respect to different stakeholders with different identities, defining “self-other relationships” (Foreman et al., 2012, p. 183) and setting specific expectations that are relevant to the identity of particular stakeholders. This way, organizations also build a reputation “with someone” (Foreman et al., 2012, p. 189; Lange et al., 2011). Therefore, organizational identity plays a central role in determining the
expectations that surround an organization, with respect to what the organization does and to whom this is relevant. Reputation follows from the degree to which stakeholders deem that an organization has fulfilled such expectations (Foreman et al., 2012).

On the basis of these assumptions about the relevant nexuses between organizational identities, stakeholder identities and reputation-building, in the next two sections, we develop hypotheses predicting how organizational identities and stakeholder identities intervene in influencing reputation damage after a crisis.

Crisis relevance to organizational identity
As early as 1957, Selznick (1957) talked about the importance of “irreversible commitments” as choices that organizations should accept and commit to, as doing otherwise would threaten the character of the organization (p. 40). Many years later, Fombrun (1996) claimed that a firm’s identity constrains it in the actions it takes, how it treats employees, how it makes decisions and how it reacts to crises. However, organizational identity not only influences pre- and post-crisis behavior, but also, as previously stated, sets fundamental external expectations on a firm’s behavior. Identity is, in fact, “the most reliable predictor of an organization’s conduct” (Foreman et al., 2012, p. 180). It follows that a negative event will more likely lead to reputation damage when it violates the expectations created by a firm’s organizational identity than when it does not. A crisis violates identity-based expectations when it puts at stake those traits that the organization used to claim its uniqueness and to make unrequested promises to stakeholders, calling attention to what it is particularly good at (Foreman et al., 2012). For instance, all else being equal, we could expect a series of product defects related to safety to be more damaging to the reputation of an organization that has an identity strongly focused on safety (e.g. Volvo), than to the reputation of one organization that focuses more on speed and design (e.g. Porsche). Following such arguments, the following hypothesis is developed:

\[ H1. \text{ A crisis leads to greater reputation damage when it is highly relevant to the firm’s (organizational) identity.} \]

Crisis relevance to stakeholders’ personal identity
Although the relationship between an organization’s identity and a crisis is likely to play an important role in influencing reputation damage, scholars have also argued that stakeholders’ individual identities are likely to influence the way in which expectations surrounding a firm’s reputation are formed (cf. reputation “with someone,” Foreman et al., 2012, p. 189). In fact, organizational reputation is “in the eye of the beholder” (Rindova and Fombrun, 1998). In other words, reputations reside in stakeholders’ perceptions (Fombrun, 1996). Personal identity generally refers to the label used to describe oneself (e.g. Cook et al., 2002) and has been found to influence preferences, intentions and behaviors (e.g. Van der Werff et al., 2013). First, individual identities act as a lens orienting stakeholders’ attention and also as a “driver of salience” for their perceptions (Foreman et al., 2012, p. 190). For instance, Wang and Wanjek (2018) found that stakeholders who perceive a crisis as personally relevant are likely to assess it as more salient and consequently show anger toward the involved organization. Second, stakeholders might be more likely to act upon certain issues because these are particularly relevant to their personal identity (Rowley and Moldoveanu, 2003). Even if not linked to any rational motive or interest, stakeholders react differently to new information because this resonates particularly with who they are and to what they belong (e.g. Rowley and Moldoveanu, 2003; Wang and Wanjek, 2018). For instance, all else being equal, we could expect a series of product defects related to safety to be more damaging to the reputation of a car manufacturer that has a stakeholder base strongly
focused on safety (e.g. parents) than to the reputation of an organization that has a stakeholder base focused on speed and design (e.g. young adults).

Therefore, the expectations of the different stakeholders surrounding a firm are likely to be shaped not only by the identity claimed by the organization, but also by their own personal identities (Foreman et al., 2012; Rowley and Moldoveanu, 2003). In this sense, personal identity shapes what stakeholders care about, what they expect from others, the salience of events and, therefore, how organizational actions are interpreted (Foreman et al., 2012; Lange et al., 2011). It follows that, based on their identity, different stakeholders will have drastically different expectations from the same firm and, consequently, will react differently to the same organizational action. Based on these arguments, the second hypothesis of this paper is:

**H2.** A crisis leads to greater reputation damage when it is highly relevant to stakeholders’ (personal) identity.

Following the two hypotheses developed thus far, one could consequently expect an interaction effect wherein the negative effect of a crisis on a firm’s reputation will be the greatest when the crisis is highly relevant to organizational identity and, at the same time, highly relevant to stakeholders’ (personal) identity. In such a case, a crisis would break the fundamental bond that ties stakeholders and the involved organization and what matters to both. In fact, when a firm’s and stakeholders’ identities overlap, there might be a stronger identification that ties stakeholders to the firm (e.g. Zavyalova et al., 2016). If stakeholders perceive that this important overlap in identities does not hold true anymore, one could expect a greater punishment in terms of reputation damage. Therefore, the third hypothesis of this paper is:

**H3.** A crisis leads to the greatest reputation damage when it is highly relevant to stakeholders’ (personal) identity and to the firm’s (organizational) identity.

**Methods**

*Design, stimuli and variable measurement*

The authors tested the hypotheses through an experiment. The study had a 2 (relevance of crisis to organizational identity: low vs high) × 2 (relevance of crisis to stakeholders’ identity: low vs high), full factorial, between-subjects design. A pre-test, post-test approach was adopted to determine how the reputation of the focal company would change after a crisis depending on relevance of the crisis to organizational identity and relevance of the crisis to stakeholders’ identity.

*Relevance of crisis to organizational identity.* Two company descriptions were developed to manipulate company identity and keep other aspects equal, such as reputation (participants would read only one of the two descriptions). The organizational identity manipulation was created by using typical identity markers (e.g. Schinoff et al., 2016), such as company name, logo, mission statement and a brief extract from the two companies’ websites (i.e. “who we are” section). One company was named “Natural Skin Cosmetics” and the other “Quali Skin Cosmetics.” According to the description provided, the first company focused on developing natural products, whereas the second focused on developing high-quality products. Both companies were described as well-respected by their customers, business partners and the general population. The two company descriptions were pre-tested with a sample of 70 participants to ensure that they would be perceived equally positively in terms of reputation, but as having different identities (participants in the pre-test were not part of the main study pool). Participants in the pre-test rated the two companies using the reputation scale described below. A t-test revealed no significant
difference in reputation (mean Natural Skin Cosmetics = 5.74, SD = 0.954; mean Quali Skin Cosmetics: 5.42, SD: 0.949; \( t_{68} = 1.432; p > 0.05 \). To ensure that participants would perceive the companies as having distinct identities, they were asked to choose from a series of keywords, including “Nature” and “Quality” to find the one that better described the target company’s identity. Consequently, 32 out of 34 ( = 94 percent) of the participants exposed to the Natural Skin Cosmetics description rightly indicated “Nature” as the keyword that better described the company’s identity, while 33 out of 36 (= 92 percent) of the participants exposed to the Quali Skin Cosmetics description rightly indicated “Quality” as the keyword that better described the company’s identity. Therefore, the results of the pre-test confirmed that the identity manipulations worked as intended.

A newspaper article describing a case of organizational misconduct was designed in order to be highly relevant for one of the two companies (i.e. Natural Skin Cosmetics) and less relevant for the identity of the other company (i.e. Quali Skin Cosmetics). All participants would read the same article, in which only the name of the target company involved would be different (all other aspects were equal). The newspaper article reported an investigation conducted by Greenpeace that found that Natural Skin Cosmetics/Quali Skin Cosmetics was heavily polluting oceans and contributing to wildlife poisoning by using plastic microbeads in its products. The article was developed to look as realistic as possible and was based on actually published articles about the topic. Therefore, summarizing, the degree of crisis relevance to organizational identity was manipulated by creating a crisis description that would be highly relevant for the identity of one of the two organizations and less relevant for the identity of the other organization, all other aspects being equal.

Relevance of crisis to stakeholders’ identity. The crisis investigated in our study involved a case of environmental violation. Therefore, a crisis like this would be highly relevant for people with a strong environmental self-identity and less relevant for people with a low environmental self-identity. To assign participants to a low vs high “relevance of crisis to stakeholders’ identity” condition, their environmental self-identity was first measured (i.e. the degree to which they consider environmental concerns as an important part of their identity) (Van der Werff et al., 2014). The variable was measured by adapting a scale from previous literature (Van der Werff et al., 2014; Whitmarsh and O’Neill, 2010). The scale asked participants to respond to three items on a seven-point scale ranging from 1 (strongly disagree) to 7 (strongly agree): “I think of myself as someone who is very concerned with environmental issues,” “I think of myself as an environmentally friendly person,” and “Acting environmentally friendly is an important part of who I am.” The scale proved to be reliable (Cronbach’s \( \alpha = 0.927 \)). Participants were then assigned to a low or high relevance condition, based on a median split on the environmental self-identity scale. To assign participants to one of the two groups, the median point was first calculated using SPSS (median point = 5); a new dichotomous variable was then created according to which participants with a score \( \leq 5 \) (\( n = 133 \)) were assigned to one group (low relevance of crisis to stakeholder’s identity) and participants with a score \( > 5 \) (\( n = 117 \)) were assigned to the other group (high relevance of crisis to stakeholder’s identity).

Reputation damage. Reputation damage was computed by subtracting the reputation judgments at post-test from the reputation judgment at pre-test for each individual participant. As the hypotheses look at the magnitude of change in reputation judgments, the absolute value of change was used (Ahluviala et al., 2000). This way of operationalizing the change in reputation judgments is consistent with, for instance, research in psychology looking at attitude change (e.g. Park et al., 2007). Reputation judgments were measured using the scale developed by Ponzi et al. (2011), which is often used in reputation research (e.g. Deephouse and Jaskiewicz, 2013). The scale asks participants to rate the focal
organization on four items, using seven-point scales, ranging from 1 (strongly disagree) to 7 (strongly agree): “[Company X] is a company I have a good feeling about,” “[Company X] is a company that I trust,” “[Company X] is a company that I admire and respect,” and “[Company X] has a good overall reputation.” The scale proved to be reliable in both measurement occasions (Cronbach’s α at pre-test: 0.893; Cronbach’s α at post-test: 0.905).

Participants and procedure
Participants were recruited using Amazon Mechanical Turk, an online service often used to collect data for research purposes (e.g. Paolacci et al., 2010). In total, 299 people based in the USA participated in the study (mean age: 35.17; 35.8 percent female). In the introduction of the study, participants were told that they would take part in a study looking at their perception of cosmetics companies, involving the reading of some materials and some questions about it.

The study followed a pre-test, post-test procedure: in the first part of the survey, during the pre-test phase, participants answered questions about their demographics and questions about their environmental self-identity, as described above. After these first questions, participants were randomly assigned to read one of two descriptions regarding a fictitious cosmetics company and provided reputation judgments of the target company. As previously described, the company descriptions were created to manipulate the companies’ identity. After this, participants read a negative newspaper article about the target company involving a case of misconduct, which was designed in order to be highly relevant for the identity of one company (i.e. Natural Skin Cosmetics, strongly focused on nature) and less so for the identity of the other company (i.e. Quali Skin Cosmetics, strongly focused on quality). After reading the article, during the post-test phase, participants provided their reputation assessments for the target company and answered some filler questions and manipulation checks.

Great care was taken in ensuring that participants were paying sufficient attention and understood the instructions provided during the study. The survey contained one manipulation check regarding the identity of the target company and one manipulation check regarding the topic of the news article to which participants were exposed. Furthermore, the survey contained an instructional manipulation check specifically designed to test participants’ attention (Oppenheimer et al., 2009). For the analysis of the data, participants failing either one of the three manipulation checks were removed. The final sample consisted of 250 subjects.

Results
Data were analyzed using ANOVA in order to examine how reputation damage would be influenced by the relevance of crisis to organizational identity (low vs high) and the relevance of crisis to stakeholders’ identity (low vs high). Tables I and II summarize the results.

H1 predicted that the negative effect of a crisis on a firm’s reputation would be greater when the crisis is highly relevant to organizational identity. Results from the ANOVA revealed a significant main effect of the relevance of crisis to organizational identity. Participants in the high relevance condition expressed a significantly greater change in reputation judgments compared to those in the low relevance condition (mean high = 2.86; mean low = 2.46; $F_{1,246} = 6.397; \ p < 0.05$). These results lend support for H1.

<table>
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<th>Source of variance</th>
<th>df</th>
<th>SS</th>
<th>F</th>
<th>p</th>
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</thead>
<tbody>
<tr>
<td>Relevance of crisis to organizational identity (RCOI)</td>
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<td>12.656</td>
<td>6.397</td>
<td>0.012</td>
</tr>
<tr>
<td>Relevance of crisis to stakeholder identity (RCSI)</td>
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<td>34.591</td>
<td>17.483</td>
<td>0.000</td>
</tr>
<tr>
<td>RCOI × RCSI</td>
<td>1</td>
<td>0.000</td>
<td>0.000</td>
<td>0.991</td>
</tr>
</tbody>
</table>

Table I. Analysis of variance results
*H*2 predicted that the negative effect of a crisis on a firm’s reputation would be greater when the crisis is highly relevant to stakeholders’ identity. Results from the ANOVA revealed a significant main effect of the relevance of crisis to stakeholders’ identity. Participants in the high relevance condition expressed a significantly greater change in reputation judgments compared to those in the low relevance condition (mean high = 3.03; mean low = 2.31; \( F_{1, 246} = 17.483; p < 0.001 \)). Therefore, the results also confirm *H*2.

*H*3 predicted that the negative effect of a crisis on a firm’s reputation would be the greatest when the crisis is highly relevant to organizational identity and to stakeholders’ identity. In this case, the ANOVA results displayed no significant interaction effect between the two variables. However, while not significantly different, the mean reputation change for this specific group was the highest (mean = 3.29).

**Further analysis**

In the ANOVA analysis, the continuous variable “Environmental Self-identity” was dichotomized to assign participants to one of the two conditions (low vs high relevance of crisis to stakeholders’ identity; see details above). Although such practice is often used in experimental studies with an approach similar to the one of this paper (e.g. Ahluwalia et al., 2000), it has sometimes been criticized for reducing analytical power (e.g. Irwin and McClelland, 2003). To address this issue and test for the robustness of our findings, data were also analyzed by using regression analysis and keeping the variables continuous. The two variables, relevance of crisis to organizational identity (0 = low, 1 = high) and relevance of crisis to stakeholders’ identity (by keeping individuals’ continuous scores on the environmental self-identity scale), were regressed on reputation change. The results of the regression indicated that the model was significant (\( R^2 = 0.122, F_{2, 247} = 17.224, p < 0.001 \)). The effect of the relevance of the crisis to organizational identity was significant and in the expected direction (\( \beta = 0.154; p < 0.05 \)), thereby confirming *H*1. In addition, the effect of the relevance of the crisis to stakeholders’ identity was significant and in the expected direction (\( \beta = 0.323; p < 0.001 \)), thereby confirming *H*2. When adding the interaction term between the two variables into the regression model, no significant effect was found; *H*3 was, therefore, not confirmed.

**Discussion**

With this paper, the authors mainly contribute to enriching the research looking at how crises influence organizational reputation by adding a new set of factors to the ones already investigated in previous studies. As previously discussed, scholarship has mainly focused on three sets of factors likely to influence the effects of crises on reputation damage: the role of firms’ reputation before the negative event (e.g. Claeyts and Cauberghe, 2010; Coombs and Holladay, 2006), stakeholders’ perceptions of firms’ responsibility for the negative event (Coombs, 2007;
In this sense, the paper provides a more situational and contextually rich understanding of the way in which people make sense of and react to a crisis, taking into account the connections between a specific crisis and the identities of the actors involved (organizations and stakeholders). Although the literature on organizational reputation has extensively discussed the relationship between reputation and organizational and stakeholder identities (e.g. Cian and Servai, 2014; Foreman et al., 2012; Huang-Horowitz and Freberg, 2016; King and Whetten, 2008; Whetten and Mackey, 2002), the literature in the field of crisis management and communication has remained relatively silent on how such identity-related variables may influence stakeholders’ reactions to a crisis, with some exceptions (e.g. Wang and Wanjek, 2018; Zavyalova et al., 2016). The model tested in this paper has started bringing these two bodies of literature closer together, providing two key insights. First, a crisis has a bigger negative effect on stakeholders’ reputation judgments when it is highly relevant to the identity of the organization involved. Stakeholders judge organizations according to the criteria organizations highlight as central for them. In this sense, stakeholders evaluate organizations’ ability to maintain the promises they make. Second, a crisis has a bigger negative effect on stakeholders’ reputation judgments if it is highly relevant to their personal identity, thereby highlighting the complexities involved in managing a firm’s reputation vis-à-vis the identities of the multiple stakeholders that may be involved in a crisis. Taken together, these two aspects further highlight how it is difficult to evaluate the severity of a crisis “objectively” without considering more specific contextual factors related to the organization and its stakeholders.

Interestingly, and somewhat surprisingly, the authors did not find a significant interaction effect between the two variables. Furthermore, according to the results presented in the paper, it would seem that a crisis relevance to stakeholders’ personal identity makes a greater difference than a crisis relevance to organizational identity in influencing the effects of a crisis on reputation damage, contradicting what was suggested by previous research. In fact, Foreman et al. (2012) claimed that organizational identity would have a dominating role in determining stakeholders’ expectations of organizations and that, comparatively, individual level identities would have a less significant role. More specifically, in their discussion, the authors seemed to suggest that organizational identity would play the main role in determining stakeholders’ expectations toward an organization and that individual level identity would only contribute to such expectations by making certain aspects of an organization’s identity more or less relevant to them. Our findings, including the lack of support for H3, instead suggest that, independently of an organization’s identity, stakeholders’ individual identity plays a determining role in influencing expectations and, consequently, their reactions to organizational actions. Of course, before reaching any conclusive statements in this sense, the findings reported here would have to be investigated further by future research, as we discuss below.

In terms of managerial implications, this paper reaffirms the deep interconnection between identity, stakeholders and reputation. Organizations are successful in managing their reputation if they are able to keep up with the expectations they create and with the multiple expectations deriving from stakeholder identities. Indeed, the practitioner-oriented literature on reputation identifies stakeholders’ expectations as a main source of risk to a firm’s reputation (e.g. Eccles et al., 2007; Fombrun et al., 2000; Honey, 2009). However, organizations usually map risks in terms of their likelihood of occurring and in terms of the impact or damage that they may cause (e.g. Honey, 2009). Our findings suggest a way through which mapping of risks or issues could be refined by looking at the degree to which risks or issues relate to a firm’s organizational identity and the identities of key stakeholders. Managers could enrich their understanding of how such issues could potentially impact the reputation of their organization. This could lead to innovative ways of mapping issues with more sensitivity to specificities of the organization and of its stakeholder base.
As with any other study, this paper has a series of limitations that could be addressed by future research. First, the authors did not find confirmation for an interaction effect between the two variables investigated in the study. Such a lack of significant results could be related to the specific manipulations or to the operationalization of the variables adopted in this study. Indeed, the direction of the results, although not statistically significant, seems to suggest that there might actually be the potential to find such an effect. One way of doing this could be to more specifically measure or manipulate the degree of overlap between a firm’s and stakeholders’ identity and the degree to which a crisis touches upon such aspects. Exploring the degree to which identification influences the effect of crises on reputation damage is a promising direction for future research.

Given the results presented in this paper, future research should focus on further elaborating on how the two identity-related variables tested in this paper interact with other variables that have already been studied for influencing the effects of crises on reputation damage. For instance, one significant debate in the reputation literature, as discussed herein, is whether a highly positive reputation works as a buffer or as a burden against negative events (e.g. Bundy et al., 2017; Claeyts and Cauberghe, 2010; Coombs and Holladay, 2006; Zavyalova et al., 2016). For example, Zavyalova et al. (2016) found that stakeholders’ level of identification with an organization influences the degree of continued support to high-reputation universities following negative events. In this vein, future research could investigate the degree to which a positive reputation works as a buffer or a burden depending on the extent to which the crisis is relevant to the organizations’ and/or to stakeholders’ identity. It could be argued that, if a crisis is related to the identity of key stakeholders, the buffer role provided by the organization’s previous reputation may decrease. In addition, future scholarship should investigate the relationship between the variables introduced in this paper and stakeholders’ perceptions of a firm’s responsibility for the crisis (e.g. Coombs, 2007; Coombs and Holladay, 1996, 2002; Reuber and Fischer, 2010). It is reasonable to imagine that stakeholders would attribute more responsibility to an organization for a crisis when the crisis is highly relevant to the organization’s identity. Relatedly, the degree to which a crisis relates to an organization’s identity and the consequent attributions of responsibility could also affect the availability and adequacy of organizational responses to such crisis (e.g. Coombs, 2007, 2014).

Because of the design employed in this paper to test the hypotheses, the authors did not take into account the dynamics that usually follow crises, such as the way in which firms’ reactions to the media allegations interact with the identity variables explored in this paper and ultimately influence stakeholders’ reactions. Indeed, the dynamics following a crisis, such as word of mouth, rumors and reactions from other stakeholders (e.g. opinion leaders), cannot be easily introduced in an experimental design. More qualitative designs, based on the in-depth study of specific crises (e.g. a longitudinal analysis of online conversations), could dig deeper into the dynamics that unfold and into the way in which multiple factors influence the complex sense-making process that follows organizational crises. Overall, studying such phenomena through different approaches and methodologies and looking at different cases would indeed improve the generalizability of the findings presented here.

**Conclusion**

In this paper, the authors conceptually developed and empirically tested a model according to which a crisis leads to greater reputation damage when it is highly relevant to the firm’s organizational identity or highly relevant to stakeholders’ identity. The paper contributes to the literature by providing a more relational and situational understanding of how the same exact crisis can damage the reputation of organizations differently, considering the connections between a specific crisis and the identities of the organization and the stakeholders involved. The paper opens several new avenues for future research. In particular,
future research could focus on further elaborating on how the two identity-related variables tested in this paper interact with each other and with other variables that have previously been studied for influencing the effects of crises on reputation damage.

References


Further reading


Corresponding author
Simone Mariconda can be contacted at: simone.mariconda@usi.ch

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Share of voices in corporate social responsibility (CSR) news
A comparison of sources used in press releases and news coverage

Lisa Tam
Queensland University of Technology, Brisbane, Australia

Abstract
Purpose – The use of sources in news coverage affects news audience’s perceptions of news events. To extend existing research on inter media agenda-setting and agenda-building effects of CSR-related news, the purpose of this paper is to explore the representation and share of voices in CSR-related news by investigating and comparing the use of sources in press releases and news coverage.

Design/methodology/approach – This study content-analyzed the 202 CSR-related press releases published by the two electricity providers in Hong Kong and 1,045 news articles related to the press releases over a five-year period. A total of 402 quotes from the press releases and 1,880 quotes from the news coverage were analyzed, including the types of sources cited, the tone of the sources and variations in the use of sources across seven different CSR themes.

Findings – Although company representatives were quoted the most in both the press releases and news coverage, NGOs, government representatives and industry analysts were the most frequently cited for negative comments in the news coverage. Differences were found between the press releases and news coverage in terms of how frequently different sources were cited, the tone attributed to those sources, and the choice of sources across different CSR themes.

Originality/value – The findings reflect that corporations are not necessarily the most influential voice in CSR and that other groups also have their views represented in the news media. The representation of these voices differed by CSR themes. Corporations are advised to further explore what and how different voices are represented in the news coverage in relation to their CSR activities and to consider these voices when making decisions about CSR.

Keywords CSR, Corporate social responsibility, Sources, News coverage, Press releases

Introduction
Corporations’ dissemination of information about their corporate social responsibility (hereinafter CSR) activities is essential for their reputation and legitimacy (Bachmann and Ingenhoff, 2016). The number of newspaper articles published about corporations’ CSR activities is positively associated with their CSR reputation (Lee, 2016). Media attention also motivates corporations to be involved in CSR (Gan, 2006; Zyglidopoulos et al., 2012) and to respond to pressures from stakeholder groups (Zygildopoulos et al., 2009). Thus, corporations are advised to create and execute communication tactics, such as news releases, corporate websites, CSR reports and television advertising, to disseminate messages about their CSR activities (Lee, 2016).

Although it is vital for corporations’ CSR activities to be communicated, most news opinion pieces about CSR are negative (Carroll, 2011). Different socio-contextual factors have varying degrees of effects on how the news media interprets and reports CSR activities (Bae and Park, 2011), such as corporations’ crisis history (Cho and Hong, 2009), the countries in which they operate (T.H. Lee and D. Riffe, 2017), the categories of CSR activities in which they are involved (Tam, 2015) and the extent to which the activities are related to their core business (Lunenberg et al., 2016). An analysis of news media’s representations about CSR found that negative representations had associated CSR with public relations and spinning (Zhang and Swanson, 2006).
The news media plays a significant role in shaping the CSR discourse. It is advised that corporations should understand how CSR news coverage is produced (Carroll, 2011), especially the wide range of voices which are represented in the news coverage other than the voices of the corporations themselves, including voices of their shareholders, employees and customers as well as non-governmental organizations (hereinafter NGOs) and community members (Hamilton, 2003; Dickson and Eckman, 2008). More research is needed to analyze the balance of voices in CSR such as by examining how different social actors and powerful corporations exercise their capacity in making their voices heard regarding CSR (Burchell and Cook, 2006). Their ability to be represented in the news media is crucial to influencing the broader social and political contestation of ideas about CSR. One of the indicators that reflects their capacity in influencing the CSR discourse is the extent to which they are represented and cited in the information subsidies provided to the news media as well as the subsequent news coverage. The diversity of quoted sources in news coverage is an indicator of the power discrepancies in the civic debate about CSR (e.g. Benson and Wood, 2015). The patterns of quoted sources can influence the frames of the news coverage and, thus, affect the debate about CSR. Quoting provides evidence that different perspectives about a topic exist (McGlone, 2005).

Existing research on CSR has identified inter media agenda-setting effects between information subsidies provided by corporations and press coverage (Tam, 2015) as well as agenda-building processes from corporations and monitoring groups to the media agenda (T.H. Lee and D. Riffe, 2017). While both of these studies have focused on the transfer of CSR themes and issues from the corporate agenda to the media agenda, the representation of voices in different agendas is yet to be explored. To address this research gap, this study investigates the patterns of quoting practices in CSR-related news. Quoting is central to the newsgathering processes and should be audience directed (Killenberg and Anderson, 1993). It reflects the successes (or failures) of different groups in influencing the debate on CSR (Brüggemann and Engesser, 2017). On the other hand, corporations’ and news media’s quoting practices (as reflected in their choice of sources and their attribution of content to these sources) can affect audience’s perceptions about the credibility of the sources and their responses to the topic (Cole and Greer, 2013). To investigate the representation and share of voices in CSR news, this study made a comparison of quoting practices in corporate press releases and news coverage on CSR-related news by specifically exploring: what voices were represented, the tones of these voices and how the representation and share of these voices varied by different CSR themes.

**Literature review**

**CSR communication**

CSR does not have a fixed definition and can be expressed and understood in association with different meanings by different stakeholder groups (Windell, 2007). Because diverse discourse communities have different understanding about CSR, their perspectives can be contested through the representation of their voices (Deetz, 2007). Existing research has demonstrated a lack of a consistent understanding of CSR. For instance, corporations were found to be unable to elaborate on their definitions of CSR (Azer, 2001). They were also found to be disseminating a large amount of CSR-related information on their websites without defining CSR (Caprriott and Moreno, 2007). A focus group study found a discrepancy between how corporations and active moms defined and interpreted CSR (O’Connor et al., 2008).

The communication and interpretation of CSR is an “interplay of public and organizational narrations” (Wehmeier and Schultz, 2011, p. 479). Corporations’ framing of CSR is affected by the stakeholders represented in the media, such as active individuals and NGOs (Lee Hunter et al., 2013). Because civil society actors have the capacity to contribute to
and change the CSR discourse against corporate voices (Burchell and Cook, 2006), corporations are advised to be open to involving in a dialogue with publics about CSR (Podnar, 2008; Du et al., 2010). Dialogue is especially needed when publics are skeptical about CSR (Black and Hartel, 2003). Social actors are influential in changing the norms, values and expectations about CSR (Ihlen, 2008). However, a study of six discourse communities found that mining companies and their stakeholder groups hold conflicting social purposes and are unable to be engaged in a dialogue about CSR (Hutchins et al., 2007). Dawkins (2005) identified that skepticism toward corporate messages could result in hostile reactions from stakeholder groups including the news media. When communicating CSR, corporations should acknowledge differences in how different stakeholder groups understand and interpret CSR and their different information needs.

Increased media coverage is a driving force for management to take a proactive rather than a reactive approach to CSR (Arvidsson, 2010). News coverage on CSR does not only describe what corporations do within society but also provides normative guidance on what corporations should be responsible for in society (Bartlett and Devin, 2011). The news media gives corporations social pressure to gain legitimacy through involvement in CSR (Arvidsson, 2010) and acts as an important agent in the public sphere through which different publics receive information about CSR-related news (Carroll, 2011). However, only a handful of news reports had covered CSR-related news. The New York Times had less than 20 articles a year with the term “CSR.” Most of the positive stories were related to community, environment and health. Because positive CSR stories could protect corporate image during crises and could ensure better financial performance, corporations were advised to understand news values and to integrate them into their CSR reporting to attract media coverage (Carroll, 2011). However, there is no evidence that the amount of CSR communication influences stakeholders’ CSR-induced attributions (Parcha, 2017). It is critical to acknowledge that there are alternative discourses challenging the corporate discourse on CSR and that communication should be oriented toward the goals of balancing interests and promoting shared understanding (Elving et al., 2015). While corporations’ CSR activities have been criticized for not meeting societal expectations, corporations should find ways to better understand the social meanings and social construction of CSR as well as its multi-dimensional nature (Golob et al., 2018).

Quoting practices in the news media
Different voices should be contested in the CSR discourse and should be represented in communication vehicles (Burchell and Cook, 2006; Deetz, 2007). In this respect, the news media is a major stakeholder which defines and promotes CSR through representing and balancing different perspectives and plays an active role in facilitating a dialogue about CSR (Tang, 2012). In agenda-setting perspectives, news coverage on CSR sets the public agenda about the topic and raises corporations’ awareness about CSR. The news media plays a critical role in shaping reality (e.g. McCombs and Shaw, 1972). They build a connection between the news events and the images of the events in the minds of the people (Lippmann, 1922). The agenda-setting theory posits that the issues that the news media chooses to report determine news audience’s perceptions about the salience of those issues (i.e. first-level agenda-setting effects) and that its decisions on how to report it affects how the public perceives the issues (McCombs, 2005). During content production, issues undergo the process of being selected, emphasized, excluded and elaborated (Weaver, 2007). The media cannot reflect the whole reality but filters and shapes it by concentrating on certain issues and certain elements of the issues (Carroll and McCombs, 2003). Public relations plays a critical role in influencing how the media sets and builds its agenda through the provision of information subsidies; it is estimated that these information subsidies account for as much as fifty percent of the news content (Akpabio, 2005).
On the topic of CSR, the choice of sources affects the voices audiences are exposed to (Capuzza, 2014) and changes the overall tone of the news stories. In the process of news production, newsmakers complete a news story with the use of sources. Sumpter and Braddock (2002) found that newsmakers tend to choose sources which are affiliated with businesses, governments and social groups. In turn, newsmakers’ selection of sources gives some groups more power in getting their voices heard. It is important to understand the use of sources because of their central role in influencing the content of news coverage (Danielian and Reese, 1986). Journalists select sources which are credible and knowledgeable about the issue (Powers and Fico, 1994). Sources are critically important to shaping the agenda of the media (Messner and Garrison, 2011). Because journalists cannot completely verify all the truths and judgments about an issue, sources and counter-opinions are used to help their audience make decisions about the issue (Mencher, 2008). Sources could be classified into two types: factual sources which provide information, and opinion sources which offer judgments (Messner and Garrison, 2011). Sources form interpretive communities which develop shared meanings to illustrate and contextualize the discussion on a topic by exercising their powers to speak publicly and to define and respond to the topic (Berkowitz and TerKeurst, 1999).

Because of the significance of information subsidies and sources in the representation of voices (Sumpter and Braddock, 2002; Sweetser and Brown, 2008; Carroll, 2011), this study proposes to study patterns of sources used by corporations and the news media in the context of CSR. Regarding the exchange of information between corporations and the news media, Kujala et al. (2009) found that news coverage about an issue is similar to the press releases published about the issue, but the news coverage has more diverse content. The sources that different publications choose to quote reflect their sourcing priorities; a study of regional newspapers in Australia found that there had been a greater inclusion of women’s voices over time (Bowd, 2015). There are also other trends in quoting practices in newspapers, including their use of a higher number of quotes and preferences for specific sources on certain topics (Ryfe and Kemmelmeier, 2011).

To further contribute to research on CSR communication, this study examines the representation and share of voices in CSR-related news by comparing the sources quoted in two selected Hong Kong corporations’ press releases and subsequent news coverage related to those press releases. Considering existing research on the different themes of the CSR news stories (Hamilton, 2003; Cho and Hong, 2003; Tam, 2015), it explores: the sources used in the stories (Sumpter and Braddock, 2002), the tone of the sources (i.e. positive, neutral or negative) (Zhang and Swanson, 2006; Buhr and Grafstrom, 2007; Lee and Carroll, 2011) and the sources used in different CSR activities (Sumpter and Braddock, 2002). Three research questions will be addressed:

*RQ1.* What are the sources used in CSR-related corporate press releases and news coverage?

*RQ2.* What are the tones of these sources?

*RQ3.* How does the use of sources vary across different CSR activities?

**Method**

Because of its usefulness in documenting what has been covered (Harris *et al.*, 2001), content analysis has been extensively used in inter media agenda-setting studies (Messner and Garrison, 2011). To address the research questions in this study, the CSR-related press releases from the two electricity providers in Hong Kong, CLP and Power Assets, and the subsequent news coverage resulting from these press releases were studied. These two electricity providers were selected because they enjoyed the monopoly of serving two different parts of Hong Kong. Their decisions could affect the entire population. CLP was
ranked second and Power Assets was ranked 13th in Hong Kong for their CSR performance (Oxfam Hong Kong, 2009). An empirical study on CSR found that the Hong Kong population prioritized economic performance as a CSR practice but was not as supportive of CSR as their counterparts in Shanghai (Ramasamy and Yeung, 2009). Kim and Ji (2017) found that Hong Kong people were similar to their Western counterparts in their preference for non-corporate sources for CSR communication because of higher perceived credibility.

Data were collected and analyzed in several stages. In the first stage, the press releases published by the two electricity providers over a five-year period between 2006 and 2011 were downloaded from their corporate websites. Two coders with prior experiences in content analysis then classified the press releases into either CSR-related or non-CSR-related. A CSR-related press release would present corporate actions which extend the corporations’ responsibilities from making economic profits to improving society. Both coders had to agree on the classification for a press release to be considered CSR-related. A total of 202 press releases were collected. In the second stage, all news articles related to the two electricity providers were downloaded from Wisenews, a database of news coverage published by all the 17 newspapers in Hong Kong. The name of the two electricity providers was used as keywords for the search. Then, the two coders again classified each news article into either CSR-related or non-CSR-related. A total of 1,045 CSR-related news articles was collected. All of these news articles could be linked to the press releases published by the two electricity providers, indicating that press releases had a considerable impact on the media agenda.

To analyze the data, open coding was first conducted by the two coders on the press releases (e.g. Pedersen, 2010) on the main themes of CSR activities and the sources used. Seven themes were identified for CSR activities and were defined as follows. Recognition is defined as the awards that the corporation receives in recognition of its CSR efforts. Products and services are defined as the launch of new products or services which extend the corporation’s social responsibilities, such as electronic statements. Operations refer to improvements made to operational facilities, such as renewable energy. Donations and sponsorships refer to the donations or sponsorships made to a social cause. Education refers to programs aiming to educate the younger generations. Community refers to programs which primarily seek to contribute to the community, such as health programs. Environment refers to environmental programs oriented toward preserving the environment.

The process of open coding also resulted in the identification and classification of sixteen categories of sources, including: company representatives, business partners, NGOs, company reports, participants (in the CSR activities), customers, celebrity, professionals, government-related representatives, professors, analysts, awarding bodies, external reports, surveys, government documents and other. These sources were cited in the form of either direct or indirect quotes. A total of 402 quotes from the press releases and 1,880 quotes from the news coverage were identified and analyzed.

After identifying these categories through open coding, the press releases and news articles were content analyzed and coded based on the categories developed. Furthermore, the tone of the sources was coded into three categories: positive, negative or neutral. Neutral coverage refers to content which is either both positive and negative, or factual. To ensure consistency in the coding, the two coders first analyzed a sub-sample of 30 percent of all the press releases and news articles. For the coding of CSR themes, a Cronbach $\alpha$ of 0.833 was achieved for inter-coder reliability. The coding for sources and tone achieved perfect inter-coder reliability, indicating complete agreement between the two coders on the codes assigned to the sources and tone. After the completion of coding, the data were entered into Microsoft Excel, the Statistical Package for Social Sciences (SPSS, version 23) and Tableau (version 10.3) for analysis.
Findings

This study found that the number of sources used ranged from zero to seven. In the press releases, the number of sources used varied by the CSR theme ($\chi^2 = 91.71, df = 42, p = 0.000$). In total, 34.2 percent ($n = 69$) of the press releases used one source, and 37.62 percent ($n = 76$) used two sources. In the news coverage, the number of sources used also varied by the CSR theme ($\chi^2 = 125.62, df = 42, p = 0.000$). In total, 33 percent ($n = 345$) of the news articles used one source, and 25.3 percent ($n = 264$) of them used two sources.

The sources used in the press releases differed by the CSR themes ($\chi^2 = 301.834, df = 78, p = 0.000$). In general, company representatives were the most frequently cited (54.98 percent, $n = 221$), followed by NGOs (12.44 percent, $n = 50$), participants (10.95 percent, $n = 44$) and government representatives (6.72 percent, $n = 27$). In the news coverage, the sources used also differed by theme ($\chi^2 = 1,292.54, df = 90, p = 0.000$). Company representatives were also the most frequently cited (33.14 percent, $n = 623$), followed by company reports (19.04 percent, $n = 358$), government representatives (11.44 percent, $n = 215$) and NGOs (10 percent, $n = 188$). Figure 1 shows a comparison of the percentages of sources used in press releases and news coverage. Based on this comparison, the news coverage cited less of six groups: company representatives (-22 percent), participants (-6 percent), business partners (-2 percent), NGOs (-2 percent), awarding body (-2 percent) and customers (-1 percent). It cited more of six groups: company reports (+19 percent), government representatives (+5 percent), awarding body (+4 percent), other (+3 percent), professor (+2 percent) and celebrity (+1 percent).

Because sources are used as factual or opinion sources (Messner and Garrison, 2011) to verify the news stories, the tone of each source cited was studied. A significant relationship was found between the sources cited and the tone of the quotes in the press releases ($\chi^2 = 59.822, df = 13, p = 0.000$). The same relationship was found in the news coverage ($\chi^2 = 624.37, df = 30, p = 0.000$). This finding reflected that the sources differed in terms of how frequently they were cited with a positive, negative or neutral tone. None of the sources used in the press releases portrayed a negative tone. Figure 2 shows a comparison of percentages of sources used to portray a positive tone. Based on this comparison, the news media decreased the positive voices of four groups: company representatives (-17 percent), NGOs (-5 percent), business partners (-2 percent) and awarding body (-1 percent), and increased the positive voices of eight groups: company reports (+16 percent), participants (+2 percent), professor (+2 percent), other (+2 percent), celebrity (+1 percent), government representatives (+1 percent), analysts (+1 percent) and survey (+1 percent).

![Figure 1](image-url)
Similarly, a comparison was made for the percentages of sources used to portray a neutral tone. Figure 3 shows the comparison. The neutral voices of five groups were decreased in the news coverage: participants (−39 percent), NGOs (−11 percent), professionals (−2 percent), professor (−2 percent) and awarding body (−2 percent). Compared to the press releases, eight categories of sources were used more frequently as neutral sources in the news coverage: company reports (+26 percent), company representatives (+14 percent), other (+5 percent), government representatives (+4 percent), analysts (+3 percent), business partners (+2 percent), celebrity (+1 percent) and external reports (+1 percent).

While no negative sources were used in the press releases, nine sources were portrayed with a negative tone in the news coverage, including NGOs (32 percent, \( n = 94 \)), analysts (19 percent, \( n = 56 \)), government representatives (16 percent, \( n = 47 \)), company representatives (10 percent, \( n = 30 \)), professor (9 percent, \( n = 25 \)), company reports (6 percent, \( n = 18 \)), other (4 percent, \( n = 13 \)), external reports (2 percent, \( n = 7 \)) and customers (1 percent, \( n = 2 \)).

Because the sources used varied by CSR themes, comparisons were made on the use of sources in press releases and news coverage in each CSR theme. First, Figure 4 shows a comparison for the “recognition” CSR theme. Compared to the press releases, the news coverage cited more of company reports (+10 percent) and less of five sources: NGOs (−3 percent), business partners (−2 percent), company representatives (−2 percent), participants (−2 percent) and awarding body (−1 percent).
On the theme of products and services, Figure 5 shows a comparison which reflects that the news coverage cited more of company reports (+16 percent), other (+10 percent), professor (+6 percent), analysts (+2 percent), NGOs (+2 percent), business partners (+1 percent), professionals (+1 percent), awarding body (+1 percent), external reports (+1 percent) and government documents (+1 percent), and less of company representatives (−17 percent), customers (−8 percent), participants (−6 percent), government representatives (−6 percent) and celebrity (−2 percent).

On the theme of operations, Figure 6 shows a comparison which reflects that the news media cited more of company reports (+26 percent), NGOs (+10 percent), government representatives (−3 percent), business partners (−1 percent), professionals (−1 percent), awarding body (−1 percent), external reports (−2 percent), government documents (−2 percent) and government representatives (−3 percent) and celebrity (−2 percent).
representatives (+9 percent), analysts (+8 percent), professor (+4 percent), other (+4 percent), and external reports (+1 percent), and less of company representatives (−40 percent), business partners (−14 percent), participants (−3 percent), professionals (−2 percent), customers (−1 percent) and government documents (−1 percent).

On the CSR theme of donations and sponsorships, Figure 7 shows a comparison which reflects that the news media uses more of company reports (+11 percent), company representatives (+8 percent), professor (+8 percent), and analysts (+4 percent), and less of NGOs (−25 percent) and other (−5 percent).

On the theme of education, Figure 8 shows a comparison which reflects that the news coverage cited more of celebrity (+10 percent), company reports (+6 percent), participants (+2 percent), professionals (+1 percent), and professors (+1 percent), and less of NGOs (−10 percent), company representatives (−5 percent), government representatives (−4 percent) and business partners (−1 percent).

On the theme of environment, Figure 9 shows a comparison which reflects the news coverage cited more of company reports (+14 percent), government representatives...
(6 percent), professor (5 percent), participants (5 percent), survey (3 percent), external reports (2 percent), and other (2 percent), and less of company representatives (25 percent), NGOs (7 percent), professionals (5 percent) and government documents (2 percent).

Lastly, on the theme of community, Figure 10 shows a comparison which reflects the news coverage cited more of participants (12 percent), government representatives (5 percent), other (4 percent), survey (3 percent), celebrity (3 percent), company reports (2 percent), professionals (2 percent), and government documents (1 percent), and less of company representatives (23 percent), NGOs (6 percent), external reports (2 percent) and professor (1 percent).

**Discussion**

Sources cited in news stories affect how the audience perceives the news stories; the selection of sources could also determine whether the audience agreed or disagreed with the story (Bosch, 2013). As corporations are not the only ones influencing the agenda on CSR, other social actors also have access to influencing the CSR discourse (Ihlen, 2008). Because CSR does not have fixed meanings and could have various labels attached to it (Windell, 2007), CSR should be understood and communicated in association with the different groups associated with it.

The findings of this study have demonstrated the representation and share of voices in CSR-related news, especially the differences in the sources used in the press releases and the subsequent news coverage. First, a general comparison shows that the voices of company representatives were substantially reduced in the news coverage, followed by participants in the CSR activities and business partners. On the other hand, the news coverage cited more of company reports, government representatives, professors and others. Second, regarding tone, the news coverage also cited less of company representatives and more of company reports as sources with a positive tone, and NGOs, analysts and government representatives as sources with a negative tone. Third, across the different CSR themes, the voices of company representatives were reduced in the news coverage, except the theme of donations and sponsorships.

Although company representatives were the most frequently cited in the press releases (55 percent out of all sources), the second most frequently cited source differed from theme to theme. NGOs and the participants participating in the CSR activities involved were more frequently used in the certain themes (i.e. donations and sponsorships, education, community and environment) while government representatives were the second most frequently cited source for the theme of products and services (19.5 percent) and business partners for the theme of operations (15.6 percent). In the news coverage, company representatives were the most frequently cited across all themes, except the “community” theme for which participants were quoted more. The second most quoted source was

![Figure 10. A comparison of sources used for the “community” CSR theme](image-url)
participants for the themes of community and education, company reports for the themes of environment, donation and sponsorship, products and services, and operations, and awarding body for the “recognition” theme.

Davis (2000) once proposed that the increasing influence of professional public relations in changing the patterns of the use of sources in the media required further attention, especially when there are inequities in different groups’ access to influencing the media agenda. However, newsmakers take into consideration preferences of their audience when making sourcing selection (Kruikemeier and Lecheler, 2018). This findings from this study indicated that although previous studies have found inter media agenda-setting effects and agenda-building effects in CSR-related news from the corporate agenda to the media agenda (Tam, 2015; S.Y. Lee and D. Riffe, 2017), in terms of quoting practices, the media agenda lessened the voices of some groups while giving more voices to other sources, used negative sources to balance the content and included the voices of other groups, such as analysts, who were not included in the corporate agenda. This study recommends that to better respond to the criticism that corporations are not meeting societal expectations on CSR (Dawkins, 2005), corporations should understand and approach CSR by exploring the representation and share of voices, especially the people and groups who have the power to comment on their CSR activities.

Conclusion and limitations
In response to calls for more research on understanding the production of CSR-related news (Carroll, 2011), this study examined the use of sources in CSR-related corporate press releases and news coverage. The findings showed that the representation and share of voices, as reflected in the sources cited and the tone of these sources, were different in the press releases and news coverage. The news media collected additional information from sources other than those provided to them in the press releases by the corporations and that the news media increased the voices of some groups (by quoting them more) and decreased the voices of some groups (by quoting them less). Particularly, company representatives were cited less across the different CSR themes. This study also has limitations. The dataset was from two electricity providers and 17 newspapers in Hong Kong, so the findings might not be generalizable to other industries and countries. Further research could be conducted to replicate the study in other industries and countries. Experimental research could also be undertaken to investigate whether the sources used in CSR-related news stories affected audience’s perceptions of the stories. Interviews with news reporters would be helpful for understanding the process they went through to select sources for CSR-related news stories, gather additional sources for the stories and achieve balance, objectivity and neutrality in the stories.

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Corresponding author
Lisa Tam can be contacted at: lisalstam@gmail.com

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Leveraging interactive social media communication for organizational success
An examination of Chinese net-roots third-sector organizations’ microblog use

Feifei Chen
Department of Communication, Texas A&M University, College Station, Texas, USA

Abstract
Purpose – The purpose of this paper is to examine how microblog communication enabled a new form of hybrid net-roots third-sector organization that rely heavily on the Internet to achieve multiple organizational successes in civil society, social movement and service providing in China, where the government holds predominating power over the third sector.
Design/methodology/approach – A qualitative inductive analysis was conducted to analyze two successful organizations’ Sina tweets sent from their Weibo debuts to the dates when they achieved their first milestone successes. In the analysis, the author iteratively alternated between emic data coding and etic reference to literature on social movement rhetoric and nonprofits’ microblog communication.
Findings – This study developed an indigenous communication framework featuring three key communication strategies: changing perceptions, mobilizing action, and building and maintaining relationships, each associated with specific tactics. These strategies and tactics allowed both organizations to tap into social media’s interactive features to engage publics and construct legitimacy.
Research limitations/implications – This paper enriches social media-based communication research and classic social movement rhetoric, and further illustrates strategic communication’s active role in reacting to and reforming institutional contexts. Findings from study might be extended to address similar problems experienced by nonprofits across countries, especially within those that operate in a context where institutional separation from a predominant government is unavailable.
Originality/value – This original communication framework developed in this study crystallizes strategic microblog use by a nascent type of nonprofit when fulfilling functions reflects civil society, social movements and traditional nonprofit organizations in an understudied political and social context.

Keywords Case studies, Best practice, Communication technologies, Communication management

Social media have become commonplace in the third sector, a social space where organizational activities between for-profit companies and the state exist (Anheier and Seibel, 1990). Increasing academic attention has been directed to this sector on the effectiveness of social media in fostering civil society (e.g. Howard and Hussain, 2011), nurturing social movements (e.g. Petray, 2011) and promoting nonprofit organizations’ stakeholder engagement and information sharing (e.g. Lovejoy and Saxton, 2012). However, largely ignored studies are in the Chinese context, where a new form of hybrid net-roots third-sector organization has gradually emerged from its own unique political, economic and social environment.

China’s rapid economic growth has generated many social issues, such as food safety, environmental pollution and inequality between rural and urban areas. The Chinese Central Government, while committing to and taking credit for boosting economic development, sometimes fails to build and support timely social agendas for these issues. Thus, substantial responsibilities and opportunities fall on the shoulders of the third sector. Yet mainstream nongovernmental organizations (NGOs) in China, especially GONGOs, or
government organized nongovernmental organizations, largely have failed to muster public trust and support due to a series of scandals (Long, 2016; Poell et al., 2014). Despite the government’s strong sponsorship and resource support (Deng, 2010), these organizations have been “criticized for being irresponsive and bureaucratic at best, corrupt and scandal-ridden at worst” (Marquis et al., 2016, p. 42). Grassroots NGOs, on the other hand, are beset with legitimacy challenges, as the restrictive political system is sensitive to collective actions and alternative voices (Ho and Edmonds, 2007; Marquis et al., 2016). Unlike GONGOs who are in a complementary relation (Young, 2000) with a dominating government (Gidron et al., 1992), grassroots NGOs’ institutional context in China is more complex and nuanced. To qualify as legal to operate in market and social transactions, most nonprofit organizations need to: be affiliated with and supervised by a public agency at or above the county level, and then register with an agency of The Ministry of Civil Affairs that matches the administrative levels of their supervising government agencies. This dual management system poses significant barriers to establishing legal nonprofit entities and reinforces the third sector’s subsidiary status to the state’s administrative apparatus (Guo and Zhang, 2013; Jing, 2015; Ru and Ortolano, 2007). Asymmetrical in power, the third-sector’s institutional independence from the government is impossible, and confrontation is rarely a feasible choice for legal NGOs.

But this does not mean that the government always represses grassroots nonprofits. While demanding political compliance, the Chinese state-government now increasingly encourages registered nonprofits to expand their organizational capacity to provide better social services (e.g. Donahue et al., 2013; Jing and Chen, 2012) in a perceptibly complex society. Governments at various levels have begun to regard some grassroots NGOs as complementary rather than adversarial (Jing, 2015). However, rigorous scrutiny and regulation still hold for advocacy organizations, whose missions are to articulate opinions, influence policies and promote social changes (Guo and Zhang, 2014).

In the past few years, a new form of hybrid net-roots third-sector organizations has begun to fill the void in the third sector. Because of their reliance on the internet to gain successes, these grassroots organizations are thus referred to as hybrid net-roots third-sector organizations. Often launched by media-savvy founders, these grassroots organizations rely heavily on social media platforms to achieve multiple organization purposes, such as creating public awareness, providing social services and building social agendas for their causes. Their organizational successes are so intertwined with social media that Fei Deng, the founder of one such organization, lauded Sina Weibo as “the best gift God has ever granted to Chinese people” (Fang, 2011, p. 63).

Given China’s unique political and social context, it is reasonable to expect that the social media-based communication strategies of these organizations might differ from those discovered in western contexts, where nonprofit organizations are defined by complete autonomy from the government (Anheier and Salamon, 2006). Therefore, this paper seeks to answer one overarching question: how do Chinese hybrid third-sector organizations use social media to gain success? As an explorative study, it focuses on two representative organizations that have relied heavily on Sina Weibo since their inception to achieve both advocacy and service successes. The first section discusses the hybrid nature of such organizations. This includes reviews on communication studies on social movements, nonprofits and advocacy as the theoretical foundation for this study. After drawing insights from theories developed mainly in the western contexts, it presents findings from a qualitative inductive analysis of Weibo tweets generated by two hybrid net-roots third-sector organizations. By doing so, this paper contextualizes understanding of the social media-based communication strategies and tactics of this nascent type of nonprofits and provides pragmatic insights for nonprofits operating in similar institutional contexts.
Literature review

Defining hybrid nonprofit organizations as the nexus of social movement, civil society and nonprofit sectors

Traditionally, research on third-sector organizations is characterized by three distinct theoretical perspectives: civil society, social movement and nonprofit sectors, each featuring its own dominant organizational form (Hasenfeld and Gidron, 2005). Civil society literature mainly examines autonomous, self-organized organizations featuring individuals’ voluntary participation in their efforts to articulate preferences and demands to powerful institutions (Read, 2007); social movement studies focus primarily on organizations promoting claims of the underrepresented through protests and extra-institutional means; and the nonprofit sector perspective concentrates on tax-exempt, legally acknowledged organizations that are neither for-profit enterprises nor government agencies (Andrews and Edwards, 2004).

However, there is an increasing trend for third-sector organizations to evolve into hybrid organizations that embrace organizational features of all three traditions and seek to promote mutual aid, generate social changes and provide concrete services at the same time (Minkoff, 2002). Examples include peace and conflict resolution organizations found in Israel (Gidron et al., 2002), sustainable farming organizations in India (Brown, 2014) and gender, racial and ethnic minority organizations in the USA (Minkoff, 2002). Hasenfeld and Gidron (2005) thus proposed scholars should see these three research traditions as complementary, since each specializes in explaining a specific aspect of these hybrid organizations.

The newly emerging net-roots, social media-based organizations in China correspond to Hasenfeld and Gidron’s (2005) description of multi-purpose hybrid organizations that differ from strictly defined volunteer-run associations, social movement organizations and nonprofit service organizations. First, these net-roots hybrid nonprofits in China seek to promulgate social changes, but due to China’s asymmetrical state-nonprofit relations, protests and noninstitutional means prevalent in western social movements are not ideal options. Second, they provide concrete services as nonprofit service organizations, but providing services is also a means to the end, as they wish to garner support from the government by formulating and providing issue solutions constructively. Formal recognition from the government is significant because it not only brings funding, but also signifies endorsement of legitimacy, which is critical to organizational survival and success (Zucker, 1987). Third, they thrive on citizen participation and horizontal network relations, and thus are related with the civil society tradition as described in western literature. Given these hybrid features, it is instructive to review advocacy and public relations literature aligned with different traditions, in order to draw more comprehensive insights before looking into the communication strategies and tactics of these organizations.

Rhetoric of social movements

Communication scholars have sought understanding of the rhetoric of social movements since the 1940s (Jensen, 2006). In response to the growing dissent in the USA in the 1960s, scholars began to examine the rhetoric of dissenters and the reactions to protest by the decision-making establishment. Bower and Ochs’ (1971) classic piece, The Rhetoric of Agitation and Control, was the apex work of this area. They first outline seven general choices or strategies of agitation rhetoric, including petition of the establishment, promulgation, solidification, polarization, escalation/confrontation, Gandhi and guerrilla and revolution, the only nonrhetorical strategy, and four strategies of control responses from the establishment: covering avoidance, suppression, adjustment and capitulation. They also discuss more specific choices governed by those strategies, and label them as tactics. Yet as Bower and Ochs’ framework was extracted from the US context, some agitation steps such as escalation/confrontation and Gandhi and guerrilla may not be
applicable to China because of political differences between the two countries. Nevertheless, agitation strategies like promulgation and solidification and the distinction between communication strategies and tactics made by Bower and Ochs might still be adopted by the hybrid organizations in authoritarian or semi-authoritarian contexts.

To identify more generalized patterns in social movement rhetoric, Stewart (1980) offered an alternative approach that views rhetoric “as the primary agency through which social movements perform necessary functions that enable them to come into existence, to meet opposition and perhaps, to success in bringing about (or resisting) change” (p. 153). Building on the work of Bruce E. Gronbeck and Herbert W. Simons, Stewart delineates a scheme with five general functions corresponding to different functions of social movements as a process (see Table I). These functions might be applied to the rhetorical analysis of Chinese hybrid net-roots organizations when analyzing their communicative efforts regarding social movements. But it is important to note that neither the frameworks offered by Stewart nor Bower and Ochs would provide a perfect fit for the present investigation, not only because of contextual differences regarding government–nonprofit relationships, but also because the two classic theories were developed before social media. Actually, as rhetorical analyses of social movements have been transformed by the proliferation and acceleration of internet technologies, scholars such as Jensen (2006) have urged researchers to combine the legacy of previous studies with new strategies facilitated by the internet, in order to reinvigorate studies of social movements. Using these two classic social movement frameworks as touchstones, this study therefore also answers calls to update research on social movement rhetoric with an underexplored type of social movement organization, the hybrid net-roots third-sector organizations in China.

Third-sector organizations’ social media-based communication

Social media platforms such as Twitter, Facebook, YouTube, LinkedIn, Wikis, Listervs and diverse mobile apps have provided significant communication potential for third-sector organizations at relatively low costs. Apart from static brochureware functions provided by traditional websites and mass media, social media are capable of engaging audiences and mobilizing them into action through interactive message-sharing and social networking (Kaplan and Haenlein, 2010). Yet, in contrast to the common perception of social media as the least expensive avenue, researchers also found that third-sector organizations, compared to their corporate counterparts, are not using these sites to their strongest potential due to limited budgets and headcounts (Mansfield, 2014). Thus, enhanced understanding of how nonprofits, especially successful ones, could use social media to enact strategic

<table>
<thead>
<tr>
<th>General function</th>
<th>Specific function</th>
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<tbody>
<tr>
<td>Transforming perception of history</td>
<td>Enabling the movement of the past</td>
</tr>
<tr>
<td>Transforming perception of society</td>
<td>Enabling the movement of the present</td>
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<td>Transforming perception of the future</td>
<td>Enabling the movement of the future</td>
</tr>
<tr>
<td>Prescribing courses of action</td>
<td>Prescribing what must be done</td>
</tr>
<tr>
<td>Mobilizing for action</td>
<td>Organizing and unifying the discontented</td>
</tr>
<tr>
<td>Sustaining the social movement</td>
<td>Justifying setbacks and delays</td>
</tr>
<tr>
<td></td>
<td>Maintaining viability of the movement</td>
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<td></td>
<td>Maintaining visibility of the movement</td>
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Table I. Stewart’s scheme of rhetorical functions for social movements
communication to achieve successes would help the sector to make better use of these promising technologies.

In an attempt to develop a more comprehensive framework for understanding nonprofits’ organizational communicative functions in using Twitter, Lovejoy and Saxton (2012) developed an information-action-community scheme based on the tweet messages of 73 large nongovernmental US nonprofit organizations. The “information” function includes tweets providing one-way information giving on the organization’s activities, event highlights, or other news, facts and reports or information relevant to its stakeholders. The “community” function, as a reflection of Twitter’s social networking feature, refers to tweets that serve to spark or maintain interactive conversations between the organization and the publics. Four sub-categories identified within this function are: giving recognition and thanks, acknowledgment of current and local events, responses to reply messages and response solicitation. The “action” function includes tweets designed to prompt followers to “do something” for the organization. The “action” function includes the seven sub-categories: promoting an event, donation appeal, selling a product, call for volunteers and employees, lobbying and advocacy, joining another social media site or voting for the organization on another site and learning how to help. This function-based scheme was also found applicable to nonprofits’ use of Facebook (Saxton and Waters, 2014). To develop a parsimonious framework, Lovejoy and Saxton coded tweets according to what they considered the tweet’s primary purpose. Thus, it should be noted that these three functions are not mutually exclusive and some tweets and statuses could perform more than one function.

Among different types of third-sector organizations, advocacy organizations’ strategic use of social media has attracted growing scholarly attention. In these studies, advocacy is used in its broader sense, covering any efforts to influence public policies. For example, in the often-cited piece by Obar et al. (2012), the authors note that among studies on new media and third-sector organizations, advocacy organizations could refer to NGOs, lobbying organizations, pressure groups, activist groups or social movement organizations that nurture a wide range of issues that could be addressed by governments at all levels.

Starting with a focus on whether such organizations use social media (e.g. Bortree and Seltzer, 2009), recent work in this area has shifted to more in-depth questions, including the effectiveness of their social media use (e.g. McPherson, 2015), why they use or do not use it (e.g. Obar et al., 2012; Vraga et al., 2014) and how they use it (e.g. Guo and Saxton, 2014; Lovejoy and Saxton, 2012). The last focus, how they use social media for nonprofit advocacy, is closely aligned with the purpose of this study.

As an initial effort to answer how advocacy organizations use social media at a message or discourse level, Guo and Saxton (2014) developed a “pyramid” model of social media-based advocacy from a sample of 188 advocacy organizations with total revenue of more than $1,000,000. The model entails a process of three hierarchical stages: reaching out to people; keeping the flame alive; and stepping up to action. The organization first reaches out and raises awareness of the organization’s cause to current and potential supporters. After a supporter base is formed, the organization sustains their base and keeps alive their flame of passion. Finally, mobilization to act is implemented when the timing is right.

Since this study examines hybrid net-roots organizations related to social movements, advocacy and nonprofits in China, the author will draw insights from all four frameworks reviewed so far: Bower and Ochs’s (1971) rhetoric of agitation, Stewart’s (1980) five stages of social movement development, Lovejoy and Saxton’s (2012) information-community-action categorization scheme and Guo and Saxton’s (2014) pyramid model of social media advocacy. Apart from the reason that the focal third-sector organizations integrate elements identified from the above-mentioned three distinct theoretical perspectives, the rationale to
refer to these four frameworks as foundational is also strengthened by the fact that the last three actually share striking resemblance with each other despite different goals for developing the frameworks. For example, the pyramid model resembles the five stages of social movement development, as they both start from informing people and covers mobilization for action and sustaining the momentum, which then overlap with the function-based scheme of information-action-community. While Bower and Ochs’s piece, which predates social media and focuses more on direct-action protests, seems less relevant to the more recent frameworks, it has been applied heavily to study various types of social movements both inside and outside the USA since 1970s (Schmidt, 2013). Given its wide application, it is reasonable to infer that some of the tactics might also be found in social media communication in China.

Because all of these frameworks were developed within the US context, it is necessary to develop a specific analytical framework that accounts for Chinese hybrid net-roots third-sector organizations’ social media communication as situated in the country’s unique context where the government dominates its relationship with the third sector. This consideration of contextual impact is justified by a neo-institutional perspective that views organizations as actors who seek both effectiveness and legitimacy (Deephouse and Suchman, 2008) by responding to requirements and expectations from their environment (Dimaggio and Powell, 1983). Since strategic communication means actors used to interpret, formulate and reformulate institutional rules, norms and practices (Frandsen and Johansen, 2013; Fredriksson and Pallas, 2015), it is reasonable to expect these successful hybrid organizations’ social media use cannot be fully accounted for by theories developed in other institutional context. Besides, differences in social media communication between the USA and China are found in the corporate world. For example, by examining corporations’ social media-based relationship cultivation between American companies’ profile pages on Facebook and those of Chinese companies on Renren, a social media platform resembling Facebook, Men and Tsai (2012) identified significant national differences in specific tactics when applying overarching relationship cultivation strategies. Since their research on for-profit entities attests to the global public relations theory of general principles and specific applications it is reasonable to assume that the nonprofit sector in China would also have its distinct communication patterns from what have been found in the US context.

This assumption for an indigenous framework is further bolstered by two recent studies on Chinese nonprofits’ social media communication. Referring to Lovejoy and Saxton’s (2012) information-action-community framework, Gao (2016) and Zhou and Pan (2016) modified the original framework for their content analyses of message-level communication. However, because neither study explained how or why the original frameworks were revised, the application of their coding schemes is limited. Despite this deficiency, both studies contribute to the development of an important panorama on Chinese nonprofits’ social media use by sampling a large number of nonprofits: the top 300 Chinese foundations for Gao (2016) and 155 rural education nonprofits for Zhou and Pan (2016). Both studies identified one-way information sending as the predominate use of social media. Yet, since they focused on large samples, in-depth knowledge of how hybrid net-roots organizations can use social media to address institutional challenges is still not available. Given the communication success of these specific types of nonprofits as discussed earlier, one might question how their social media-based communication converges with or diverges from extant research findings, and whether pragmatic insights could be drawn for organizations facing similar challenges. Thus, the literature reviewed here informed the development of the following research question:

RQ1. What social media-based communication strategies and tactics are used by hybrid net-roots third-sector organizations in China?
Method

Sample
To develop an initial understanding on the strategic communication practices of this emerging form of third-sector organizations in China, two representative organizations, Free Lunch for Children (FLFC) and Love Save Pneumoconiosis (LSP) were selected. Both were launched in 2011 and have gained substantial success in achieving multiple purposes such as increasing the public's awareness of their causes, soliciting financial and human resources support from the internet, providing concrete services to underrepresented groups and generating policy changes. By selecting two organizations with similar success but different causes, this study seeks to provide more generalizable findings for this type of organization.

Free Lunch for Children (FLFC). Initiated by Fei Deng and other journalists, FLFC aims to provide free school lunches for poverty-stricken children or stay-at-home rural children whose parent(s) work as manual migrant workers in urban areas. Starting from a single fundraising campaign to providing lunches to one primary school in April 2011 (Deng, 2014), FLFC lacked resources in legitimacy, finance and staff, as is the case with many other grassroots organizations. In April 2011, leaders of a local education bureau even imposed obstacles to block their service (Bai, 2011). Nevertheless, FLFC rapidly overcame these barriers and expanded its service to 949 schools in 26 provinces, benefiting 171,411 children as of the end of February 2018 (Free Lunch for Children, n.d.).

Love Save Pneumoconiosis (LSP). Launched by Keqin Wang, a famous investigative journalist, LSP has committed to serve 6m Chinese manual migrant workers suffering from pneumoconiosis, a life-threatening occupational disease. Its organizational goals include providing financial and medical help to pneumoconiosis patients, raising the public's awareness of such disease, and to ultimately urging the government to provide accessible medical sources for 6m patients. This disease is closely related to unchecked economic growth as manual workers contract the disease by inhaling dusts in dangerous working conditions without proper protections. LSP also faced legitimacy challenges as their cause could run counter to some local governments' pursuit of economic development and tax dollars. Nevertheless, mainly through its Weibo communication, LSP manages to generate a huge wave of criticism of the occupational health system that ignored the benefits of manual migrant workers (Marquis et al., 2016) and has raised more RMB 14.99m as of May 14, 2015. Of the total, 3.15m were from the Chinese Central Government (Love Save Pneumoconiosis, 2017), which signifies forceful legitimacy endorsement by the most powerful regulative institution (Scott, 2008) in China. By December 31, 2017, LSP has recruited 9,299 volunteers from 26 provinces across China (Xinhua News, 2018). Till 2018, LSP is still functioning as a hybrid third-sector organization to achieve its ultimate mission: to thoroughly eradicate pneumoconiosis from China (Xinhua News, 2018).

Data collection
The data for this study were tweets sent by the two organizations from the dates they sent out their first Weibo tweets to the dates when they achieved their first milestone successes. Two reasons justify the selection of this time frame. First, it would be beyond the author’s capacity to analyze all their Weibo tweets. As of May 4, 2016, the official Sina Weibo accounts of FLFC and LSP have sent 30,231 and 31,929 tweets, respectively. Second, and more importantly, both organizations now have attained and maintained legitimacy, as evident by the Chinese Central Government’s endorsement and a large base of online supporters. Seldom would they face legitimacy challenges anymore. However, in their early stages, both strived to obtain legitimacy and other resources, as the government’s attitude toward grassroots organizations is ambivalent and the entire third sector was undergoing a
legitimacy crisis because of scandals arising from well-known nonprofits (Poell et al., 2014). Tweets sent during their initial development stages would better capture social media practices that helped startup nonprofits to engage publics and develop legitimacy as compared to later stages when the organizations are more established with greater legitimacy and other resources.

Given China’s semi-authoritarian context, the best way to pinpoint a hybrid grassroots organization’s first milestone success would be the first policy change it induces, because policy change is more challenging than other organizational goals such as raising funds and recruiting volunteers, and often comes after other organizational goals have been achieved. Thus, the time frame for FLFC’s tweet collection begins with April 2, 2011, the date when the FLFC’s official Weibo account sent out its first tweet, to October 26, 2011, the date when the Chinese Central Government officially endorsed the program with government funding of RMB 16bn. For LSP, the time frame is set as from June 30, 2011, when its social media account made its debut, to December 23, 2012, when the story of one of its beneficiaries, a pneumoconiosis patient, was consecutively covered by Xinwen Lianbo (News Broadcast) for two days. Aired by the China Central Television, the predominant state television broadcaster in China, this news coverage is politically significant because the news program reports and reflects official positions of the Chinese Communist Party. Soon after the coverage, Premier Li Keqiang openly expressed concern for pneumoconiosis patients and urged accelerated related reform on healthcare policies (Wang, 2015). Hence, these time frames were selected to capture their social media communication at their most critical and challenging stages during the past five years.

Following Zhou and Pan’s (2016) procedure of manually downloading Weibo tweets due to Weibo’s encryptions on tweets and restrictions on its application programming interface, tweets were manually downloaded from the two organizations’ Weibo webpages that contained tweets issued during the set time frames. Through this procedure, 348 PDF files were obtained, covering approximately 9,210 tweets in total. In addition to Weibo tweets, mainstream media coverage of these two organizations during or about the selected time frames also was examined to develop more contextualized understanding on their Weibo use. Tweets sent by the two organizations were examined together. This is not to deny the differences between the two organizations, but because they shared the same institutional environment and achieved social media successes on the same platform, it was assumed under a neo-institutional perspective that the strategic messaging of the two organizations would differ only in details, not in concepts or strategies.

Analysis procedure
A qualitative inductive analysis was conducted informed by the four frameworks reviewed earlier. The unit of analysis is the individual tweet. Prior to the analysis, the author thoroughly read through all 348 PDF files to get a general sense of the data. This initial data reading further confirms the practicability of combining tweets sent by two organizations without unnecessary attention to minor agent differences that would not affect the identification of strategic social media use. To provide a more in-depth data examination, the author then randomly sampled 20 PDF files out of 348 for further analysis. These 20 PDF files contained 719 tweets. Since the purpose of this study is to inductively develop general “strategies” and specific “tactics” within each strategy, as in Bower and Ochs’s (1971) distinction between strategies and tactics, the author screened out tweets highly similar in content, such as tweets updating fundraising progress. This procedure produced 302 tweets for the inductive analysis.

Constant comparative analysis (CCA) was used to code data. Originating from the grounded theory (Glaser and Strauss, 1967), CCA is an iterative and inductive qualitative analysis procedure that allows categories to emerge by reducing data through constant recoding
(Fram, 2013). During the coding process, newly coded tweets were compared with previously coded ones as well as existing literature, especially the frameworks developed for rhetorical functions for social movement (Bowers and Ochs, 1971), nonprofits’ function-based social media use (Lovejoy and Saxton, 2012) and social media-based advocacy (Guo and Saxton, 2014), to reduce and revise open codes and to group codes into code families. Referring to comparative tactics developed by Boeije (2002) to analyze interviews and by Eisenhardt (1989) to develop theory from case studies, five types of comparisons were made iteratively and constantly: comparing within tweets labeled by the same code, tweets under the same code families, between tweets coded with different labels, between tweets from different code families and among code families. When emerging constructs were ambiguous or overlapping, the author discussed constructs with a second coder until consensus was achieved. This CCA based on 302 tweets reached theoretical saturation (Strauss and Corbin, 1998) when the constructs effectively explained tweets that were not included in the analysis, and additional tweets were unlikely to contribute new theoretical insights. This analysis led to the identification of 3 communication strategies and 13 tactics, as presented in the following section.

Results

To answer the research question of what social media-based communication strategies and tactics were used by these successful hybrid net-roots third-sector organizations, the researcher developed an original coding scheme featuring three new strategies used in FLFC and LSP’s Weibo-based communication: changing perceptions, mobilizing actions and building and maintaining relationships. Each strategy is further executed by specific tactics (see Tables II–IV).

Changing perceptions

The strategy of changing perceptions refers to communication efforts to alter public perceptions of the issue, the organization itself and/or the underrepresented group assisted by the organization. When FLFC and LSP were found, both of their issues were generally unknown by the public (Deng, 2014; Wang, 2015). As startup nonprofits, they would need to gain enough legitimacy to prove their social worthiness and acquire resources (Dowling and Pfeffer, 1975; Oliver, 1991). Apart from the liability of newness (Singh et al., 1986), their search for legitimacy was questioned also because of the publics’ prevailing distrust of the entire third sector’s accountability and reliability. To address these problems, the two organizations used different tactics, including: objective information sharing, storytelling, celebrity endorsement, expert testimony and analogy. Table II provides examples for each tactic.

Information sharing refers to straightforward, one-way exchange of facts and statistics about the organizations’ issues and their work. Hyperlinks to other webpages often were included to offer additional information. Storytelling is a tactic that uses emotional narratives to describe the lives of underrepresented groups, changes brought to these people by the organizations and volunteer and employee experiences with the organizations. Both third-person perspectives as helpers and observers and first-person perspectives from the underrepresented and the helped were evident, often via the forms of retweets and @. Compared with the tactic of objective information sharing, this tactic excels in making the abstract issues and organizational goals more specific and engaging. Celebrity endorsement and expert testimony are similar to each other, as they both involve tapping into individuals’ credibility and influence to increase the organizations’ own. Associating celebrities and experts with the cause attracts public attention and enhances the legitimacy of the organization and its work. Analogy is a tactic that changes people’s perception by comparing what happens in China to what happens in counterpart countries, or by comparing the experiences of underrepresented groups and people to those with more privilege. In doing so, the organizations were able to persuade people by drawing contrasts among similar parties.
Mobilizing actions

The second strategy covers communication efforts to urge the public to perform both online and offline actions. Five tactics were identified within this strategy (see Table III): promoting an offline event, online fundraising, crowdsourcing for organizational needs, promoting advocacy and recruiting volunteers and employees.

Promoting offline events includes tweets inviting people to exhibitions, flash mobs, and onsite visits. Online fundraising covers a variety of online activities to collect donations, such as prompting online auctions among followers, selling virtual products such as a free lunch on their e-commerce platforms, “grouponing” lunches for children and cooperating with different mobile apps. Crowdsourcing for organizational needs refers to soliciting diverse resources and ideas from their followers to meet multiple organizational purposes. Within the time frames for data analysis, resources and ideas the two organizations crowdsourced included visual designs, IT platforms, ideas for operations and promotions and suggestions for organizational change. Promoting advocacy refers to tweets designed to secure and increase the publics’ involvement with the cause. It could be offline, such as asking followers to disseminate information among their friends and acquaintances about

<table>
<thead>
<tr>
<th>Tactics</th>
<th>Examplea</th>
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<tbody>
<tr>
<td>Objective information sharing</td>
<td>@Lushan Tongshuzhuang Primary School, Henan Province: On 21st, 120 students had free lunch. We spent 110 Yuan for 44 Pounds of rice 80 Yuan for 8 pounds of pork, 85 Yuan for vegetables and 19.3 Yuan for seasoning (of which, 14.3 Yuan was spent on oil, 2 Yuan on seasoning sauce, 1 Yuan on salts and 1 Yuan on MSG). Coupled with 26 Yuan spent on fuel, we spent altogether 320.3 Yuan. No free lunch was provided on the 20 and 21st, because the school was on break due to high school entrance exams holding on the two days</td>
</tr>
<tr>
<td>Storytelling</td>
<td>Yesterday, LSP visited the home of Cao Fude, who died of pneumoconiosis on June 19. His 78-year-old mother lies in bed, paralyzed. She has four sons; all of them are dead. Three of them died of pneumoconiosis. In the 1980s, the lead and zinc mine in Ganhuo brought hope to the young people. Several years later, it has left behind a large number of death tolls. Cao Fude now occupies the coffin that was originally brought for be his mother’s, who has bought a new one and put it next to her bed</td>
</tr>
<tr>
<td>Celebrity endorsement</td>
<td>Welcome Kun Chenb! ///@Keqin Wang: Warmly Welcome brother Kun Chen and more caring people to join the rescue for peasant brothers! Let’s work together to save the lives of our peasant brothers! ///@ Kun Chen: I’m so sadden by the suffering of our compatriots inflicted by pneumoconiosis in Sichuan Province! @ Keqin Wang, Please allow me and my team to participate in rescuing these senior people! I hope more friends will join in!</td>
</tr>
<tr>
<td>Expert testimony</td>
<td>Thank you! ///@Weigang Fuc: Free compulsory education (at poor rural areas) should be sustained by (free) nutrition programs. When I was a college student in Xi’an, I heard some rural areas in Shanxi Province had only two meals per day. I thought it was just a local habit. Now I know it is only because of poverty. Thank @ FLFC, who has done such a great job with well-organized, well-planned operation and promotion carried by professional teams! I hope grassroots organizations will all be as effective and professional as FLFC</td>
</tr>
<tr>
<td>Analogy</td>
<td>#Free lunch# In Senegal, free lunches are available to 115,000 students, with 120,000 students soon to be added to the program. Providing free lunches to underprivileged students is a simple yet effective way to better their growing and learning. With free lunches, children there have gained weight and become more concentrated on studies, because they no longer suffer from hunger</td>
</tr>
</tbody>
</table>

Notes: aWeibo allowed 140 characters per post when the data were collected. Because a Chinese character can be translated into an English word, 140 characters in Chinese language usually carry more information than 140 characters in English; bKun Chen is Movie Star with more than 80m followers on Sina Weibo; cWeigang Fu is Column Writer, Researcher and Executive Director of Shanghai Institute of Finance and Law

Table II. Tactics to change perceptions

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the issues as well as the service and policy solutions for the issues, or it could also be online, such as asking for retweets. In the words of Love Save Pneumoconiosis (2012), “to retweet is to rescue”. The last tactic, calling for volunteers and employees, could be regarded as a more engaging form of action, as such tweets inviting followers to not only support the nonprofits financially or morally, but also to work directly with them.

**Building and maintaining relationships**
The last strategy, building and maintaining relationships, centers on cultivating and sustaining interactive relationship with the publics. Tactics in this category include: acknowledging contributions, displaying a playful organizational personality and speaking the language of the followers (see Table IV). Tweets recognize and appreciate follower

<table>
<thead>
<tr>
<th>Tactics</th>
<th>Example</th>
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<tbody>
<tr>
<td>Promoting an offline event</td>
<td>To better, FLFC, our volunteers have already set up Weibo accounts for schools we help to update timely their incomes and expenses. We invite local government, media, NGOs, parents, ubiquitous netizens and swift backpackers to have onsite visit and supervision!</td>
</tr>
<tr>
<td>Online fundraising</td>
<td>Still relying on online bank transactions to donate a lunch for children? Now we pay through a barcode! Open your PayPal mobile app and scan the barcode in FLFC’s poster. Yes, the one mosaic-like one! Doing charity could be a fashion! (With hyperlink and picture of the barcode attached)</td>
</tr>
<tr>
<td>Crowdsourcing to meet organizational needs</td>
<td>LSP is two years old now. We seek to improve ourselves and better ourselves to pneumoconiosis peasant brothers. From 26 July to 18 August, we solicit suggestions from all volunteers, employees and friends specializing in diverse areas. Please help us to think about our future directions and vision!</td>
</tr>
<tr>
<td>Promoting advocacy</td>
<td>To save pneumoconiosis patient is to save a family! To retweet is to rescue; and communication generates powers. Let us work together to disseminate rescuing knowledge and make everyone aware of pneumoconiosis!</td>
</tr>
<tr>
<td>Calling for volunteers and employees</td>
<td>Please join #LSP# to have a fulfilling youth! If you are reliable and interested in nonprofits, please join the big family of LSP! (with an hyperlink labeled as “You are wanted”)</td>
</tr>
<tr>
<td>Acknowledging contribution</td>
<td>300 Yuan means one free lunch from 100 kids. We appreciate your donation on behalf of 100 kids.//@Chendapu @FLFC: donated 300 Yuan. Wish kids eat happily and have fun</td>
</tr>
<tr>
<td>Displaying playful organizational personality</td>
<td>﹈Send a red envelope to Pumpkin Meal#PayPal Account: <a href="mailto:mfwc_taobao@126.com">mfwc_taobao@126.com</a>. Giving is more blessed than receiving!</td>
</tr>
<tr>
<td>Speaking the language of the followers</td>
<td>We are the world; we are the children. We are the ones who make a brighter day, so let’s start giving.//@Michael Jackson Club: To support @FLFC promoted by @Feideng, we will auction one item related with MJ every week. This week, the item is MJ souvenir necklet made 2010 for A memorial activity hold during Shanghai Expo. Start from 100 Yuan, this auction will close at 16 May midnight. The bidder with the highest price will get the necklet. Fund raised will be all donated to @FLFC. Please leave your bidding price as a comment for this tweet</td>
</tr>
</tbody>
</table>

**Table IV.** Tactics to build and maintain relationship
donations, offline participation and online information dissemination. Although the causes they promote are serious or even saddening, these two organizations still manage to develop a playful organizational personality. For example, FLFC often refers to itself as Pumpkin Meal (Can Niu Niu 蘿卜頭) and sometimes addresses followers as uncles, aunties, brothers and sisters, as if the organization were a young girl at the age of the primary students it was helping. Though LSP’s issue is sobering with many heart-breaking life-and-death stories, it still develops a personality for volunteers, using a cute self-identifier “Green Orange” (Qin Cheng 青橙, as similar with the pronunciation of LSP’s abbreviated Chinese name, Qing Chen 清尘) with a logo of a cute orange cartoon figure to refer to its volunteers as a whole. LSP also sometimes addresses senior patients as uncles rather than by their first or full names. For example, when a patient was about to undergo surgery, LSP tweeted: “Uncle Honghai Xu, fingers crossed for you!” In addition, both organizations frequently use emojis to convey a sense of personality and emotion. The last tactic, speaking the language of the followers, refers to audience adaptation efforts to communicate with different followers with different vocabularies and frames of reference.

Discussion
The original communication framework developed from the CCA as grounded in the specific institutional context offers several contributions to the existing literature on strategic communication by hybrid third-sector organizations. To begin, it enriches research on nonprofits through an examination of “best practices” that largely enabled the two Chinese grassroots to achieve their organizational goals. While previous studies concluded that Chinese and American nonprofits still rely predominately on one-way broadcasting and do not use interactive features of social media to their full potential (e.g. Gao, 2016; Lovejoy and Saxton, 2012; Zhou and Pan, 2016), this research identified interactivity as central to all three new strategies developed from this study, namely, changing perceptions, mobilizing action and building and maintaining relationships. This discovery calls into question the wisdom of simply applying existing coding schemes to the Chinese context, and perhaps to similar semi-authoritarian contexts as well. When strategic social media communication is a key to organizational successes, including but not limited to the creation of legitimacy and institutional adaption, specific interactive functions should be considered.

In FLFC and SLP’s cases, examples of human-to-human interaction (McMillan et al., 2008) between the organizations and their followers were evident. Take the strategy of changing perceptions for example. At first glance, this strategy seems to overlap with the one-way information giving function identified in Lovejoy and Saxton’s (2012) scheme (e.g. Grunig and Hunt, 1984). However, closer examination of the content of tweets using this strategy revealed intensive, individualized interactions with volunteers, beneficiaries, celebrities, experts and netizens at large. In contrast, Lovejoy and Saxton’s (2012) coding scheme simply labeled these tweets as information giving and overlooked the potential of others to participate in interpreting information, providing evidence and creating meaning. Failure to identify interactional opportunities underestimates the role of agents outside of the organization in providing information to create shared meaning of the issues, garner support and address the issues effectively.

Both organizations retweeted and often added comments to first-person perspective stories sent by their volunteers and beneficiaries. These retweets serve functions beyond simply reporting the organizations’ actions or acknowledging volunteer contributions. By sending either original tweets or retweets, both organizations provided timely responses to netizens’ tweets expressing skepticism toward their accountability, transparency and ultimately, their legitimacy. For instance, FLFC was once questioned by its followers on why a funded rural primary school purchased oil and vegetables at a higher price than schools in big, more affluent cities would do. To address this concern, FLFC immediately
sent tweets to urge the headmaster into an immediate response and to encourage local volunteers to collect and report further evidence (e.g., Free Lunch for Children, 2011). Through timely retweeting with comments from a series of posts from the headmaster, volunteers and concerned followers, the organization publicly managed the challenge within three days. And the process would have been even shorter if the headmaster had convenient internet access and would not have had to travel back and forth for nearly 70 h to post a detailed explanation online in a cyber bar.

Compared with simply sending one-way objective information, using retweets with comments appears more authentic and effective and demonstrates responsiveness to concerns raised by followers. Moreover, first-person perspectives and accounts from different stakeholders increase transparency and accountability through a form of triangulation. Failure to differentiate interactive tactics like storytelling, celebrity endorsement and expert testimony from simple objective information giving neglects the importance of meaning co-creation (Botan and Taylor, 2004) about the organization and its activities. Within the Chinese context, a series of scandals from high-profile nonprofits such as the China Red Cross and the China Charity Foundation have triggered a public credibility crisis for the entire third sector (Deng et al., 2015). The importance of cultivating shared sense-making, verifying successes and demonstrating responsiveness to the legitimacy concerns of followers thus should not be understated.

In addition to using retweets with comments as a technical feature, these two organizations also feature conscious efforts to cultivate relationships with followers during the interactive process. As Lovejoy and Saxton (2012) noted, acknowledging and thanking donors and other supporters is one of the basic tenets of nonprofit management. In the present investigation, not only did the organizations express gratitude, but also made efforts to individualize their appreciation by speaking the language of their donors and other supporters. Also, in line with the discovery of the relational benefits of developing a personal voice on corporate blogs (Kelleher and Miller, 2006), this study found that in microblogging, having a playful organizational personality that includes nicknames and visuals also serves the purpose of relationship building and relationship sustaining. By addressing donors and beneficiaries as relatives, such as uncles and aunts, as if the nonprofits were real people, the distance between those who help and those who are helped is reduced. Arguably, their strong emphasis on interactivity coupled with tactics to cultivate relationships is what distinguishes their social media communication the most from other Chinese nonprofits whose social media use is largely one-way information giving (Gao, 2016; Zhou and Pan, 2016). The lack of interactive, relationship-oriented communication might be an important reason why most Chinese nonprofits with active social media accounts were not able to secure legitimacy and other managerial successes as FLFC and LSP did.

Also, in pursuing social movements without enjoying institutional independence, these hybrid net-roots third-sector organizations must exercise caution when contesting issues related to government duties, since options like discrediting the opposition and confrontation (Bowers and Ochs, 1971) might lead nowhere or even jeopardize the organization. When taking issue stances not supported by the government, advocacy in the forms of lobbying or protest generally are not productive in China; the prevailing political climate necessitates more delicate and indirect tactics. For example, LSP emphasizes the pains of pneumoconiosis patients and their families as innocent victims through an engaging storytelling tactic. However, it never criticized victimizers that allowed the disease to threaten so many lives and create the “one of the most essential social issue facing China” in this century (Gleiss, 2015; Love Save Pneumoconiosis, n.d.). Instead, they tended to depoliticize themselves as activists and focus more on providing concrete services and finding solutions. Adopting playful personalities as organizational identities and using storytelling also helped to tone down the political dimensions implicated in their causes.
Apart from being indirect and delicate, FLFC and LSP also harnessed the potential of social network sites to reach and motivate a large audience by encouraging “micro supports” among its followers. For instance, FLFC encouraged a range of supportive behaviors: 3 Yuan (less than a half dollar) would bring a happy lunch to one hungry kid; for LSP, 1 Yuan would extend a patient’s life by five more hours; and even to retweet would be acknowledged as efforts to rescue patients (Love Save Pneumoconiosis, 2012). Mobilizing messages as such not only generate financial support to sustain the organizations’ service role, but also contribute to their advocacy role, as micro actions on social media also could be considered a form of petition and democracy. In other words, social media with its wide reach might compensate for the absence of political contestations in China (Gleiss, 2015). The existing frameworks (e.g. Lovejoy and Saxton, 2012) developed from other contexts thus were not adequate to capture the strategies and tactics identified in this study that largely account for the two organizations’ successes use during their initial stages.

Conclusion
This study contributes to theory building on nonprofits’ social media communication in the Chinese context by inductively deriving strategic communication practices of two successful hybrid net-roots organizations. By examining strategies and tactics that preceded the formal recognition of the organizations, this research provides a foundation for future investigations into how Weibo and other social media platforms can be used to develop multi-purpose hybrid organizations that reflect aspects of civil society, social movements and traditional nonprofits (Hasenfeld and Gidron, 2005).

In line with the neo-institutional approach, this research was sensitive to the government’s predominate relationship with nonprofits. By focusing on the developmental period prior to formal recognition by the government, the researcher suggested that the strategies used by the successful organizations might make a difference in governmental acceptance of the net-roots organizations. This approach complicates our thinking about net-roots organizations by suggesting the successes may be contingent upon patterns of communication strategies and tactics at particular points in time. How do the communication strategies of newly formed net-roots organizations compare to those of more established organizations? Can communication strategies account for recognition by the Chinese Central Government? Would the roles of communication vary in a process of institutionalization, with more communication effort made at the beginning and less at the end (Frandsen and Johansen, 2013). Existing studies do not theorize about the importance of particular strategic communication within specific organizational developmental stages. The decision to focus on the formative growth of successful organizations was based on the assumption that some net-roots organizations “make it” and others do not, and that examining the early development of successful organizations could contribute to practice-focused literature.

For future studies, surveys and interviews could be conducted to assess how the organizations’ leadership perceives the effectiveness of strategies and tactics, so that more “best practices” insights could be obtained for practitioners. Although full understanding of the tipping points that prompt formal supplementary or complementary government–nonprofit relationships may not be possible considering Chinese government’s complicated supervision and absolute power over the third sector, pursuing such understanding seems to be a noble goal.

China is not the only country where the government has gained supremacy over other sectors. Countries like Singapore (Guo and Zhang, 2014), Japan (Pekkanen, 2003) and Myanmar (Timothy and Chua, 2017) also experience similar situations where a predominant state has allowed some space for the third sector with strict scrutiny. The research findings might contribute to nonprofits’ strategic communication in other institutional contexts with similar challenges arising from asymmetrical government–nonprofit relationships.
For example, advocacy organizations could pursue social movements indirectly and provide tangible service alongside their advocacy roles. In this way, they are more likely to develop a supplementary relation with the government rather than being trapped in an adversarial relationship (Young, 2000) that usually terminates their roles in supporting the causes.

In addition, the social media strategies and tactics used by these hybrid net-roots organizations hold promise for addressing common drawbacks innate to third-sector organizations across countries. First, such organizations could be encumbered by resource insufficiency and excessive amateurism, since many of them rely heavily on voluntary input and charitable support that are not sufficient or reliable to achieve collective goods (Gronbjerg, 1994; Salamon et al., 2000). Yet in this study, both organizations were able to overcome such drawbacks by communicatively cultivating relationships with the publics and mobilizing them into actions, such as crowdsourcing and online donation.

Second, third-sector organizations might suffer from paternalism issues. Their beneficiaries might be forced to accept religious, moral or political convictions when they have no other alternatives but to rely on the services provided by the nonprofits (Salamon et al., 2000). Yet, if a third-sector organization actively engages in sincere interaction with its beneficiaries on social media, it might be more attentive to their voices and thus more cautious against possible paternal tendencies.

Last but not the least, the third sector’s accountability mechanisms are not as effective as in the cases of for-profit entities who are held accountable by its consumers, board members and shareholders (Fleishman, 1999; Herzlinger, 1996; Salamon et al., 2000). Nonprofits’ main vehicle for accountability is the trustworthiness of agency managers. Yet there are many ways in which organizational operations can unduly benefit nonprofit managers, and board oversight and supervision tend to be less vigorous as board members have fewer incentives to do so in comparison to the for-profit sector (Salamon et al., 2000). However, the present study suggests that social media could be an effective control mechanism, as both organizations managed to interact with different stakeholders to establish and increase their accountability via social media. Via strategic social media communication, organizations can take active roles to “interpret(ed) and reformat(e) the institutions they ‘receive’ making interventions in accordance with their own local organizational context” (Frandsen and Johansen, 2013, p. 209). The interactive potential of social media may change the dynamic of an asymmetrical state-nonprofit relationship and enable nonprofits to achieve legitimacy, accountability and operational successes in this increasingly connected world.

References
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Further reading


Corresponding author

Feifei Chen can be contacted at: gracechanfeifei@gmail.com
When is silence golden?
The use of strategic silence in crisis communication

Phuong D. Le and Hui Xun Teo
Wee Kim Wee School of Communication and Information, Nanyang Technological University, Singapore
Augustine Pang
Lee Kong Chian School of Business, Singapore Management University, Singapore, and
Yuling Li and Cai-Qin Goh
Wee Kim Wee School of Communication and Information, Nanyang Technological University, Singapore

Abstract
Purpose – Scholars have discouraged using silence in crises as it magnifies the information vacuum (see Pang, 2013). The purpose of this paper is to argue for its viability and explore the type of silence that can be used.
Design/methodology/approach – Eight international cases were analyzed to examine how silence was adopted, sustained and broken.
Findings – The findings uncovered three intention-based typologies of strategic silence: delaying, avoiding and hiding silences. Among such, avoiding/hiding silence intensified crises and adversely affected post-silence organizational image when forcefully broken, while delaying silence helped preserve/restore image with primary stakeholders if successfully sustained and broken as planned.
Research limitations/implications – First, these findings may lack generalizability due to the limited number of cases studied. Second, local sentiments may not be fully represented in the English-language news examined as they may be written for a different audience. Finally, a number of cases studied were still ongoing at the time of writing, so the overall effectiveness of the strategy employed might be compromised as future events unfold.
Practical implications – A stage-based practical guide to adopting delaying silence is proposed as a supporting strategy before the execution of crisis response strategies.
Originality/value – This is one of the few studies to examine the role of silence in crisis communication as silence is not recognized as a type of response in dominant crisis theories – be it the situational crisis communication theory or the image repair theory (An and Cheng, 2010; Benoit, 2015; Benoit and Pang, 2008; Xu and Li, 2013).
Keywords Media, Leadership, Corporate communications, Crisis, Crisis management

Introduction
When crises occur, people demand answers. Stakeholders seek them in the media, which in turn fuels the demand for information, generating an information vacuum (Pang, 2013). Scholars underscore the need for organizations to actively communicate and fill the information vacuum, failing which the space may be filled with speculation and misinformation and cause the crisis to escalate (Pang, 2013). As such, the common assumption is that a crisis response is necessary and desirable, and that organizations should not stay silent during a crisis. However, in reality, organizations sometimes opt to stay quiet during a crisis (Claeys and Opgenhaffen, 2016). There is thus a theoretical gap to be addressed, since little has been studied on silence and the effectiveness of silence as a crisis management strategy.
The present investigation aims to address this gap by examining eight international crises where silence was strategically adopted by organizations and whether the strategy worked. Theoretically, this study presents new perspectives that support the strategic use of silence in managing crises and explores a systematic approach in categorizing its uses. Managerially, it provides practical guidance on when and how to strategically adopt and break silence during a crisis.

**Literature review**

**Defining strategic silence**

Silence – defined as “a lack of communication from an organization or its failure to provide clear and adequate responses to questions or concerns raised” (Woon and Pang, 2017, p. 335) – can be used intentionally or unintentionally. For the purpose of this paper, a clear distinction between intentional and unintentional silence must be made. Penuel et al. (2013) termed unintentional silence as “natural silence”; Woon and Pang (2017) further identified it as stemming from unfavorable situations that prevent an organization from quickly acquiring and disseminating critical information to stakeholders. In essence, natural silence occurs when the organization has no other choice but to remain silent. By contrast, strategic silence – the focus of this study – is a deliberate decision.

In political discourse, Brummett (1980) defined strategic silence as a public figure’s intentional refusal to communicate verbally, violating expectations, with the public assigning predictable meanings to it, while Dimitrov (2015) referred to strategic silence not only as the absence of speech but also as statements providing little to no information. Strategic silence should then be operationally defined as a deliberate lack of organizational communication, and if there is any, the information is intentionally scant and ambiguous.

**Silence viewed as undesirable**

During a crisis, stakeholders demand answers, and when they are met with silence, an information vacuum is birthed, which may escalate or reawaken in an enlarged second crisis, resulting in speculation, frustration and loss of trust among stakeholders (Woon and Pang, 2017). As such, scholars have recommended that organizations employ proactive crisis management strategies like “stealing thunder” (Coombs, 2015a, p. 146) to break news about the crisis before the media does to reduce reputational damage (Claeys and Cauberghe, 2012; Woon and Pang, 2017). In handling challenges, organizations may adopt strategic silence as its “refusal strategy” to ignore the challenger, but Coombs and Holladay (2015) highlighted this as risky because it allows the challenger to frame the situation. In journalistic discourse, silence “often insinuates culpability and guilt by default” (Dimitrov, 2015, p. 638); and in organizations, silence from management might be interpreted as “negligence, indifference, an index of a weak position, or a validation of rumors” (Johannesen, 1974, p. 30). Hearit (1994) highlighted the benefits of issuing an apologia early in a corporate crisis to deprive the media of a continuing story and restrain reputational damages, critiquing silence as “an admission of guilt” (p. 114). Without an apology or denial response, Ferrin et al. (2007) found the use of silence to be suboptimal in managing different types of trust violations for it neither clarifies guilt nor offers redemption.

Due to its passive nature, silence is not recognized as a type of response in prominent crisis response frameworks. The two dominant crisis theories – Coombs’ situational crisis communication theory (SCCT) and Benoit’s image repair theory (IRT) (An and Cheng, 2010; Benoit, 2015; Benoit and Pang, 2008; Xu and Li, 2013) – do not consider silence as a strategy. SCCT argues that communicating information is the first priority, followed by the adoption of response strategies. Similarly, IRT recommended proactive strategies in managing an organization’s image during a crisis, and therefore excluded silence from the list of response options.
Where strategic silence might work

Despite the fact that strategic silence in crisis has been practiced by organizations worldwide, under federal investigations, religious ministries in the USA employed strategic silence (Swanson, 2012); in a survey in Croatia, 16.3 percent of practitioners chose to remain silent while facing a crisis (Jugo, 2017); in Hong Kong, silence was found to be commonly practiced by corporations during organizational crises (Lee, 2000, as cited in Lee, 2004).

It has been suggested that strategic silence can be viable, albeit circumstantially. It might be practiced when there are legal implications to speaking out or when information on hand is insufficient (Claeys and Opghenhaffen, 2016). Regulators might use strategic silence to signal confidence in position when faced with criticism in areas where they have a strong reputation (Maor et al., 2012). Politicians could use it to dodge commitments or conflicts (Johannesen, 1974, p. 32). Notably, Smith (2013) suggested that strategic silence can be used to signal patience, composure with noble intentions (e.g. sympathy or respect for privacy) or to avoid sidetracking while the issue is being worked on. This strategy, however, only works when the organization is trusted by stakeholders; no “no comment” statement, which often implies guilt, is made; and a statement of justification is issued (Smith, 2013).

Dimitrov (2015) introduced four types of silences in public relations: absolute, defensive, preserving and anticipating. Absolute silence was highlighted as a riskier option as it is infinite and works best to avoid an overreaction in response to crises, which requires sound judgment. The other three types involve some form of calculated response, serving to either evade the real issue (defensive), cascade the information to a platform of lower visibility (preserving) or to flag worst-case scenarios ahead of time (anticipating) (Dimitrov, 2015).

While the above treatments of strategic silence overlap in their focus on its intentionality, organizational intentions behind the strategy are not spelled out and distinguished clearly. The authors of this paper recognize the need for a more systematic approach that examines such intentions and the corresponding strategies. As crisis literature on silence is limited, research was drawn from the field of linguistics, which has studied the subject in greater depth.

Organizational intentions of strategic silence

Jensen (1973), a linguistics researcher, listed five interpersonal communication functions of silence, which may apply in the positive or negative sense: linkage function – to bond people or separate them; affecting function – to heal or hurt; revelation function – to reveal or hide information from others; judgmental function – to signal assent/favor or dissent/disfavor; and activating function – to signal deep thoughtfulness or mental inactivity. Extending this theory to corporate communication, and specifically crisis communication, it is possible that organizations/leaders may strategically use silence for similar functions. The authors propose to transpose such into the corporate context (see Table I).

When evaluating Dimitrov’s (2015) four types of silence, an overlap appears in the five functions listed above, with absolute silence reflecting the linkage function (in this instance, avoiding), defensive and preserving silence indicating revelation (revealing and hiding, respectively), and anticipating silence demonstrating activation (work-in-progress).

<table>
<thead>
<tr>
<th>Silence function</th>
<th>Organizational intention in crisis management</th>
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</thead>
<tbody>
<tr>
<td>Linkage (+)</td>
<td>Bond with stakeholders (-) Avoid stakeholders/issuies</td>
</tr>
<tr>
<td>Affecting (+)</td>
<td>Heal stakeholders (-) Wound stakeholders</td>
</tr>
<tr>
<td>Revelation (+)</td>
<td>Reveal information (-) Hide information</td>
</tr>
<tr>
<td>Judgment (+)</td>
<td>Signal approval (-) Signal disapproval</td>
</tr>
<tr>
<td>Activation (+)</td>
<td>Signal work-in-progress (-) Signal inaction</td>
</tr>
</tbody>
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Table I.
Proposed functions of strategic silence in crisis management
Factors leading to the adoption of strategic silence

Besides organizational intentions, other external factors, namely the crisis situation and the local culture, might predispose an organization to adopt silence in managing a crisis.

Crisis situation factors. Even though not considered a response strategy in the SCCT (Coombs, 2008), strategic silence is still used by organizations to manage crises. Such adoption might then still be influenced by the same crisis situation factors identified in the SCCT, namely, crisis type, crisis responsibility, crisis severity and the organization’s history of dealing with similar crises (Coombs, 2008).

Cultural context. As most prominent crisis response strategy frameworks have been developed in the west, they might not fully capture the influence of culture in analyzing non-western crises (Hu and Pang, 2016). Depending on differing beliefs on how much/little communication is needed in a given circumstance, different cultures can perceive silence differently (Jaworski, 1992). Specifically, Johannesen (1974) suggested that Asian cultures have a greater tolerance for silence. For instance, in Japan, silence is socially acceptable and widely perceived as meaningful (Fujio, 2004). Ye and Pang (2011) noted that Chinese cultural concepts of “saving face” and “uncertainty avoidance” (p. 260) can shape crisis responses, and these can manifest in the preference to avoid communication or divert attention (Hu and Pang, 2018). Pang (2013) also noted that the Chinese Government’s first strategy is often to cover up the crisis until it fades away. Strategic silence may thus be more commonly adopted in such Asian contexts. In other words, culture can be a predisposing factor in forming a crisis management strategy as described in the contingency theory (Pang et al., 2010).

The first research question thus looks at the organizational intentions, crisis situation and cultural context when it comes to the adoption of silence:

RQ1. Under what circumstances do organizations keep silent in crises?

Strategic silence as a crisis intensifier

The second research question examines what happens during the silence. Studies have argued for the criticality of responding as quickly as possible during crisis. A quick response helps the organization reassert organizational control and credibility (Augustine, 1995). A slow response, on the contrary, connotes incompetence (Donath, 1984). Woon and Pang (2017) suggested that an organization’s silence during an information vacuum “provokes a response intensified by public dissatisfaction and media glare” (p. 331). This can be further escalated by media and social media hype, where issues gain traction in both legacy and new media (Woon and Pang, 2017) through created and shared content. Without a message framed by the organization, the silence would be open to interpretation by their stakeholders. As stakeholders might have conflicting interests and dissension on certain issues (Coombs and Holladay, 2015), the silence might also produce different, even contrasting, effects on different stakeholders. It is therefore meaningful to examine whether silence worsens the information vacuum in all cases, particularly in relation to stakeholders’ perceptions of the organization:

RQ2. How does the organization’s silence intensify the crisis?

The breaking of strategic silence

An organization might plan to break silence at a certain time, or maintain it by remaining silent until the crisis is over. In either instance, circumstances may arise which could affect the organization’s plan.

Situational factors. During a crisis, new events might unfold or new information might become available. Situational factors may cause an organization to change its position. The
contingency theory of strategic conflict management termed it as stance movement, and that situational factors can be powerful enough to change the predisposing positioned stance on the continuum of advocacy and accommodation (Pang et al., 2010). For example, the crisis severity might be heightened or stakeholders might gain more salience, prompting the organization to reevaluate its current stance (Coombs and Holladay, 2015), i.e. breaking the silence prematurely and/or adopting a new response strategy.

Crisis response strategy. It is worth examining how an organization breaks its silence through the type of response strategy employed. This might be part of the organization’s plan prior to the adoption of silence, or the result of situational factors, such as when an organization is compelled to break its silence due to pressure from stakeholders. According to the SCCT (Coombs, 2008), ten common response strategies can be categorized into three postures based on their communicative goals: deny (attack the accuser, denial and scapegoat), diminish (excuse and justification) and deal (ingratiation, concern, compensation, regret and apology). This study thus examines the circumstances surrounding the breaking of silence:

RQ3a. What leads the organization to break its silence? 
RQ3b. How does the organization break the silence?

The effects of strategic silence 
Since crisis management aims to “restore organizational normalcy and influence public perception” (Pang, 2012, p. 359), the last research question assesses the overall effectiveness of silence as a strategy by examining an organization’s post-silence image. This can be analyzed along the four dimensions of organizational image as identified by Van Riel and Fombrun (2007): product, social, financial and recruitment:

RQ4. How is an organization’s image affected after the silence is broken?

Method 
Case studies are conducted to empirically investigate this “contemporary phenomenon within some real-life context” (Yin, 1984, p. 13) to explore a “situation in which the boundaries between phenomenon and context are not clearly evident” (Yin, 1993, as cited by Pang et al., 2014, p. 104). Since prior research on intentional/strategic silence is limited, this exploratory study employs the multiple-case study approach explained in Wan et al. (2015) and Woon and Pang (2017), where detailed documentation of organizational and social processes facilitate the answering of research questions. Case studies, as argued by Stake (1998), explore the phenomenon the researcher is interested to explore, and the exploration leads to the illumination of insights that contribute to theory building.

Case selection 
Eight international crises where the organizations/leaders kept silent were identified with the following criteria: it was evident that the silence was planned or intentional; cases were sourced from different countries to provide diversity; and to lend currency and relevance, they occurred within five years prior to the study (2012–2017). For full listing of the cases, please see Table II.

Data collection 
For each case, data were collected from news reports from Factiva and Google search; and official content (press releases and other documents) published online by the organization/leader involved. Sources were restricted to publications in English. In light of differing cultural interpretations of silence, local news sources as well as international ones were
studied to examine the perceptions of various stakeholders. The duration was limited to a day prior to news breaking of the crisis to two months after the silence-breaking point. Please refer to Table III for data sources and duration.

**Data analysis**

This study employs Glaser and Strauss’ (1967) constant comparative approach to inductively analyze data in four stages: comparing the incidents in each case; integrating the categories; delimiting the theory; and writing the theory. First, data were examined on how silence was adopted, sustained and broken. The cases were subsequently classified according to the intended usage of silence, and whether the breaking of silence was forced on or initiated by the organization/leader.

Next, the cases were analyzed based on the effects on organizational image during and after the silence. This was determined along Van Riel and Fombrun’s (2007) four dimensions of social image, financial image, product image and recruitment image.

<table>
<thead>
<tr>
<th>Crisis descriptions (Year, country)</th>
<th>Use of strategic silence (Organization/Leader)</th>
<th>Silence duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Violence broke out in Myanmar’s Rakhine State on August 25, 2017, resulting in more than 100 deaths and 400,000 mostly Rohingya refugees fleeing Rakhine as of October 2017 (2017, Myanmar)</td>
<td>Myanmar’s de facto leader remained silent on the issue for more than three weeks, issuing her first public address on September 19, 2017 (Leader 1)</td>
<td>3 weeks</td>
</tr>
<tr>
<td>Dire farming conditions caused growing suicide rates in India yearly since 2005. From March to April 2017, farmers from Tamil Nadu held protests in New Delhi (2017, India)</td>
<td>Organization 1 stayed mute on the situation for 40 days of the protest and took no action (Organization 1)</td>
<td>40 days</td>
</tr>
<tr>
<td>April 2016 saw a massive coastal marine pollution in four central provinces of Vietnam, caused by Formosa Ha Tinh Steel’s illegal discharge of 300 tons of toxic industrial waste (2016, Vietnam)</td>
<td>Organization 2 attempted to protect Formosa as a major foreign investor by withholding information for nearly three months (Organization 2)</td>
<td>3 months</td>
</tr>
<tr>
<td>Phones were found defective with overheating issues in August 2016. Replacement devices also caught fire or exploded, resulting in a global recall (2016, International)</td>
<td>Initially, Organization 3 provided little information. After the recall, it kept mostly silent for 6.5 months after announcing intentions to focus on investigations (Organization 3)</td>
<td>4 months</td>
</tr>
<tr>
<td>In April 2015, the nationwide issuance of children’s vaccines was compromised when a pharmacist was arrested for distributing expired vaccines to healthcare agencies across China (2015–2016, China)</td>
<td>Organization 4 chose to bury the scandal for almost a year. The news was only made known to the public on March 2016 (Organization 4)</td>
<td>1 year</td>
</tr>
<tr>
<td>Between April and June 2015, 25 patients and seven deaths at Organization 5 were linked to a hepatitis C virus within its premises (2015, Singapore)</td>
<td>Organization 5 waited for four months before announcing its suspicion of the cause of infection (Organization 5)</td>
<td>4 months</td>
</tr>
<tr>
<td>On July 18, 2013, Organization 6 developer site was hacked. The site was taken down and a maintenance notice was put up. No further information was shared until three days later (2013, International)</td>
<td>Organization 6 remained silent while working to resolve the issue. On July 21, 2013, Organization 6 notified app developers of the security breach and the corrective action taken (Organization 6)</td>
<td>3 days</td>
</tr>
<tr>
<td>In September 2012, Organization 7 faced a bacterial contamination in its meat-packing plant, 10 cases of poisoning and a nationwide tainted-beef recall (2012, Canada)</td>
<td>Organization 7 failed to offer an explanation or address the issue publicly for three weeks after the outbreak (Organization 7)</td>
<td>3 weeks</td>
</tr>
</tbody>
</table>
The information was then categorized into blocks of data representing what Glaser and Strauss (1967) called "local" concepts (p. 45), such as the perceptions of stakeholders during the silence or information vacuum, the circumstances leading to the breaking of silence, the response strategies employed by the organization/leader to break the silence and the effects on their image post-silence. With continuous comparisons of data in each category, additional categories emerged. Links were then made between local concepts and categories, setting boundaries for the theory. Finally, a theory explicating strategic silence was constructed.

Findings
The first research question examined an organization/leader’s adoption of silence as a crisis management strategy by looking at the organizational intentions, crisis situation factors and cultural context in which the organization operates.

Organizational intentions lead to different types of strategic silence used
Data showed that in all eight cases, silence was intentionally adopted by each organization/leader with different agendas. Among the ten types of intentions proposed, three were observed in the cases, namely, avoiding stakeholders/issues, hiding information and signaling work-in-progress. From these intentions, the authors propose three new typologies of strategic silence, respectively, avoiding silence, hiding silence and delaying silence (see Table IV). The cases are categorized into three groups based on the type of silence used (see Table V).

<table>
<thead>
<tr>
<th>Case Sources</th>
<th>Duration of collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization 3, News sources, e.g. Forbes, Wall Street Journal, Bloomberg, Reuters, Technology-focused news sites, e.g. Techspot, CNET, Official press releases on Samsung’s website</td>
<td>September 15, 2016–March 29, 2017</td>
</tr>
<tr>
<td>Organization 5, News sources, e.g. Channel News Asia, The Straits Times, Today</td>
<td>October 6, 2015–March 17, 2016</td>
</tr>
</tbody>
</table>

Table III.
Case news sources and collection period

<table>
<thead>
<tr>
<th>Silence function</th>
<th>Organizational intention in crisis management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linkage</td>
<td>(+) Bond with stakeholders</td>
</tr>
<tr>
<td>Affecting</td>
<td>(+) Heal stakeholders</td>
</tr>
<tr>
<td>Revelation</td>
<td>(+) Reveal information</td>
</tr>
<tr>
<td>Judgment</td>
<td>(+) Signal approval</td>
</tr>
<tr>
<td>Activation</td>
<td>(+) Signal work-in-progress</td>
</tr>
</tbody>
</table>

Table IV.
Proposed new typologies for strategic silence in crisis management

- Avoid silence
- Hiding silence
- Delaying silence

- (+) Bond with stakeholders
- (+) Heal stakeholders
- (+) Reveal information
- (+) Signal approval
- (+) Signal work-in-progress

- (-) Avoid stakeholders/issues
- (-) Wound stakeholders
- (-) Hide information
- (-) Signal disapproval
- (-) Signal inaction
Avoiding silence (Organizations 1 and 7). This type of strategic silence does the converse of linkage (Jensen, 1973), separating the organization from stakeholders and/or issues concerning them. For instance, in India, Organization 1 deliberately kept silent to avoid succumbing to farmers’ demands of agriculture loan waivers as it faced a shortage in the state budget.

Hiding silence (Organizations 2 and 4). This type of strategic silence does the converse of revelation (Jensen, 1973), that is, to hide or withhold pertinent information from stakeholders indefinitely. For instance, in Vietnam, Organization 2 kept silent for three months, refusing to disclose an estimate of destruction to marine life and the number of people falling ill, even withholding details of the toxic chemicals from victims and doctors, citing the need to restrict coverage during investigation.

Delaying silence (Leader 1, Organizations 3, 5 and 6). This variant of strategic silence signals activation (Jensen, 1973). The intention is to communicate work-in-progress, with a plan to break silence when sufficient information has been gathered and arrangements made for a formal response. For instance, in Myanmar, in the statement which broke their three-week silence, Leader 1 invited external observers to witness the problems first-hand in Rakhine. This suggests that during the period of intentional silence, Leader 1 was investigating the attacks and preparing for the logistics of the invitation.

Crisis management history might affect adoption of strategic silence
For each case, the study looks into whether crisis type, crisis responsibility, crisis severity and the organization’s crisis history influenced the adoption of silence. Data showed that in certain cases (Organizations 1, 4 and 6), if the organization had previously adopted silence to deal with similar crises, it might do so again. For instance, with Organization 6, the company had previously employed the same delaying silence approach when there were technical issues with the antenna of a previous phone model, speaking up only after 22 days with a press conference to provide updates and corrective action for phone users.

Cultural context might predispose the adoption of strategic silence
This was evident in China where the fear of criticism deeply embedded in Organization 4’s culture may explain its tendency to obfuscate or withhold vital negative news, which is consistent with the aforementioned theoretical suggestions (Hu and Pang, 2018; Pang, 2013; Ye and Pang, 2011).

The second research question examined how did the organization’s silence intensify the crisis, if it did. This question looks at the changes in relevant stakeholders’ perceptions of the organization during the period of silence and the information vacuum generated in the crisis. Based on the data, the effects of silence in the cases are categorized into four groups: retrospective intensifier, intensifier in the information vacuum, polarizing perceptions and minimal/no intensification, summarized in Table VI.

<table>
<thead>
<tr>
<th>Location</th>
<th>Organization/Leader</th>
<th>Silence type</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>Organization 1</td>
<td>Avoiding</td>
</tr>
<tr>
<td>Canada</td>
<td>Organization 7</td>
<td>Avoiding</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Organization 2</td>
<td>Hiding</td>
</tr>
<tr>
<td>China</td>
<td>Organization 4</td>
<td>Hiding</td>
</tr>
<tr>
<td>Myanmar</td>
<td>Leader 1</td>
<td>Delaying</td>
</tr>
<tr>
<td>International</td>
<td>Organization 3</td>
<td>Delaying</td>
</tr>
<tr>
<td>Singapore</td>
<td>Organization 5</td>
<td>Delaying</td>
</tr>
<tr>
<td>International</td>
<td>Organization 6</td>
<td>Delaying</td>
</tr>
</tbody>
</table>

Table V. Case listing based on type of silence used
Silence as a retrospective intensifier (Organizations 4 and 5)

In both cases, the public remained unaware of the crises until information came to light. The organizations received retrospective criticism and were questioned on the delay in revealing the news, with stakeholders forming negative perceptions of the silence after news broke, intensifying the crisis. As such, there was no escalation of the information vacuum/crisis during the actual silence period, only after. For instance, for Organization 5, the public and opposition political parties questioned the delay in releasing information and criticized the lack of transparency when investigation had started four months prior to the news breaking.

Silence as an intensifier in the information vacuum (Organizations 1, 2, 3 and 7)

In these cases, after news of the crises broke, the silence contributed to and escalated the information vacuum, and was perceived negatively by stakeholders, which aligns with Woon and Pang’s (2017) theory. For instance, in India, Organization 1’s silent treatment and indifference toward the farmers’ deaths and demands were heavily criticized by the media and public, vehemently protested by farmers and reprimanded by the Supreme Court.

Silence producing polarizing perceptions (Leader 1)

While the above cases indicate that silence exacerbates the crisis, the situation is less apparent with Myanmar. Leader 1’s reticence was perceived both positively and negatively by different stakeholders. Generally portrayed in the international media as indifferent toward ethnic cleansing, Leader 1 drew criticism from various foreign observers, including fellow Nobel laureates. However, Leader 1 also received sympathy from foreign dignitaries, such as Indian Prime Minister Narendra Modi and US Secretary of State Rex Tillerson, and continued to enjoy unwavering support among their domestic audience, with hundreds of supporters gathering for the September 19 address. Sympathetic observers justified the silence as a result of Leader 1’s limited political purview over the Myanmar military, which still held significant power. The ambiguity created by the silence might have been strategically planned to give rise to “unchecked inference about one’s motives and actions”, as theorized by Brummett (1980, pp. 293-294) in analyzing strategic silence in politics.

Silence having minimal/no intensification effect (Organization 6)

While Organization 6 was criticized by some developers and security experts for keeping silent when it discovered the breach, there were also some who commended the organization for acting quickly. Although there was an information vacuum, it was short-lived. Organization 6’s swift action might have helped to contain the situation by preventing further breaches and overreactions from stakeholders and the press. By the time app developers were informed, the fix was already underway. A relatively short period of silence (three days) may also be more justifiable and thus more acceptable to stakeholders.

<table>
<thead>
<tr>
<th>Location</th>
<th>Organization/Leader</th>
<th>Silence type</th>
<th>Effect of silence</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>Organization 4</td>
<td>Hiding</td>
<td>Intensified, retrospectively (−)</td>
</tr>
<tr>
<td>Singapore</td>
<td>Organization 5</td>
<td>Delaying</td>
<td>Intensified, retrospectively (−)</td>
</tr>
<tr>
<td>India</td>
<td>Organization 1</td>
<td>Avoiding</td>
<td>Intensified information vacuum (−)</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Organization 2</td>
<td>Hiding</td>
<td>Intensified information vacuum (−)</td>
</tr>
<tr>
<td>International</td>
<td>Organization 3</td>
<td>Delaying</td>
<td>Intensified information vacuum (−)</td>
</tr>
<tr>
<td>Canada</td>
<td>Organization 7</td>
<td>Avoiding</td>
<td>Intensified information vacuum (−)</td>
</tr>
<tr>
<td>Myanmar</td>
<td>Leader 1</td>
<td>Delaying</td>
<td>Polarized perceptions (+/−)</td>
</tr>
<tr>
<td>International</td>
<td>Organization 6</td>
<td>Delaying</td>
<td>No effect (0)</td>
</tr>
</tbody>
</table>

Table VI. Effects of silence
RQ3a examined what led the organization to break the silence. Data presented two scenarios: when situational factors forced the organizations to break the avoiding/hiding silence; and when the breaking of delaying silence went as planned. The breaking of silence for each case is summarized in Table VII.

Silence broken due to situational factors (Organizations 1, 2, 4 and 7)
In the four cases of avoiding/hiding silence, various situational factors prompted the organization to issue a response against its will. Such factors include one or more intensified threats (litigation/publicity/legitimization of activist’s claim) or a change in external public characteristics (size/power/commitment), which are situational factors suggested in the contingency theory (Pang et al., 2010). In India, Organization 1 was forced to break its silence after the farmers’ protests became wider and more extreme, drawing support from opposition parties and trade bodies. The protesters had grown in size, commitment and power, while their demands were legitimized following the Supreme Court’s ruling. For Vietnam, after investigations affirmed Formosa’s involvement and legitimized the activists’ claims, protests spread exponentially, forcing Organization 2 to acknowledge the issue as the worst environmental crisis in Vietnam’s history. In China, the crisis was uncovered and publicized by two journalists, garnering national attention in social and mainstream media, resulting in a sudden, intensified publicity threat that prompted Organization 4 to respond. For Organization 7, the investigation confirmed its responsibility, thereby legitimizing the challenge and intensifying the publicity threat, forcing Organization 7 to issue a long-awaited news release on October 4, 2012.

Silence broken as planned (Leader 1, Organizations 3, 5 and 6)
In the four cases of delaying silence as part of a broader plan, it was observed that changes in stakeholders’ salience, if any, were not significant enough and the threats to reputation were not intensified enough to force the silence to be broken earlier than intended. Additionally, preparatory work must be completed in the form of investigative work such that sufficient information is obtained, and the organization/leader is able to form a primary response. With Myanmar, criticisms of Leader 1 were aligned with those previously received on their past track record of treating the Muslim community. Hence, although the crisis severity escalated as hundreds of thousands of Muslims fled the country with increasing media coverage, Leader 1 consistently maintained their stance on the issue. It can then be inferred that the September 19 speech was the result of deliberate planning. For Organization 3, the management used the duration of silence to gather information and take preparatory actions that would satisfy its stakeholders and provide closure. On January 23, 2017, a statement was issued regarding the cause of the fault and future quality enhancement plans. The timing seemed well planned to allow for two months to

Table VII. Breaking of silence
pass before Organization 3 announced its new smartphone model on March 29, 2017. For Organization 5, while running the risk of an information leak by staff or patients, it remained silent during the investigation. With the public unaware and the virus being blood-borne instead of airborne, Organization 5 was able to determine at which point they would be ready to break the silence. With Organization 6, no reputation threat was intensified during the three-day silence, breaking it only to announce the corrective actions, implying that the announcement was part of a planned protocol.

RQ3b examined how the organization broke the silence. Types of postures and responses as suggested in the SCCT (Coombs, 2008) were used to analyze the statements issued to breaking the silence, grouped by the same scenarios described in RQ3a.

Forced responses following avoiding/hiding silence (Organizations 1, 2, 4 and 7)

Each organization employed different response strategies when forced to break silence, and all three postures – deny, diminish, deal – were observed. In India, Organization 1 adopted the deal posture, but with weak commitment. Compensation was offered by its Chief Minister in a promise to write off the farmers’ loans. Organization 1 also issued an independent drought relief, albeit at a small fraction of the proposed amount. In Vietnam, Organization 2 applied the scapegoat strategy in the deny posture to break silence, issuing a statement to push the blame to Formosa and fining the company US$500m. For China, Organization 4 adopted the diminishing posture to break silence, yet offered no apology. Representatives offered the excuse that there were flaws in supervising the vaccine distribution, while a top executive expressed bafflement that trafficking in vaccines could be so widespread and continue for so long. To minimize the severity of the problem, Organization 4 justified that expired vaccines rarely caused harmful biological reactions and thus had minimal health risks. With Organization 7, the deal posture was adopted, with the management expressing concern and deep regret for the illnesses caused, claiming full responsibility in an apology to all affected.

Planned responses following delaying silence (Leader 1, Organizations 3, 5 and 6)

Keeping silent allowed time to plan and prepare an official primary response. All three postures (deny, diminish, deal) were observed. In Myanmar, Leader 1 adopted diminish and deal postures in their September 19 address, stating that allegations had to be accompanied by evidence before action was taken (excuse). They also expressed concern, issuing statements showing sympathy for all victims and the drive to understand the cause for the refugee situation. As justification, Leader 1 stated that the nation was divided and the responsibility to resolve the issue laid with every person in it. For Organization 3, the management’s responses reflected the deal posture. The product recall, replacement and trade-ups for the then-upcoming phones reflected compensation. Its advertisement and open letter offered apology with regret, and when revealing the investigation findings, it apologized again. In a move of ingratitude, its President of Mobile Communications Business thanked stakeholders for their patience and support. For Organization 5, the management adopted the deal posture post-silence. During its first media briefing on October 6, 2015, the CEO issued an apology and expressed regret for causing grief to the patients and families, committing to pay for the affected patients’ treatment (compensation) and set up a conference to address concerns and offer victims psychological and emotional support (concern). For Organization 6, its response took on the deny, diminish and deal postures. In its e-mail to developers, Organization 6 attributed the hack to an intruder’s attempt (scapegoat), informed that it had immediately taken the site down to fix the issue (justification) and apologized for the inconvenience caused (regret).

The fourth research question examined how the organization’s image was affected after the silence was broken. Data were collected to assess each organization/leader’s
Where avoiding/hiding silence is broken forcefully (Organizations 1, 2, 4 and 7)
In all four cases, organizational image was negatively affected after the breaking of silence. For instance, with India, the country was left in shock as the media continued to cover the farmers’ struggles and emphasized Organization 1’s inaction despite the court’s ruling, signifying a damaged social image for Organization 1. In the Vietnam case, Organization 2’s restriction on press coverage of the pollution crisis drew attention to the lack of press freedom in the country and caused increasing unease over both pollution and food safety. Even a year post-silence, anger is still brewing among Vietnamese fishermen for the organization’s poor disaster handling, affecting their livelihoods in the repercussion. Political Science Professor Tuong Vu remarked that the case showed its incompetency and corruption, resulting in lasting damage on its social image.

Where delaying silence is broken as planned (Leader 1, Organizations 3, 5 and 6)
In all four cases, those involved were mostly able to preserve or restore their post-silence image. For instance, with pre-order sales for its new phone models surpassing previous phones, Organization 3 appeared to have restored consumer confidence in its products, i.e. preserving its product image. Media reports following January 23’s press conference also suggested that consumers and investors had moved on as the conglomerate continued to perform well in the market, i.e. restoring its financial image.

Discussion

New typologies for strategic silence
Out of the ten possible organizational intentions listed in Table I, the study observed three in our cases and proposed three corresponding typologies (in Table V):

1. avoiding silence is used when the organization/leader intends to avoid certain stakeholder and/or issues at hand;
2. hiding silence is used to hide relevant information from stakeholders; and
3. delaying silence is employed to signal work-in-progress and buy time for a primary response.

The findings show that when avoiding/hiding silence is used but broken forcefully, it produces a negative effect on stakeholders’ perceptions of the organization both during the information vacuum and post-silence. However, when delaying silence is used, it can be tolerated by certain stakeholders during the silence itself. The right time to break delaying

<table>
<thead>
<tr>
<th>Location</th>
<th>Organization/Leader</th>
<th>Silence</th>
<th>Post-silence organizational image</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>Organization 1</td>
<td>Avoiding</td>
<td>Damaged (social)</td>
</tr>
<tr>
<td>Canada</td>
<td>Organization 7</td>
<td>Avoiding</td>
<td>Ruined (social, product, financial and recruitment)</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Organization 2</td>
<td>Hiding</td>
<td>Damaged (social)</td>
</tr>
<tr>
<td>China</td>
<td>Organization 4</td>
<td>Hiding</td>
<td>Damaged (social)</td>
</tr>
<tr>
<td>Myanmar</td>
<td>Leader 1</td>
<td>Delaying</td>
<td>Retained local support (social)</td>
</tr>
<tr>
<td>International</td>
<td>Organization 3</td>
<td>Delaying</td>
<td>Recovered (product and financial)</td>
</tr>
<tr>
<td>Singapore</td>
<td>Organization 5</td>
<td>Delaying</td>
<td>Recovered (product)</td>
</tr>
<tr>
<td>International</td>
<td>Organization 6</td>
<td>Delaying</td>
<td>Recovered (product and financial)</td>
</tr>
</tbody>
</table>

Table VIII. Effects of organizational image post-silence
silence is when the organization has gathered enough information or is sufficiently prepared for the intended crisis response strategy. If the organization manages to break the delaying silence with an appropriate response strategy as planned, stakeholders are more likely to maintain/regain confidence in the organization.

Delaying silence can be part of an effective crisis management strategy

The findings challenge the dominant view that in times of crisis, organizations should always issue a response as quickly as possible, or “steal thunder” from the public or media. Under certain circumstances, silence can be golden, if employed strategically and implemented carefully. Among the eight cases, delaying silence has potential to work in the organization/leader’s favor, by presenting five advantages:

1. When used to signal work-in-progress, delaying silence may be more tolerable toward stakeholders and could reduce intensification of the crisis.
2. Together with constant monitoring of threats and changes to stakeholder salience, delaying silence may be able to withstand the pressures of such situational factors.
3. Intentionally employing delaying silence would put the organization in a proactive position as they would determine the breaking of silence, thus giving them control over the crisis.
4. Delaying silence can also be used to provide the organization with additional time to conduct further investigation before issuing a primary response.
5. If implemented well, delaying silence has shown to have a possibility of image recovery for the organization.

Delaying silence can thus prove positive if employed to signal activation and sustained long enough for an appropriate primary response to be crafted and issued.

The advantages of issuing a first-response statement before delaying silence

Since delaying silence is used to signal work-in-progress, it is worth exploring whether a first-response statement should be issued pre-silence, especially when the crisis cause is unclear, as seen in the cases of Organizations 3, 5 and 6. Smith (2013) suggested that strategic silence may work better with a statement of justification. This paper defines a first-response statement as a disclaimer to signal work-in-progress before delaying silence, without stating a definite stance. Coombs (2015b) argued that organizations can create holding statements or templates. Templates are “prewritten messages that require only a few blanks to be filled before they are released” (p. 97). These may lack details but they provide some early information. Some of these early information include core messages that have been written and approved before the crisis. These templates need to be clearly distinguished from a primary response issued only after proper investigation to break silence. Issuing a first-response statement immediately before adopting delaying silence can present a number of benefits:

1. It helps the organization avoid being criticized should they stay completely silent before issuing a primary response, which might be interpreted as withholding information, assuming guilt or expressing lack of sympathy, particularly when crisis severity is high or might escalate. For Organization 5, one question to consider is whether retrospective criticism could be avoided if it had offered a first-response statement. The public were not informed during the investigation as alerting them to a potentially life-threatening problem prematurely could have triggered panic, so the prudence of Organization 5 in this case might be justified.
(2) It frees up the risk of having to adopt a stance prematurely before the organization is ready to commit to one. For Organization 3, the management had mistakenly assured customers of the safety of the devices after the first recall and eventually had to launch a second recall. An analyst suggested that Organization 3 should have made a less conclusive first-response statement at the onset of the crisis to buy time for the organization, while assuring stakeholders that it is attending to the situation.

(3) It helps the organization to focus on fixing the issue without any external distractions (Smith, 2013).

(4) It gives allowance to gather accurate information for a proper, primary response.

There is a need to weigh the benefits of issuing a first-response statement to avoid accusations of being non-transparent (Organization 5) against the risks of giving incomplete and possibly inaccurate information (Organization 3). If the organization is confident that the investigation can be done expeditiously, there may not be a need for a first-response statement (Organization 6).

**Practical guide to delaying silence**

Incorporating the points discussed above, this study proposes a four-stage managerial guide on when to adopt delaying silence, as well as how to plan, sustain and break delaying silence (see Figure 1).

*When to adopt delaying silence.* Delaying silence can be used when the organization needs time to investigate the crisis, especially when the cause is unclear; to fix an issue with a clear cause without inciting panic; or to gather information or make arrangements for a primary response. In such cases, delaying silence can be used as a supporting strategy to prepare for a primary response.

*Planning silence.* Once the crisis hits, the organization should begin to formulate a primary response strategy following Coombs’ (2008) SCCT framework. The local context should be assessed, e.g. whether silence may be perceived by local stakeholders the same way the organization intends. Finally, depending on how confident the organization is in obtaining the necessary information swiftly, it might opt to issue a first-response statement to signal work-in-progress.

*Sustaining silence.* During the silence, while working on investigating and fixing the issue and preparing for the issuance of the primary response (and related logistics), the organization needs to continuously monitor threats and stakeholder salience to detect any intensification. It is key to have appropriate contingency responses planned in case there is a need to prematurely break the silence.

*Breaking silence.* If all goes according to plan, the organization issues the primary response(s) as intended once it has obtained sufficient information and made adequate preparation.
It is also important to monitor stakeholders’ perceptions of the response to detect if the organizational image – be it social, financial, product and/or recruitment image (Van Riel and Fombrun, 2007) – has been negatively affected, and to come up with appropriate follow-up image repair measures.

Limitations
There are certain limitations to the study. First, these findings may lack generalizability due to the limited number of cases studied. Second, local sentiments may not be fully represented in the English-language news examined as they may be written for a different audience, e.g. the expatriate community. Finally, a number of cases (Leader 1, Organization 1) were still ongoing at the time of writing, so the overall effectiveness of the strategy employed might be compromised as future events unfold.

The cases selected involved both political and organizational crises. A larger set of cases would help to determine if there are differences in the use of silence in these two crisis contexts. It is envisaged that silence might be used more often or for different reasons depending on it being a political or organizational context. Future research could examine a wider selection of cases to complete the typology of strategic silence based on the five communicative functions discussed, and investigate instances where strategic silence might be effective as a primary or solo strategy itself. Empirical studies could also be conducted to investigate the mediating power of delaying silence on the relationship between the primary response strategy type and stakeholder perceptions.

Conclusion
Crisis management strives to merge theory with practice (Heath and Coombs, 2006). However, crisis theory often trails behind practice (Coombs, 2015a), and the study of silence as a crisis management strategy is a case in point. This paper has attempted to explore the practice of strategic silence, “elevating it from discretionary reaction to complex pro-action” as Dimitrov (2015, p. 648) suggested, and aims to fill the theoretical gap by offering clearer intention-based definitions of strategic silence and a practical guide on when and how strategic silence can be used to manage crises. As Coombs (2008) and Pang (2012) noted, theory must be carefully developed and rigorously tested over time. The propositions of this paper remain to be tested in future work, and it is hoped that new avenues of research have been identified through this investigation.

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Corresponding author
Augustine Pang can be contacted at: augustine@smu.edu.sg

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The CSR paradox: when a social responsibility campaign can tarnish a brand

Elizabeth Johnson-Young
University of Mary Washington, Fredericksburg, Virginia, USA, and
Robert G. Magee
The Meek School of Journalism and New Media, University of Mississippi,
Oxford, Mississippi, USA

Abstract

Purpose – The purpose of this paper is to explore the corporate social responsibility (CSR) paradox, when a social campaign hurts the sponsoring brand even while raising concern for the campaign issue.

Design/methodology/approach – A between-subjects experiment tested the effects of regulatory frames, issue involvement and collective efficacy on brand attitude, attitude toward the campaign messages, and concern for the issue.

Findings – A promotion-oriented frame (vs prevention-oriented frame) produced a more unfavorable brand attitude among consumers who had low levels of collective efficacy, even though the promotion-oriented frame generated strong concern for the issue itself. Attitudes toward the campaign messages remained favorable, suggesting that the negative effect of message frames was directly specifically at the brand.

Originality/value – Using real-world campaign materials demonstrated that a firm’s CSR campaign efforts can create important brand risks.

Keywords Brand attitude, Corporate social responsibility, Brand negativity, Regulatory framing

Much is made of the benefits of corporate social responsibility (CSR) campaigns for connecting a brand with consumers. A CSR campaign can generate positive consumer attitudes for the campaign issue and the campaign messages can be well received, but, paradoxically, in some cases the campaign can also hurt the firm’s brand. This CSR paradox can depend on the way a campaign’s messages are framed. Certain types of frames can generate a positive attitude toward the campaign issue, while simultaneously producing a negative attitude toward the sponsoring brand. This phenomenon is particularly likely if consumers attribute a self-interested motive to the firm (Forehand and Grier, 2003).

The CSR paradox

While much research has supported a positive relationship between CSR campaigns and consumer perception of the firm (Bronn and Vrioni, 2001; Pfau et al., 2008), researchers have re-examined the benefits because of increased consumer skepticism, which appears to be due, in part, to the prevalence of CSR campaigns (Bronn and Vrioni, 2001). Given the ubiquity of so many campaigns, consumers legitimately might doubt a given firm’s motives for supporting a social issue (Forehand and Grier, 2003). In fact, the more a consumer knows about potential persuasion techniques, such as a CSR campaign, the greater the likelihood that a consumer will attribute self-serving motives to a firm that appears to be using a technique (Campbell and Kirmani, 2000; Magee, 2018). A CSR campaign might not benefit brand attitudes as easily as some marketing managers might hope. Further, even a well-intentioned CSR campaign could hurt the brand. The CSR paradox arises when a campaign successfully generates greater awareness of, or concern for, a social issue but...
produce negative consumer attitudes toward the sponsoring brand. Many consumers believe that a firm expects some sort of goodwill for addressing a social issue and will attribute a mixture of firm-oriented and altruistic motives to a campaign. However, if consumers perceive that the primary motivation is the firm’s benefit, then they will have a negative evaluation of the firm and even of the campaign itself (Gupta and Pirsch, 2006).

The backlash could arise on any number of dimensions that touch on the firm’s reputation. These dimensions could include attitude toward the brand, attitudes toward the campaign itself (Gupta and Pirsch, 2006), attributions of firm motives (Barone et al., 2000), consumer loyalty and long-term purchase behavior (Gupta and Pirsch, 2006), a consumer’s brand preference among alternative brands, including the ability for the target brand to command a price premium (Brønn and Vrioni, 2001), among others. The present study addresses an impact on consumers’ attitude toward the brand, but given the interrelationships among dimensions of corporate reputation (Gotsi and Wilson, 2001), the paradox likely applies to other aspects of corporate reputation under specific circumstances.

CSR and causes
CSR involves a firm’s perceived duty to meet or exceed norms for socially desirable actions (Maignan and Ferrell, 2004), and CSR activities can shape a firm’s reputation with a number of stakeholders over time. CSR comprises a number of initiatives that address the firm’s socially responsible practices, and might involve product sourcing, equitable pay, fair trade, environmental protection and so on. Likewise, a firm can partner with another organization to address social issues such as human rights, infant mortality or education. Thus, CSR activities generally include social actions on the part of a company that improve or meet a need in society (Brønn and Vrioni, 2001; Godfrey and Hatch, 2007; Sheikh and Beise-Zee, 2011; Taylor, 2013). Rooted in the idea that organizations have obligations to both stakeholders and stockholders, CSR activities may serve as an indicator of a company’s perceived obligation, or they can be a method to maintain or improve a firm’s reputation with broad focus and activity (Godfrey and Hatch, 2007; Sheikh and Beise-Zee, 2011; Taylor, 2013).

Cause-related marketing (CRM) has been identified as a marketing-related dimension of CSR (Maignan and Ferrell, 2004; Nan and Heo, 2007; Peloza and Shang, 2011; Sheikh and Beise-Zee, 2011). CRM activities “are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-producing exchanges […]” (Varadarajan and Menon, 1988, p. 60). While consumers might be a primary target, CRM activities can also be designed to influence a number of stakeholders, such as suppliers and employees (Gupta and Pirsch, 2006). A CRM program seeks to satisfy to objectives, namely, to support a deserving cause and to enhance firm performance (Gupta and Pirsch, 2006; Varadarajan and Menon, 1988). Although CRM has been defined more broadly as the promotion of a firm’s CSR activities in marketing communications (Brønn and Vrioni, 2001), most definitions focus on the transactional nature of CRM. The “distinctive feature of CRM is the firm’s contribution to a designated cause being linked to customers’ engaging in revenue-producing transactions with the firm” (Varadarajan and Menon, 1988, p. 60). This type of program serves to support a worthy cause and improves the firm’s reputation in the mind of consumers, both active supporters of the brand and inactive consumers.

Motivating inactive consumers
A major challenge that firms face concerns developing an effective strategy for expanding market share by energizing inactive consumers, those who have a low-level involvement with a brand, whether through influencing these consumers’ purchase behavior or by enhancing the firm’s brand more broadly. In trying to motivate inactive consumers,
though, firms must also not forget that some actions risk alienating core, or active, consumers—people who are already involved in the brand through purchasing behaviors or affective brand loyalty.

Likewise, a CSR campaign can serve to increase awareness and to motivate consumers to become more involved in addressing a specific social issue, while simultaneously enhancing the brand’s reputation and expanding market share (Brønn and Vrioni, 2001; Sen et al., 2006). Essentially, many firms desire to increase their social responsibility as a way to influence consumers’ purchasing behavior. However, when a firm takes part in this type of campaign, especially one that involves consumers’ core values, the firm risks generating a negative attitude toward the brand (Romani et al., 2015).

Of course, the discussion thus far assumes that firms view a CSR campaign in instrumental terms, as something whose primary value is a positive influence on consumer attitudes toward the brand. It is quite possible, though, that a firm engages in a CSR campaign for altruistic motives, even if doing so involves a negative impact on the firm’s brand. However, given managers’ obligations to maximize shareholder equity, any such campaign should be undertaken with a full appraisal of the risk as well as the reward for the firm.

CSR campaigns must address the social issue in a way that is valued by active consumers and also to convert inactive consumers to become supporters of both the social issue and, hopefully, the firm. CSR campaigns can take many forms, from simply donating money to charities to more active participation in social issues, such as executing a social awareness campaign.

This type of CSR campaign involves several facets, then: the social issue, brand attitudes, the perspective of consumers who are already active concerning the issue, and the perspective of inactive consumers that the firm hopes to engage in both the issue and the brand. When taking on such a large campaign, firms invest significant amounts of resources and often seek to encourage inactive consumers to both care about the social issue and the firm, while maintaining or boosting active consumers’ positive attitudes.

Dove campaign for real beauty

The connection between media images of a “thin ideal,” body satisfaction and eating disorders is a major health problem, particularly for young women (Levine and Harrison, 2009; Nathanson and Botta, 2003; Park, 2005). This link has given rise to efforts, such as Dove’s Campaign for Real Beauty, to promote a healthy body image among women as a means of promoting healthy behaviors and preventing disordered eating among young women. In addition to improving young women’s self-esteem, Dove also has raised concern in the general public about the issue and advocated solutions to counter the negative effects that may result from these media images and the beauty industry.

Until 2010, Dove brands targeted women, and the Campaign for Real Beauty focuses on young women, the brand’s core consumers. Importantly, though, Dove’s campaign is not exclusively aimed at young women. Men, both young and old, can be encouraged to take an active role in promoting healthy esteem among girls and young women. Therefore, the campaign targets parents and peers, both male and female. Parents will have a personal interest, particularly if they have daughters, but motivating young men, young women’s peers, would be potentially more difficult as their connection to the issue of body image is not as direct.

The campaign “supports the Dove mission: to make more women feel beautiful every day by widening stereotypical views of beauty” (Dove, 2008, Campaign for Real Beauty Mission). The Dove brand is attached to all campaign materials that encourage self-esteem and parental and peer involvement in enhancing the self-esteem of others. Through its website, videos, the use of a self-esteem fund, and workshops, the campaign has educated young girls and women about media messages and to help them build a more positive self-image.
Dove campaign for real beauty as CSR

The Dove Campaign for Real Beauty is more appropriately classified as a CSR campaign rather than a CRM program, given the corporate activities the campaign comprises. Although Dove may at times use marketing messages to communicate the activities, the campaign-related workshops and research, and direct deliverables measured outside of revenue gains, indicate that the overall campaign is a form of CSR. The Campaign for Real Beauty does not use product sales to raise funds for a partner organization or a cause, and funding for the campaign is not tied to any purchase behavior. More specifically, campaign messaging materials do not solicit or promote sales or seek to raise funds. As described later, the campaign messages used in the present study are intended to be shared socially to address the issue of body image.

Regulatory frames in CSR messages

Regulatory focus holds that a person or a message is guided by either a promotion focus or a prevention focus (Aaker and Lee, 2001; Higgins, 1997; Zhao and Pechmann, 2006; Rothman et al., 2008). Promotion-focused individuals are motivated to recognize possible achievements, while prevention-focused people are motivated to avoid hazards. A person’s regulatory focus also affects processing goals, particularly when presented with ambiguous cues (Kirmani and Zhu, 2007). A person with a prevention focus is more sensitive to cues of persuasive intent and is more likely to process an advertisement defensively.

Regulatory focus has mainly been studied in terms of the individual person’s regulatory focus as an individual difference variable, but marketing messages can be crafted in terms of a promotion- or prevention-oriented frame, something that is under a marketing manager’s control (Zhao and Pechmann, 2007). The regulatory frame of a message should be dependent upon the desired behavioral outcome, as the message’s regulatory frame is important in determining behavioral outcomes (Park et al., 2013; Rothman et al., 2008), and individual variables may facilitate more effective frame choices. To minimize the potential of negative brand attitudes, one must consider how regulatory frames and individual differences can be used to create tailored messages (Latimer et al., 2008; Rothman et al., 2008).

Among females generally, the issue of body image is chronically important; therefore, either a promotion- or prevention-framed message that addresses the issue will be equally effective in generating concern for the issue. For males generally, however, the issue of women’s concern for their own body image is less salient. Nevertheless, a campaign message might generate concern for the issue if the message frames the issue as one that can be solved. In other words, the effectiveness of a message frame should be moderated by the recipient’s sex. Specifically, messages that feature a promotion (vs prevention) frame will generate greater concern for the issue among males, while the regulatory frames will be equally effective among females. Therefore, the following hypothesis is proposed:

\[ H1. \text{ CSR campaign messages’ regulatory frame will interact with participant sex to predict concern for the issue.} \]

CSR sweet spot

A firm can identify a “sweet spot” (Aaker, 2014) that is relevant to consumers and then tie the brand to it to enhance the brand. A sweet spot can be related to a consumer’s identity or lifestyle, or it can even be an element of a consumer’s sense of purpose or meaning in life. Brand-building activities based on a sweet spot or shared interest, when done well, can serve to strengthen connections with consumers.
If the ideal sweet spot is related to core values or identity, the risk of a backlash is strong if the campaign is not executed properly, particularly if it is perceived to threaten the value that the campaign seeks to address. The issue of body image is important, and it can form a sweet spot for many consumers, but because this issue is related to a young woman’s identity, a firm risks criticism. Consumers generally reward a firm that they believe expends an effort for consumers’ well-being, but if they believe the firm’s actions are motivated by an intent to persuade, then any benefit to the firm is lost (Morales, 2005).

Consumers can have positive attitudes toward a firm’s CSR campaign when they believe campaign is fueled by a profit motive instead of concern for the campaign issue (De Vries et al., 2013). Consumers can make a profit-related attribution quickly because firms are expected to seek a profit and the campaign serves that goal. When a firm maintains that the campaign is motivated primarily by the firm’s concern for the issue, consumers tend to be more skeptical, or they must reflect on and evaluate the claim before they accept it. Consumers are also likely to doubt a firm’s sincerity when consumers believe that the firm’s expenditures for promoting the CSR activity is large relative to the campaign itself, and this tendency is exacerbated when the firm itself is reporting the activity (Yoon et al., 2006).

Given that Dove sells products that are designed to improve a person’s appearance, the campaign could create cynicism. Quite possibly, a CSR campaign runs the risk of producing a negative brand attitude while raising concern for the social issue. Consumers are likely to believe that a firm that sells beauty and hygiene products has a self-interested profit motive for advancing consumers’ concern for personal appearance, which is closely tied to body image. Some messages encourage consumers to talk to girls “before the beauty industry does” (Onslaught, n.d.). Ironically, though, most consumers consider Dove to be part of this “beauty industry,” and warning consumers about potential harmful effects seems disingenuous, at best. Thus, consumers are likely to be somewhat cynical of a firm’s stated concern for girls’ and young women’s self-esteem. As a result, these consumers might perceive a CSR campaign for a healthier body image to conflict with the firm’s self-interested motive in selling beauty products (Forehand and Grier, 2003). Therefore, the following hypothesis is proposed:

H2. CSR messages will produce an unfavorable attitude toward the brand compared with a control condition.

Involvement with the CSR issue

Involvement refers to the extent to which a topic or brand has personal relevance to an individual (Petty et al., 1983). For a CSR campaign, personal involvement and a sense of connection with a campaign affect the effectiveness on an individual level (Aldoory, 2001; Tindall and Vardeman-Winter, 2011). Consumers might have direct experience with a campaign issue, or they might have indirect experience through relatives or friends.

In cases of low levels of involvement, however, consumers can become more involved when they recognize the existence of an issue or are made aware the issue’s importance, especially its importance in the lives of people with whom they have a strong personal connection, such as family or friends. As consumers recognize the existence or importance of a problem, they become more involved, or active, which then leads them to seek and process relevant information (Major, 1993). Involved consumers tend to pay closer attention to the campaign and any related marketing messages (Petty et al., 1983). In short, they move from being inactive consumers to being active participants in a CSR campaign.

Involvement is a two-edged sword. In cases of high levels of involvement, consumers devote greater scrutiny to marketing messages, which means they are more likely to
respond favorably to strong well-reasoned messages and unfavorably to weak messages (Petty and Cacioppo, 1986; Petty et al., 1981). In other words, consumers can become more critical of messages, and if they perceive a conflict between a firm’s CSR efforts and the firm’s motive, they can have a negative brand attitude:

\[ H3. \text{ Regulatory frame and personal involvement will interact in predicting participants' attitude toward the brand.} \]

**Regulatory frame and collective efficacy**

Collective efficacy, an extension of self-efficacy, has been defined as one’s belief that a group or a community can achieve a particular goal (Bandura, 2000). While self-efficacy focuses with one’s own perception of one’s competence and ability, collective efficacy focuses on one’s perception of a group’s competence and ability (Parker, 1994). Consumers with a high sense of general self-efficacy will indicate the ability to influence the outcome of events and to achieve their goals, while low self-efficacy consumers indicate they are generally incapable controlling a behavior or outcome (Bandura, 2006). Similarly, people who indicate a high, vs low, sense of general collective efficacy tend to believe that a social group has the control and ability to implement change. Collective efficacy can be operationalized in two main ways: a group-level variable or an individual-level variable. As a group-level variable, collective efficacy would measure a social group’s sense of collective efficacy; conversely, as an individual-level variable, collective efficacy would measure an individual’s perception of a group’s efficacy.

Perceived collective efficacy influences the confidence in a group’s efforts and the group’s ability to achieve its goals (Bandura, 2000). For example, in the political arena, the more confidence an individual places in a group’s ability to work together and make a difference, the more active the individual will be in behaviors such as voting or canvassing (Bandura, 2000). Like individual self-efficacy, a sense of collective efficacy reflects a belief that one can change and feel in control of social aspects of his or her life (Bandura, 2000). Importantly, though, collective efficacy involves an individual’s belief that the individual can achieve a change by working with other people (Johnson-Young and Magee, 2014).

A promotion-framed message emphasizes the need to advocate a positive change, and a prevention-framed message focuses on the danger associated with the beauty industry. Consumers who have low levels of collective efficacy should have more favorable attitudes toward a brand that focuses on prevention of a problem than one that focuses on working together to promote a solution. This is because a promotion-oriented focus is incompatible with their belief that people cannot work together to make a change in society. Therefore, the following hypothesis is proposed:

\[ H4. \text{ Regulatory frame and collective efficacy will interact in predicting participants' attitude toward the brand.} \]

**Method**

Dove’s Campaign for Real Beauty seeks to encourage healthy behavior among young women by promoting a healthy body image. Although some campaign materials address parents and peers, both male and female, the campaign targets young women. Although different body issues exist among young men, the ideals of thinness and beauty tend not to be personally relevant to young men. Thus, young men are an inactive public for the Dove Campaign for Real Beauty, but they, as young women’s peers, could be motivated to become more engaged in the issue. Young women constitute a naturally active public for this issue, while young men constitute an inactive public that potentially could become more involved with the issue.
Participants
Following approval of a university institutional review board, undergraduate students \( n = 307 \) were recruited from a departmental research pool and participated in exchange for course credit. The ages of the participants ranged from 18 to 24 years, and 86 percent were white. Female participants accounted for 64 percent of the sample.

Materials

Regulatory frame
Four videos that featured either a promotion frame or a prevention frame were taken from Dove’s online campaign videos: Amy (n.d.), Onslaught (n.d.), Evolution (n.d.) and Under Pressure (n.d.). The promotion-framed videos (“Amy” and “Onslaught”) issued an appeal to the individual viewer to be proactive in addressing the problem. “Onslaught” urged people to speak with young women “before the beauty industry does” (Onslaught, n.d.). “Amy” depicted a boy who thinks a girl is beautiful, and the video encouraged individuals to pass on the video to tell someone she is beautiful. In the call to action, the videos underscored that the viewer was someone who could help make a change. The prevention-framed videos (“Evolution” and “Under Pressure”) described how the problem had developed and highlighted the urgent need to confront the problem. “Under Pressure” described the social pressures that girls and young women feel and highlighted a Dove self-esteem workshop designed to strengthen young women, while “Evolution” was a time-lapse video that illustrated all the steps taken to make a model look unrealistically beautiful. The videos focused on the dangers involved and the problem to be prevented.

To determine if the videos’ frame was apparent to audiences, a pilot test of the videos was conducted. Participants read a brief definition of promotion frames and prevention frames, after which they viewed each of the videos and expressed whether each video employed a promotion frame, a prevention frame, or neither. Participants correctly identified the frame of each video (all \( p < 0.001 \)). The factor of the messages’ regulatory frame (promotion vs prevention vs control) was operationalized via the campaign videos. Multiple stimulus sampling, namely, using two campaign videos to operationalize each frame condition, permits stronger conclusions concerning any message effects because any idiosyncratic feature of a single video is ruled out as a potential cause. In the control condition, participants completed the relevant measures without viewing a video.

Collective efficacy
A participant’s sense that people can implement social change by working together was assessed via a collective efficacy scale (Johnson-Young and Magee, 2014). The scale comprised six items, such as communities can create solutions to problems together and The best way to deal with society’s problems is for communities to come together, which were measured on a ten-point scale (\( M = 7.96, SD = 1.36; \) Cronbach’s \( \alpha = 0.91 \)).

Personal involvement
To measure personal involvement with the issue, participants were asked to indicate whether they had personal experience with disordered eating and whether someone close to them had experience with disordered eating. If a participant answered affirmatively to either question (Yes = 208, 68 percent; No = 98, 32 percent), that individual was considered to be personally involved with disordered eating.
Dependent variables
Attitude toward the brand (A<sub>brand</sub>) was measured on a nine-point semantic differential scale (M = 3.88, SD = 2.64; Cronbach's α = 0.98) with 12 item pairs such as beneficial/harmful, positive/negative and effective/ineffective (Bearden and Netemeyer, 1999). To assess attitude toward the campaign video (A<sub>video</sub>), participants rated a video on 20 attributes such as interesting, entertaining, persuasive, engaging and beneficial (M = 7.53, SD = 1.53; Cronbach's α = 0.93). Three items were used to measure concern for the campaign issue (M = 8.89, SD = 1.30) with How concerned are you or would you be about media images of beauty affecting your daughter's body image? How important do you feel this campaign is for young girls? and If you have a daughter or were to have a daughter, how important do you think it is to assist in fostering a positive body image? This scale yielded a Cronbach's α = 0.77.

Procedure
The hypotheses were tested in a between-subjects factorial experiment with participant sex, personal involvement with disordered eating (yes vs no), collective efficacy (a measured variable) and the message's regulatory frame (promotion vs prevention vs control) as factors and attitude toward the issue (A<sub>issue</sub>), attitude toward the brand (A<sub>brand</sub>) and attitude toward the video (A<sub>video</sub>) as dependent variables. Participants' collective efficacy was assessed before they were exposed to one of the four campaign videos so that the video would not influence their responses to the collective efficacy measure. Following this, they completed the dependent variable measures. Participants' experience with disordered eating was reported at the conclusion of the study, just before they completed demographic items, to avoid contaminating the dependent variable measures. Following completion of the questionnaires, they were thanked for their time and debriefed.

Results
Before proceeding to the hypothesis tests, personal involvement with disordered eating was determined to be unrelated to brand attitudes and attitude toward the videos (p < 0.20). As one would expect, personal involvement (M<sub>yes</sub> = 8.91, SE = 0.10; M<sub>no</sub> = 8.41, SE = 0.14) was related to one's attitude toward the issue of body image, t(304) = 2.95, p = 0.003. Importantly, this relationship was apparent in the control condition (M<sub>yes</sub> = 8.69, SE = 0.10; M<sub>no</sub> = 7.92, SE = 0.14), in which participants did not view a video, t(97) = 2.34, p = 0.021. Thus, participants who had experience with disordered eating expressed greater concern for the issue of body image.

Likewise, participants reported high levels of concern for the issue of body image (M<sub>issue</sub> = 8.75, SD = 1.39) and favorable attitudes toward the campaign's video messages (M<sub>video</sub> = 7.53, SD = 1.53). However, they also reported unfavorable attitudes toward the campaign’s sponsor (M<sub>brand</sub> = 3.89, SD = 2.64). As will be described below, the larger standard deviation for attitudes toward the Dove brand stems from the messages' negative impact compared with a control condition.

The hypotheses were tested in models that included as factors an individual's sex, sense of collective efficacy, personal involvement with disordered eating and the messages' regulatory frame, along with their interaction terms.

Activating an inactive public
Of particular interest is the possibility that a campaign's message frames might activate an inactive public. Therefore, it was important to identify factors that could increase males' concern for the issue. Thus, H1 predicted that regulatory frames would interact with participant sex to predict concern for the issue. The model predicting concern for the issue of
body image was significant, $F(23, 281) = 5.98, p < 0.001, R_{adj}^2 = 0.27$ (Table I). Of note in this test, the main effect for regulatory frame was non-significant ($p = 0.12$), while the main effect of sex was significant, $F(1) = 44.24, p < 0.001$, with female participants reporting greater levels of concern for the issue of body image than males ($M_{females} = 9.13; SE = 0.11$; $M_{males} = 8.05; SE = 0.12$).

Importantly, though, the interaction term of participant sex and message frame was significant, $F(2) = 4.68, p = 0.01$. A post hoc probe (Tukey's HSD) of the interaction revealed that the message frame influenced males' concern for the issue (Figure 1). Males' concern for the issue after viewing a prevention-framed message ($M = 7.80; SE = 0.21$) did not vary

### Table I.

<table>
<thead>
<tr>
<th>Variable</th>
<th>$A_{issue}$ ($F_{DF}$)</th>
<th>$A_{brand}$ ($F_{DF}$)</th>
<th>$A_{video}$ ($F_{DF}$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficacy</td>
<td>9.92 (1)***</td>
<td>14.68 (1)***</td>
<td>25.41 (1)***</td>
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<tr>
<td>Frame</td>
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<td>466.09 (2)***</td>
<td>0.01 (1)</td>
</tr>
<tr>
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<td>2.98 (1)****</td>
<td>2.00 (1)</td>
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<tr>
<td>Sex</td>
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<td>0.46 (1)</td>
<td>4.56 (1)*</td>
</tr>
<tr>
<td>E x F</td>
<td>1.91 (2)</td>
<td>4.54 (2)*</td>
<td>3.22 (1)****</td>
</tr>
<tr>
<td>E x I</td>
<td>3.02 (1)****</td>
<td>0.01 (1)</td>
<td>3.53 (1)****</td>
</tr>
<tr>
<td>E x S</td>
<td>6.15 (1)*</td>
<td>0.11 (1)</td>
<td>2.25 (1)</td>
</tr>
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<td>0.61 (2)</td>
<td>0.18 (1)</td>
</tr>
<tr>
<td>F x S</td>
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<td>16.70 (2)***</td>
<td>0.71 (1)</td>
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<tr>
<td>I x S</td>
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<td>1.62 (1)</td>
</tr>
<tr>
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<tr>
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<td>1.04 (2)</td>
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<tr>
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<td>0.04 (2)</td>
<td>0.05 (2)</td>
<td>1.30 (1)</td>
</tr>
</tbody>
</table>

**Notes:** $F_{issue}(23, 281) = 5.98, p < 0.001; Adj. $R^2 = 0.27$; $F_{brand}(23, 281) = 70.57, p < 0.001; Adj. $R^2 = 0.84$; $F_{video}(15, 190) = 3.06, p < 0.001; Adj. $R^2 = 0.13$. *p < 0.05; **p < 0.01; ***p < 0.001; ****p < 0.10

**Figure 1.** Concern for the issue as a function of participant sex and videos' regulatory frame.
significantly from the control condition ($M = 7.75; \ SE = 0.22$), but males who viewed a promotion-framed message reported a significantly greater concern ($M = 8.60; \ SE = 0.20$). Males’ concern after viewing a promotion-framed message did not differ significantly from that of females in any of the three framing conditions ($M_{control} = 9.05; \ SE = 0.21; M_{prevention} = 9.33; \ SE = 0.16; M_{promotion} = 9.01; \ SE = 0.19$). Thus, while males in the control condition ($M = 8.03; \ SE = 0.12$) expressed significantly less concern for the issue compared with females ($M = 9.15; \ SE = 0.09$), a promotion-framed message increased males’ concern for the issue to a level that was comparable to that of females. A prevention-framed message did not significantly increase males’ level of concern for the issue. This result provided support for $H1$.

**Negative effects on the brand**

Noteworthy was the effect of the campaign messages on $A_{brand}$. The full model was significant, $F(23, 281) = 70.57, \ p < 0.001, R^2_{adj} = 0.84$ (Table I). $H2$ predicted that the messages’ regulatory frame would produce unfavorable brand attitudes compared with a control condition. The main effect of message frame was significant, $F(2) = 466.10, \ p < 0.001$, and $A_{brand}$ was far lower for both the prevention-framed messages ($M = 2.51, \ SE = 0.12$) and the promotion-framed messages ($M = 2.38, \ SE = 0.12$) when compared with the control condition ($M = 7.23, \ SE = 0.13$). Thus, the campaign messages produced a negative attitude toward the Dove brand providing support for $H2$.

While the messages generated a negative effect on the brand, the messages’ frame did not significantly ($p > 0.20$) predict participants’ attitudes toward the messages ($A_{video}$) themselves. Thus, the message frame effect was limited to $A_{brand}$ and did not extend to $A_{video}$. This pattern contrasts with widespread research in which attitudes toward advertising campaign messages are found to predict $A_{brand}$. While participants generally held favorable attitudes toward the campaign videos, these attitudes were distinct from attitudes toward the brand.

The interaction term of message frame and collective efficacy was significant, $F(2) = 4.54, \ p = 0.012$, in predicting participants’ $A_{brand}$. Across mean levels of involvement, for both males and females, the simple-simple slope of collective efficacy varied with the message frame condition, $\beta_{prevention} = -0.55, \ p < 0.001; \beta_{promotion} = -0.16, \ p = 0.11; \beta_{control} = 0.03, \ p = 0.80$. That is, participants who reported greater levels of collective efficacy had lower brand attitudes when they were exposed to a prevention-framed message. This relationship is illustrated in Figure 2.

Further, the interaction term of message frame and sex was significant, $F(2) = 16.70, \ p < 0.001$. A post hoc probe of the interaction (Table II) revealed that males who viewed the prevention-framed message had more favorable brand attitudes than females who viewed either a prevention- or promotion-framed message.

Attitudes toward the messages exhibited a somewhat different pattern. The full model was significant, $F(15, 190) = 3.06, \ p < 0.001, R^2_{adj} = 0.13$ (Table I). Participant sex exhibited a main effect on $A_{video}, F(1) = 4.56, \ p = 0.03$, with females reporting a more favorable attitude toward the videos ($M_{females} = 7.68, \ SE = 0.15; M_{males} = 7.19, \ SE = 0.18$). Thus, just as females (vs males) reported greater concern for the issue of body image, they also reported more favorable attitudes toward the video messages.

**Effect of message frame and personal involvement on brand attitudes**

$H3$ predicted that the messages’ regulatory frame and an individual’s personal involvement would interact in predicting $A_{brand}$. The interaction term was marginally significant, $F(2) = 2.39, \ p = 0.09$. However, planned contrasts revealed that among those who viewed the prevention-framed message, individuals who had experience with disordered eating had significantly lower brand attitudes ($M = 2.03, \ SE = 0.13$) than individuals who did not...
(M = 2.63, SE = 0.18) have experience with disordered eating, \( t(293) = 2.61, p = 0.01 \). This result provided support for H3.

By comparison, the interaction between regulatory frame and personal involvement was not a significant predictor of \( A_{\text{video}} \) or concern for the issue (\( p_{s} > 0.20 \)). Thus, the interaction did not produce generally negative attitudes; the negative attitude was directed toward the brand specifically.

**Effect of message frame and collective efficacy on brand attitudes**

Collective efficacy was a significant negative predictor of \( A_{\text{brand}} \). The test of the simple slope of collective efficacy revealed a significant and negative relationship, \( \beta = -0.10, p < 0.001 \). Thus, a greater sense of collective efficacy predicted a negative attitude toward the Dove brand.

However, H4 predicted that the messages’ regulatory frame and individuals’ collective efficacy would interact in predicting \( A_{\text{brand}} \). The interaction term was significant, \( F(2) = 8.87, p < 0.001 \). A post hoc analysis of the interaction revealed that the simple-simple slope of collective efficacy was significant in the prevention-frame condition, \( \beta = -0.13, p < 0.001 \), but non-significant in the promotion-frame condition, \( \beta = 0.04, p > 0.20 \), and control condition, \( \beta = 0.03, p > 0.20 \). Participants high in collective efficacy had more negative brand attitudes when they viewed a prevention-framed message, but not when they viewed a promotion-framed message, as depicted in Figure 2. This result provided support for H4.

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**Table II.** Interaction of message regulatory frame and participant sex on \( A_{\text{brand}} \)

<table>
<thead>
<tr>
<th>Condition</th>
<th>LSM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control, Female</td>
<td>A</td>
</tr>
<tr>
<td>Control, Male</td>
<td>B</td>
</tr>
<tr>
<td>Prevention, Male</td>
<td>C</td>
</tr>
<tr>
<td>Promotion, Male</td>
<td>C</td>
</tr>
<tr>
<td>Promotion, Female</td>
<td>D</td>
</tr>
<tr>
<td>Prevention, Female</td>
<td>D</td>
</tr>
</tbody>
</table>

*Note:* Conditions not connected by the same letter are significantly different (Tukey’s HSD)
By comparison, collective efficacy was a positive predictor of $A_{video}$ for both the prevention- and promotion-framed videos. The interaction term was significant, $F(1) = 4.60, p < 0.001$. In a post hoc probe (Figure 3), the simple-simple slope of collective efficacy, across mean levels of involvement, was significant under the promotion frame, $\beta = 0.19, p = 0.047$, but the coefficient’s magnitude was larger with the prevention frame, $\beta = 0.38, p < 0.001$. Thus, among participants with high levels of collective efficacy, a prevention-framed video generated positive attitudes toward the video, but negative attitudes toward the brand.

**Discussion**

**CSR paradox.** The experiment results illustrated the paradox of how a CSR campaign could generate a positive attitude toward the campaign issue and campaign messages but a negative attitude toward the campaign sponsor. One glaring result that marketing managers will want to understand is the negative effect of the CSR campaign messages on brand attitude. As attitudes toward the issue became more favorable, attitude toward Dove tended to decline. In short, the campaign’s benefits for the issue came at a cost to the brand. Marketing managers should understand that while they might be doing something positive for their community or even society as a whole, this does not necessarily translate into positive feelings toward their brand. With Dove’s campaign, the consumers indicated that even if they are concerned with the issue of the campaign they also indicated a low opinion of Dove. In weighing the benefits and disadvantages of taking an active role in some sort of social corporate responsibility, firms should not automatically expect for their consumers to have a brand attitude.

The negative effects on attitudes toward the brand underline the need for continued and long-term research on consumers. Marketing managers need to take the effort to measure campaign effectiveness over time, not just at the start or during the bulk of the campaign (Kim et al., 2008).

Just as brand attitudes should play a more central role in campaign evaluation, and, consumer segmentation should be included in these measures. Personal involvement and collective efficacy were both significant main effect variables in the present test. Personal involvement with disordered eating, either due to first-hand experience or to knowledge of someone with the disorder, led to more concern for the issue, but personal involvement also generated a lower attitude toward Dove. Similarly to personal involvement, collective efficacy significantly predicted a positive attitude toward the issue and a negative attitude toward Dove.

![Figure 3.](image)

**Figure 3.**

Attitude toward the video as a product of regulatory frame and collective efficacy

**Notes:** Best-fitting regression lines across mean levels of involvement. Dotted line = promotion frame; dashed line = prevention frame
toward Dove. Individuals who were higher in collective efficacy indicated greater concern for the issue and a higher likelihood to discuss the issue. An opposite effect occurred concerning their attitude toward Dove – individuals higher in collective efficacy indicated a more negative brand attitude. Thus, personal involvement and collective efficacy individually predicted these dependent variables.

The campaign messages’ regulatory frame also played an important role in influencing consumer attitudes. The interaction between the videos’ regulatory frame and consumers’ collective efficacy predicted consumers’ concern for the issue. In both the prevention condition and the promotion condition, collective efficacy was a significant and positive predictor of attitude toward the issues. A moderately stronger effect occurred in the prevention condition, but both types of frames were significant predictors. Similarly, the two-way interaction was a negative predictor of brand attitude. However, the relationship between the two independent variables indicated that collective efficacy was only a significant predictor of attitude toward Dove in the prevention condition, not in the promotion condition. Regulatory framing and personal involvement interacted only in affecting attitudes toward Dove. Personal involvement did not influence attitudes toward Dove in the promotion condition. However, for those participants in the prevention condition, personal involvement did impact attitudes. Those who lacked personal involvement indicated a higher opinion of Dove than those who did report personal involvement with the issue. Personal involvement also appeared to moderate the interactive effects of regulatory frame and collective efficacy on responses to the video. The effects were still significant, but slightly weaker.

For Dove, the issue of body image has been a marketing sweet spot for its core consumers – females. Among females high levels of collective efficacy predicted favorable responses to the campaign issue and the messages, but they also produced negative brand attitudes. That is, the messages’ regulatory frame did not produce a negative brand attitude. Among males, though, regulatory frame and collective efficacy were both significant predictors. Thus, it appears that the framing of the message interacted with a sense of collective efficacy in producing a negative brand attitude among consumers who did not have a close connection to the CSR issue.

Theoretical implications. Consumers with a personal experience with disordered eating were significantly more likely to indicate concern for the issue than those with no personal experience. Personal relevance continues to be an important variable in understanding attitudes and actions of consumers. Similarly, those who indicated a low sense of collective efficacy were significantly less likely to indicate a concern for the issue than those with a higher sense of collective efficacy. If people indicate that a group of people or our society cannot work together to make a difference, they appear to also not want to take part in the campaign.

Bandura (2000) noted that as the world becomes more intertwined and society more interdependent, collective efficacy will become increasingly important. The results of the current study indicate the viability of collective efficacy in predicting attitudes. Bandura’s (2000) emphasis on the importance of collective efficacy is warranted. Even with other measures taken into account, collective efficacy continued to be a strong predictor of responses to the campaign across conditions.

Practical implications. The results also support idea of “inactive publics” (Hallahan, 2000), who are stakeholders or consumers who have low levels of involvement and knowledge. Although this type of consumer could easily be labeled as “passive,” but this term should be reserved consumers who have no stake in an issue. “Inactive” consumers still have a stake in the issues, and potentially could be “activated,” which separates them from market segments that are chronically passive with reference to the CSR issue and the brand (Hallahan, 2000). The challenge with “inactive” consumers is to increase their motivation level, but to use message frames that do not produce a negative brand attitude.
In the present study, even consumers who indicated no experience with the issue were influenced by the campaign, depending on their level of collective efficacy and, particularly in the male sample, depending on the message frame. This type of group, then, should not be categorized with passive consumers who have no real possibility of becoming involved in a specific CSR campaign. If marketing managers can capitalize on collective efficacy and message framing, then even those targets with low involvement and knowledge may be encouraged to care about a CSR issue and become involved.

It is also important to explore the effect of sex in terms of the theories utilized in this research. As previously mentioned, sex significantly moderated the results. Females generally indicated more concern than the male participants. Females were also significantly affected by their level of collective efficacy and not by the framing of the message. However, both collective efficacy and the framing of the message significantly affected males. This seems to indicate a couple of important aspects of this study. If Dove’s campaign is viewed as a feminine issue, then males may generally feel a low level of involvement with the issue. However, males may be considered what Hallahan (2000) categorizes and describes as an “inactive public.” Males should be considered a stakeholder, as they may have someone close with them who deals with low self- and body-esteem or eating disorders and they may have daughters that battle these issues. They may perceive the issue as being less relevant to them, though, as the campaign is geared toward helping young girls, so marketing managers must identify factors that would motivate them.

Second, concern for the issue appears to grow along with the sense of collective efficacy and the type of frame in the male sample. It appears that females already have a higher sense of concern for the issue, but males do not. Instead of classifying them as passive consumers, this research indicates that it is very possible to motivate them to show concern for the issue through the types of campaign messages used and their sense of collective efficacy. In other campaign research, these components will want to be considered for other types of low involvement consumers. Marketing managers should also note these individual differences and consider them when planning and executing campaigns.

Limitations and future research opportunities. Multiple stimulus sampling supports confidence in the observed effects of the messages’ regulatory frames. By using two videos to operationalize each type of regulatory frame, the experiment was able to rule out the possibility that group differences might be due to idiosyncratic features of a particular video. That is, attitudinal differences detected between the experiments’ conditions must be attributed to a feature common between one pair of videos (i.e. a promotion frame) and not shared by the other two videos (i.e. a prevention frame).

The most notable limitation was the sample population used. College-aged students’ responses to items might not fully reflect the concerns of older consumers, but had older consumers been included in the sample the pattern of results likely would have been stronger (Lynch, 1982; Mook, 1983). Thus, sample was quite appropriate for the study’s goals of understanding the impact of campaign messages on brand attitudes (Kardes, 1996).

This research also opens several avenues for future research. First, other issues or consumer sweet spots, such as the environmental protection, merit scholarly attention. Second, scholars should examine, beyond video messages, impacts of other types of campaign material, such as face-to-face workshops, events, display ads and so on.

Brand negativity is a multidimensional construct (Fournier and Alvarez, 2013) and its relationship in a nomological network should be explored more fully. For example, skepticism can be measured as a trait, and it can also be cued as a situational variable (Forehand and Grier, 2003), with different effects on brand attitude. A more
precise assessment of brand attitudes can focus on differing perceptions of brand’s warmth and competence (Magee, 2012), and it is entirely likely that unfavorable brand attitudes centered on the brand’s warmth more than on its competence. Emotional components of brand negativity (Romani et al., 2012) were not explored in the present study, but parsing cognitive and affective components of brand negativity should yield greater insight into the CSR paradox. Further, an unfavorable attitude toward a brand, or brand dislike, is distinct from antipathy toward a brand (Hegner et al., 2017; Zarantonello et al., 2016).

Nevertheless, the CSR paradox that was observed in the present study offers a valuable approach to the study of brand negativity. A CSR campaign can tarnish a firm’s brand, even as the campaign messages can be well received and produce positive consumer attitudes for the campaign issue. Thus, before embarking on a CSR campaign, marketing managers should carefully consider any risks for potential brand negativity.

References


**Further reading**


**Corresponding author**

Robert G. Magee can be contacted at: rgmagee@olemiss.edu
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