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Perceived motivations for corporate social responsibility initiatives in socially stigmatized industries

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ABSTRACT

This CSR study explores how company-cause relationships and acknowledgement of benefit impacts perceived motivations and skepticism. Low-fit CSR appeared to be more in the public's interest and more values-driven than high-fit. Acknowledgement of benefit did not impact skepticism—for a socially-stigmatized company, CSR fit appears most fundamental to public response.

1. Introduction

Companies engaging in effective corporate social responsibility (CSR) initiatives have the potential to both influence stakeholders and establish competitive success (de Bakker & den Hond, 2008). CSR is therefore becoming an increasingly common communications strategy by a wide range of business and industry categories. While CSR research has explored factors such as benefit salience, source of CSR messages, and organizational reputation, one area of research ripe for additional exploration involves CSR initiatives by stigmatized corporations and industries. In an effort to respond to increased public scrutiny of corporate or industry activities, companies that fit in this category—namely companies whose products or manufacturing processes contribute negatively to an issue of societal concern (Gregory & Satterfield, 2002; Miller & Sinclair, 2012)—frequently engage in CSR to assuage current or potential stakeholder concerns about negative impacts associated with the company's products. In many instances, these CSR initiatives are seemingly contradictory to the company's existing business model (e.g., a tobacco company's anti-smoking efforts, a fast food company's weight loss initiatives, or a cola company's anti-obesity campaign).

CSR activities that portray a company as responsive to the concerns of society for social causes negatively impacted by the company are likely to face heightened scrutiny from stakeholders regarding the motivations for the initiatives (Kim & Lee, 2012). This is particularly true when the featured good works are directly related to the organization's source of profit and protecting that profit. That said, stigmatized companies committed to social responsibility face a number of challenging questions when deciding on CSR initiatives to pursue.

Scholars suggest that a company's image is improved when stakeholders attribute sincere motivations for CSR, but the image is harmed when these motives are perceived as insincere (Yoon, Gurhan-Canli, & Schwarz, 2006). When a company's motives may be in question, acknowledgement of self-serving interests in CSR programs has been shown to reduce public skepticism (Forehand & Grier, 2003). In this study, we sought to examine: 1) how audiences perceive motives for a company with divergent CSR activities, when one addresses a negative impact of the company's existing business model, and 2) whether acknowledgement of self-serving interests reduces public skepticism of CSR initiatives by stigmatized industries, as it has been found to do in other CSR contexts. Using a

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between-subjects experimental design with a national sample of 723 participants, this study explores the impact of these variables—company-cause relationship (high-fit/negative contribution versus low-fit) and acknowledgement of motivations (public-serving versus public- and firm-serving)—on public response to CSR initiatives.

2. CSR and the company-cause relationship (Fit)

CSR, or "the relationship between business and the larger society" (Snider, Hill, & Martin, 2003, p. 175), involves a variety of business operations reflective of economic, ethical, legal, and philanthropic societal concerns (Kim & Reber, 2008). CSR campaigns communicate businesses' corporate social initiatives—activities ranging from social marketing to corporate philanthropy to socially responsible business practices (Kotler & Lee, 2005)—to publics in an effort to portray a company as responsive to the needs and concerns of the society on which it depends (Ellen, Webb, & Mohr, 2006). As consumers and stakeholders increasingly prefer companies committed to sustainability, CSR has been shown to boost public acceptance for companies (de Bakker & den Hond, 2008). In short, CSR campaigns have the ability to communicate a positive brand image while serving the needs of society.

Extant research suggests stakeholders evaluate CSR more favorably when the supported cause is related to the company's products, services, or market (Bhattacharya & Sen, 2004; Elving, 2016), as higher company-cause congruence increases perceptions that the company is an expert in the relevant social issue (Hoeffler & Keller, 2002). Conversely, stakeholder skepticism may be heightened when a CSR campaign and a corporation's goals appear to be in contrast, such as when CSR appears on the heels of an organizational crisis (Cho & Hong, 2009) or seems to be an effort to appease activist groups or prevent regulatory actions detrimental to the company (Austin & Gaither, 2016; Gaither & Austin, 2016).

Corporate goals and CSR initiatives may especially appear to be conflicting in socially stigmatized industries (Kim & Choi, 2012; Kim & Lee, 2012) when the corporation also has a negative contribution to the CSR initiative. Examples of such campaigns include McDonald's efforts regarding obesity prevention and Miller Brewing Company's initiatives to reduce and prevent binge drinking (Kim & Lee, 2012).

3. Benefit salience: firm v. public-serving motives

Research suggests CSR causes with high (versus low) benefit salience can enhance negative evaluations of a company (Yoon et al., 2006). Benefit salience—namely the salience of firm-serving motives, in addition to public-serving motives—is assessed by how publics view the motives of the company, usually on a dichotomous scale as either firm-serving or public-serving (Kim & Lee, 2012).

Forehand and Grier (2003) manipulated benefit salience by examining the fit of the CSR initiative, as "increased fit between a firm and a cause should increase the ease with which consumers can identify firm-serving benefits" (p. 351). Initiatives with high fit between the firm and the social initiative are expected to have high benefit salience; whereas, initiatives with low fit are expected to have low benefit salience. Acknowledgement of benefit, described in detail below, has also been shown to enhance benefit salience for participants (Forehand & Grier, 2003).

However, Kim and Lee (2012) found that, in socially stigmatized industries, high fit between a company and a social issue does not exclusively indicate benefit salience of firm-serving motives. Kim and Lee instead found that reputation influenced the benefit salience in combination with the fit. As this study controls for organizational reputation by utilizing fictitious company names within a stigmatized industry, we therefore hypothesize that:

H1a. The high-fit condition will lead to greater perceived benefit salience (company-serving motives) than the low-fit condition in a socially stigmatized industry.

H1b. Acknowledgment of benefit (versus no acknowledgment of benefit) in the high-fit condition will lead to increased perceived benefit salience (company-serving motives).

4. CSR and attribution of company motives

Although for most campaigns, stakeholders lack knowledge of an organization's true motives for CSR, their perceived attributions for the corporate motivations driving such campaigns have been shown to impact CSR success (Kim, 2011), including both recommendations and purchase intentions (e.g., Ellen et al., 2006; Groza et al., 2011). Most scholars have dichotomized the attribution of motives, such as public-serving (e.g., representing social concerns) versus firm-serving (e.g., representing economic concerns for the company) (Forehand & Grier, 2003; Kim & Lee, 2012), or sincere versus promotional (Yoon et al., 2006).

Ellen et al. (2006), however, discuss motives as more nuanced and proposed four different types of attributed motives for CSR, representing a continuum of self- and other-centered motives. These motives are: strategic and egoistic (both considered self-centered motives), and values-driven and stakeholder-driven (both considered other-centered motives). Participants have responded most positively toward values-driven (an other-centered motive) and strategic (a self-centered motive), and negatively toward stakeholder-driven and egoistic motives.

Ellen et al. (2006) found that, in comparison with low-fit CSR initiatives, high-fit CSR led to increased values-driven and strategic attributions, as well decreased egoistic attributions. The authors found no significant differences in regard to company-cause fit and perceptions of stakeholder-driven attributions. Within the unique context of socially stigmatized industries, however, we propose attributions regarding both values-driven and egoistic attributions for company motives may function differently. Considering high-