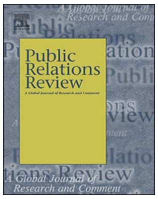
Public Relations Review xxx (xxxx) xxx–xxx

Contents lists available at ScienceDirect

Public Relations Review

journal homepage: www.elsevier.com/locate/pubrev



Exploring the role of CSR fit and the length of CSR involvement in routine business and corporate crises settings

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ARTICLE INFO

Keywords:
CSR
Crisis communication
Corporate reputation

ABSTRACT

This 2 × 2 experimental study examines the influence of CSR fit and the length of CSR involvement on corporate reputation and CSR skepticism in a routine business setting and crisis responsibility in a victim crisis. The study demonstrates a significant interaction between the two variables on the construction of corporate reputation. The length of CSR involvement is also found to influence people's attribution of crisis responsibility in a crisis. By comparing corporate reputation and CSR skepticism before and after a crisis, the study further articulates the destructive power of crises. Theoretical and practical implications are discussed.

Corporate social responsibility (CSR) has become a common corporate practice in today's business world. Most Fortune 500 companies' websites have a section called "corporate social responsibility" or "sustainability," which includes the companies' CSR initiatives, activities, and achievements. The Forum for Sustainable and Responsible Investment (US SIF) reported that one of every six dollars under professional management is invested in sustainability, responsibility, and impact investing strategies (US SIF, 2016). In the US, some companies even regard contributing to society as their motto such as TOMS and Timberland.

Some scholars believe stakeholders' positive CSR impressions of a corporation could bring direct and indirect benefits such as customer loyalty, positive attitude toward a brand, and willingness to pay premium prices, etc. (Creyer & Ross, 1996; Du, Bhattacharya, & Sen, 2007; Pérez, Alcaniz, & Herrera, 2009) while others question the effectiveness of CSR. Although CSR programs contribute to the general well-being of the society, people invariably perceive them to be dubious. Besides showing kindness, corporations expect to benefit from their CSR investment to enhance their reputation. Peoples' skepticism is believed to play a moderating role between CSR and consumer-related outcomes such as positive word-of mouth (Skarmeas & Leonidou, 2013). However, empirical evidence on how CSR shapes reputation and skepticism is mixed.

Besides the investigation of CSR in routine business settings, a number of researchers in crisis communication domain believe CSR influences a crisis dynamic. Crisis responsibility and organizational reputation are identified as the most important variables in Situational Crisis Communication Theory (SCCT) (Coombs, 2007). Studies demonstrate that positive CSR impressions help alter crisis responsibility attribution (Kim, 2013), mitigate negative brand evaluation (Kim, 2013; Klein & Dawar, 2004), protect organizational reputation (Kim & Yang, 2009), and sustain purchase intention (Vassilikopoulou, Siomkos, Chatzipanagiotou, & Pantouvakis, 2009) during a corporate crisis. However, others believe corporations with good CSR impressions suffer no less harm (Luo, Meier, & Oberholzer-Gee, 2012). Since empirical evidence demonstrates the impact of CSR skepticism on brand building in routine business settings, this study extends the logic to crisis situations and considers skepticism as a predictor of stakeholders' perceptions of an organization during a crisis.

Previous studies in CSR and crisis are facing some issues. First, studies often oversimplify the concept of CSR by treating it as a binary concept, either good or bad (Kim, 2013, 2014; Klein & Dawar, 2004). This view neglects CSR skepticism. Second, some

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https://doi.org/10.1016/j.pubrev.2017.11.004
Received 2 August 2017; Received in revised form 25 September 2017; Accepted 16 November 2017
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Please cite this article as: Zhou, Z., Public Relations Review (2017), https://doi.org/10.1016/j.pubrev.2017.11.004

previous experimental studies fail to control image, reputation, or corporate evaluation before a crisis (Kim & Yang, 2009; Klein & Dawar,2004). The use of posttest only might not evaluate a pure effect of the CSR on reputation in crisis situations.

CSR fit and the length of CSR involvement were identified to affect people's skepticism. CSR fit denotes perceived congruence between a social issue and the company's business (Du, Bhattacharya, & Sen, 2010). The length of CSR involvement refers to how long a corporation has been involved in CSR activities (Vanhamme & Grobben, 2009). The incorporation of the two variables could potentially advance our understanding of CSR in routine and crisis settings.

Therefore, this study has three purposes. First, this study investigates the effect of the two variables, CSR fit and the length of CSR involvement, on corporate reputation construction and shape of CSR skepticism. Second, this study attempts to answer the question if CSR fit and the length of CSR involvement could help maintain corporate reputation and CSR skepticism during a corporate crisis. Third, this study examines if the two variables could alter people's responsibility attribution to an organization during a crisis. Further exploration and deconstruction of CSR will help an organization to craft more effective CSR strategies.

1. Literature review

1.1. The benefits of CSR in improving reputation

Corporate social responsibility (CSR) is an interdisciplinary concept that appears across marketing, management, and communication domains. Early studies dated back to the 1950s when CSR was often referred to as "social responsibility" (Carroll, 1999). After around 60 years of evolution, however, researchers are still not in consensus on its universal definition. For example, Fitch (1976) defines CSR as "the serious attempt to solve social problems caused wholly or in part by the corporation" (p. 38). Epstein (1987) argues that "CSR relates primarily to achieving outcomes from organizational decisions concerning specific issues or problems which have beneficial rather than adverse effects on pertinent corporate stakeholders" (p. 104). In the communication discipline, CSR denotes "the voluntary actions that a corporation implements as it pursues its mission and fulfills its perceived obligations to stakeholders, including employees, communities, the environment, and society as a whole" (Coombs & Holladay, 2012, p. 8). These different definitions of CSR stress some aspects but neglect others. Dahlsrud (2008) believes this inconsistency will impair people's understanding when they communicate and further prevent CSR engagements.

Although widely accepted definition of CSR is lacking, researchers have identified several key dimensions. Carroll (1999) indicates an organization is expected to shoulder four responsibilities: economic, legal, ethical, and discretionary responsibilities. By analyzing all existing definitions, Dahlsrud (2008) proposes five most frequently mentioned dimensions: stakeholder, social, economic, voluntariness, and environmental.

While elaborating the CSR definition is still important, researchers are gradually oriented to examine the benefits that CSR brings to an organization. Organizations actively engage in CSR initiatives not only because of their strong beliefs in CSR to make the world better, but because they are seeking positive business returns from their CSR efforts (Du et al., 2010). Studies have confirmed that CSR efforts could fulfill organizational expectations due to the strengthened relationship between organizations and their stakeholders. For example, CSR initiatives are positively related to customers' loyalty (Du et al., 2007), willingness to pay premium prices (Creyer & Ross, 1996), and positive attitude toward the brand (Pérez et al., 2009).

1.2. CSR skepticism

Although an increasing number of studies demonstrate different benefits of CSR involvement, two complications linger: awareness and attribution (Du et al., 2010). While organizations spend large amounts of resources initiating CSR, both internal (e.g. employees) and external stakeholders (e.g. consumers) remain relatively unaware of these efforts (Bhattacharya, Sen, & Korschun, 2006). While most studies tested the effectiveness of CSR information in controlled, experimental settings, consumers only randomly receive such messages in daily life (Skarmeas & Leonidou, 2013). It might be difficult for the stakeholders to associate the company with its CSR efforts in reality. The second problem is that stakeholders generate skepticism when exposed to CSR information (Fassin & Buelens, 2011). On one hand, stakeholders may perceive the CSR activities to be just a business "gimmick." The real purpose is simply to build brand image (Webb & Mohr, 1998). On the other hand, media generally takes a skeptical tone in covering CSR news (Arvidsson, 2010; Chaudhri, 2014). As noted by De Jong and Van der Meer (2015), the two aforementioned complications are closely related and contradictory. The more an organization's efforts to promote CSR, the more stakeholders' skepticism. Hence, Du et al. (2010) emphasize the importance of effective CSR communication strategies to reduce stakeholder skepticism and convey favorable corporate motives.

Due to the dilemma between awareness and attribution, an increasing number of studies consider CSR skepticism as the focal point in CSR research. Vanhamme and Grobben (2009) show that the more consumers are skeptical about the CSR efforts, the more negatively they evaluate the company and its products. Skarmeas and Leonidou (2013) indicate that CSR skepticism is negatively associated with resilience to negative information and word-of-mouth.

Scholars further deconstruct CSR skepticism in recent studies. Rim and Kim (2016) argue the skeptical attitude toward CSR can be both dispositional and situational. Dispositional traits of stakeholders originate from daily exposure to business practices such as marketing and advertising. People form a general negative and skeptical attitude toward business and such attitude is reflected on CSR practices (Rim & Kim, 2016). Another source of skepticism is situational, meaning stakeholders question the real motive of CSR (Becker-Olsen, Cudmore, & Hill, 2006; De Jong & Van der Meer, 2015; Skarmeas & Leonidou, 2013). Organizations generally have three kinds of motives: intrinsic, extrinsic, and stakeholder-driven. Companies with intrinsic motives want to contribute to society

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