

Keeping Up Appearances: The Use of Corporate Social Responsibility Initiatives
to Palliate an Image Threat

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Abstract

An image threat occurs when an organization's audiences or reference publics are given reason to doubt its reliability or claimed conformity to socially acceptable behaviors, norms and values. We examine organizational responses to image threats created by social movement boycotts. Consumer boycotts, while ostensibly trying to cause a decline in a firm's sales revenue to pressure the firm to change its policies or practices, have a pronounced negative impact on targets' public images. Boycotts may elicit increased efforts by the firm to engage in positive impression management and to reinforce positive audience perceptions. We argue that firms frequently use corporate responsibility initiatives as part of their "image repertoire" when dealing with the threat of boycotts. CSR initiatives are especially likely to be used by firms that have built their reputation around being a "virtuous company." We draw on social movement theory, a social actor conceptualization of organizations, and institutional theory to examine the conditions in which firms will respond to boycotts with increased levels of CSR. We use a data set of boycotts that were reported in major national newspapers from 1990 to 2005 to test our hypotheses.

In 1987, the Earth Island Institute commenced a boycott targeting Heinz's popular "Star-kist" tuna brand, impugning the company's wholesome, family-oriented image with claims that its fishing equipment needlessly murdered dolphins. The campaign never made a discernable dent in the company's sales, but this was expected. The boycott's attack was primarily aimed at the company's *image* rather than its *pocketbook*. As stated by the Institute's executive director, "The idea that [Heinz] could be branded the largest slaughterers of dolphins in the world seemed to us to be dramatically opposed to where the company wanted to position itself as health-conscious and caring." (Hayes & Pereira, 1990: B1). After three years, the company conceded by implementing a comprehensive 'dolphin protection program.'

In 2000, Heinz was again the target of a boycott, this time fueled by disparaging claims that it disrespected Islamic culture and symbols. Rather than concede to the boycotters' claims, however, the company defended its "health-conscious and caring" image in another way: increasing its corporate social responsibility (CSR) activity. Shortly after the boycott's announcement, Heinz dramatically increased its charitable publicity, making considerable donations to the American Heart Association; funding osteoporosis research; founding a charitable organization to fund development of breast and ovarian cancer treatments; dispensing cash rewards to the owners of dogs who had performed heroic acts; and announcing scholarships and in-kind donations for the first 105 babies born in hospitals affiliated with the Children's Miracle Network in 2001. In this paper, we explore this strategic use of image-confirming CSR, gauging the extent to which CSR activity is used to palliate an image threat.

An image threat occurs when an organization's audiences or reference publics are given reason to doubt its reliability or claimed conformity to socially acceptable behaviors, norms and values. These threats can be pivotal moments in the life of an organization and, as such, have garnered attention from a number of different perspectives in organizational theory. A first stream of research attends to the considerable environmental and institutional implications of an image threat, as positive public regard for the organization and its products facilitate the organization's ability to profit, acquire needed resources, recruit qualified personnel, wield political influence over pending legislation, and exercise power within its community (e.g., Perrow, 1961; Meyer & Rowan, 1977; Oliver 1992). A second group of researchers focuses on organizational image, identity, and reputation as reciprocal components of a larger, continuous, socially embedded "self-management" project (Albert and Whetten, 1985; Whetten & Mackey, 2002), suggesting that a crisis of image often presages a crisis of identity that evokes uncomfortable psychological dissonance within organizational actors (Gioia, Schultz, & Corley, 2000; Dutton & Dukerich, 1991) and a concomitant crisis of reputation that reduces the extent to which target audiences understand and trust an organization (Barney & Hansen, 1994). A last research stream has cast the image threat as deliberately cultivated by social movements using extra-institutional tactics to pressure the organization (King & Soule, 2007). This research suggests that movements utilize the media to disseminate vilifying images of the company to instigate the involvement of a broad audience or "reference publics" (Andrews, 2001; Lipsky, 1968). Ultimately, extra-institutional attacks on an organization's image aim to weaken an organization's bargaining position, threaten its reputation, and make it more likely to concede to the movement's demands (King, 2008). Thus, the image threat is seen as a mechanism to instigate organizational change.

Despite these multifaceted inquiries into the potential adverse implications of a corporate image crisis, little is known about how companies actively resolve image threats (see, however, Elsbach and Kramer, 1996; Rivera, 2008 on “stigma management”). In the face of a threat, we do not expect firms to sit idly, but rather to actively engage in impression management through the transmission of identity-confirming images that mold positive audience perceptions. Seen in this light, organizational impression management is a joint function of the level of threat posed by social movement actors and past identity commitments that have formed the expectations of the firm’s audience.

But what actions do corporations take when dealing with an image threat? We offer corporate social responsibility (CSR) activity as one possible response in firms’ impression management toolkits that they can draw from when seeking to shape the perceptions of various audiences in the face of an image threat. Following the preponderance of literature in this area, CSR initiatives are here defined to include all voluntary corporate actions extending beyond the mere transactional interests of the firm that are designed to promote or further a social good (e.g., Aguilera, Rupp, Williams & Ganapathi, 2007; Davis, 1973; Waddock, 2004; Mackey, Mackey, & Barney, 2007; Wood, 1991a,b; Wood & Jones, 1995). A number of researchers have pointed to the instrumentality of CSR activities in fostering support from organizational constituencies (Godfrey, 1995; Haley, 1991; Adams & Hardwick, 1998; Brammer & Millington, 2004). CSR agendas may also be an important component of many companies’ internal construction of organizational identity. For example, firms may have made past value commitments to CSR (Selznick, 1957), suggesting that these companies would naturally focus on communicating their CSR activities to audiences as identity-confirming devices when faced with image threats. Because of CSR’s potential utility as both an impression management device and an identity-

confirming tool, we suggest that many companies will respond to image threats by increasing their CSR disclosure, utilizing media outlets to promulgate images of themselves engaged in activities that benefit the community and associate the company with socially admirable causes.

Past empirical research on firm performance after extra-institutional image attacks has contended that *preemptive* CSR activity and disclosure may buffer a firm from being targeted by extra-institutional attacks (Baron, 2001) and reduce the negative performance consequences of such attacks (Baron and Diermeier, 2007). However, past research has ignored the image consequences of such attacks and has not fully explored variance in the use of CSR when alleviating image threats. We argue that CSR is more central in some firms' image repertoires, making these firms more likely to use it in response to image threat. In line with Gray et al.'s (1995) suggestion that CSR activity and disclosure is one routine element of organizations' ongoing effort to enlist and retain the support of target audiences, we suggest that increases in the CSR-related images disseminated in the face of an image threat represent an organization's efforts to manage the perceptions held by its internal and external audiences – namely, its identity and reputation – by diluting the salience of the discrepant information causing the image threat, providing identity-confirming information to reduce identity/image incongruence, and issuing confirming information to protect its reputation among target audiences and opinion leaders.

The goals of this paper are twofold: 1) to establish that CSR activity is used as an impression management tool by organizations facing image threats, and 2) to systematically explain firm level variance in the extent to which CSR activity is used as an impression management tool following an extra-institutional image attack. Drawing from the social actor conception of organizations (Coleman, 1982; Whetten, 2006; King, Felin, and Whetten,

forthcoming) and social movement theory, we develop an explanation for whether and to what degree an organization will respond to an image threat with increased CSR disclosure. First, applying the social actor conception of the organization, which holds that organizational behavior is best understood as the product of a conversation between an organization and its focal audience, we argue that an increase in CSR activity following an image threat will depend on i) the organization's *reputation*, or the way that the organization is currently perceived by its target audience, and ii) the extent to which that perception is founded on previous communications that CSR activity is integral to the firm's *identity*. Next, applying expectations from the social movement literature, we posit that the extent of a firm's response also depends on i) the *salience* of the threat posed by the boycott as well as ii) the perceived *vulnerability* of the organization's reputation.

Thus, by exploring the link between CSR activity and image threats we make two theoretical contributions. First, by using the social actor conceptualization of organizations we demonstrate that firms' uses of CSR as a "strategic investment" may vary due to the external pressures placed on them by social movement constituencies and by past commitments made to their core audiences (Selznick, 1957; Gardberg and Fombrun, 2006). We introduce the concept of *image repertoire* to describe the unique set of images that an organization has communicated to its audiences in the past. Although organizations may exercise considerable latitude in initially crafting their image repertoires, an assembled repertoire acts as an important source of organizational constraint, as organizations will repeatedly draw from the images they have utilized in the past to confirm the identity claims they have previously made to internal and external audiences. Second, the study contributes to social movement theory by demonstrating the indirect effects of extra-institutional tactics on firms' "virtuous" behaviors (Vogel, 2005).

While most research on social movements and organizational change has looked at movements' intended consequences (e.g., Lounsbury, 2001; King, 2008; Weber, Rao & Thomas, 2009; Sine and Lee, 2009; Schurman and Munro, 2009), we propose that social movements may also have indirect consequences on their targets' behavior, as targets facing extra-institutional attacks respond generally to protect their public image. These indirect effects may be advantageous to society, as, for example, increased CSR activity that benefits the general public. This suggests that many movements that have been formerly chalked up as failures for not culminating in a concession may have actually adventitiously altered the behavior of their organizational targets in ways that resulted in benefits to society generally.

We test our hypotheses using an empirical examination of the changes in the level of corporate social responsibility activity that firms disclose via press releases following an announcement that the firm is being boycotted. This context is ripe for an in-depth inquiry into image threats and strategic responses. Although boycotts ostensibly are concerned with disrupting an organization's material performance by slowing demand for its products or services, in a recent paper on boycotts' tactical effectiveness, King (2008) found that the "most critical mechanism" in determining a boycott's success is the boycotters' ability to threaten a corporate target's public image and harm its reputation. King argued that boycotts primarily attack the public image of their target firms by using media outlets to disseminate vilifying images of the corporation or its practices. These outlets allow them to capture the attention of and potentially persuade a wide array of audiences or reference publics (Lipsky, 1968).

Given the implicit reliance of boycotters on the media, the press release is an especially appropriate venue for firms wishing to combat any unfavorable information boycotters are issuing. Press releases can be posted in the same outlets that broadcast the activities of

movement activists, allowing a company to communicate with the very same reference publics whose support the movement activists hope to enlist. Also, press releases can be issued on the fly, providing companies with a quick and relatively cheap means to combat an existing image threat. These characteristics make the press release a more suitable venue for palliating an image crisis than other popular CSR disclosure venues, such as annual reports or corporate websites (see, e.g., Holder-Webb et al., 2009). Finally, press releases allow an organization to actively communicate messages that defend its image from activists' vilifying accusations without incidentally legitimizing the movement by publicly recognizing the boycott's existence or directly addressing the activists' claims.

In proceeding, we first recast the extra-institutional image threat in terms of the social actor conception of the organization to establish why increases in disclosed CSR initiatives might be utilized to quell an image crisis. Next, we will empirically test whether firms facing an image crisis do indeed disclose more CSR activities than other organizations by comparing the disclosed activities of our sample of boycotted firms with a sample of similarly situated firms that were not boycotted. Last, we will discuss the social- and intra-organizational determinants of firm-level variations in the extent to which disclosed CSR is increased following an image threat.

i. The Social Actor Conception of Organizations: CSR as an Image-Management Tool

The social actor conception of organizations posits that organizations are not discrete economic entities, but rather operate within a superordinate social system or institutional environment that shapes their internal commitments and core character and identity traits (e.g., Selznick, 1957; Parsons, 1960; Dowling & Pfeffer, 1975; Whetten, 2006). This supposition

mirrors institutional theory's claim that organizational behavior is not fully reducible to individual organizations, but is determined by norms, structures, constraints and expectations residing in enforced by relevant audiences (Dimaggio & Powell, 1983; Friedland & Alford, 1991; Meyer & Rowan, 1977; Zucker, 1988; Czamiawska, 1997; Zuckerman, 1999). Both research streams suggest that organizations, as actors within a larger social or institutional system, rely on the approval of relevant others, or "target audiences," in order to obtain needed resources and survive (Meyer & Rowan, 1977; Oliver, 1991; 1997). The relevant audience is made up of both primary stakeholders, including the employees, shareholders and other internal actors who are directly affiliated with the firm; and secondary stakeholders, including regulators, media, and other opinion makers who can indirectly influence the firm's success (Clarkson, 1995).

The social actor conceptualization of organizations primarily departs from institutional theory in its focus on the organization as the locus of action and an important source of agency and institutional heterogeneity (King, Felin, and Whetten, forthcoming). Rather than viewing organizations as wholly constrained by the institutional systems in which they act, the social actor conceptualization emphasizes the *sui generis* situation of the organization, averring the uniqueness of each organization's interpretation of the social system in which it operates, its target audiences, and its own core values, beliefs, and functions (Dutton, Dukerich & Harquail, 1994; Love & Kraatz, 2009).

Because each organization relies on the support of target audiences to survive, it must heedfully cultivate a favorable conception of itself to promote among key stakeholders. This conception stems from the firm's identity. We follow Whetten and Mackey's (2002) characterization of the organizational identity as "a set of categorical identity claims... in

reference to a specified set of institutionally standardized social categories.” At the population or field level, identity claims are nested within a larger categorical system of identity choices that affiliate organizations with particular organizational forms, audiences, and expectations (Hsu & Hannan, 2005; Hannan, Polos, & Carroll, 2007). At the individual organization level, claims might arise and evolve organically or be purposefully cultivated, but create the internal component of every organization’s “self-management project” and sustain ongoing conversation with the focal audiences who share the social space in which the organization is embedded.

Previous research on organizational identity suggests that much of its value derives from its usefulness as a source of differentiation (Dutton, Dukerich & Harquail, 1994). An emphasis on the uniqueness of organizational identity is apparent in Selznick’s (1957: pg. 139) characterization of an organization’s identity as an enduring “special character” that arises as the characteristics or activities of a firm became infused with value over time. Scott (1995), too, suggests that an organization’s character or identity represents “a *distinctive* set of values” endorsed by the organization. Importantly, this suggests that organizations cannot all claim or identify with the same values. Attempts to make far-reaching claims that depart from one’s core identity may even lead to audience sanctions and cause the organization to be devalued relative to its peers (Zuckerman, 1999; Hsu, 2006; Hsu, Hannan, and Koçak, 2009).

An organization’s image represents its efforts to communicate its identity claims to its audiences. This communication is motivated by the intent of organizational insiders to shape the outside audiences’ conception of the organization’s core beliefs, values, and role in the social framework (Bernstein, 1984). Again, our definition is consistent with that proffered by Whetten and Mackey (2002), who describe organizational image as “what organizational agents want

their external stakeholders to understand is most central, enduring, and distinctive about their organization.”

Although a company could theoretically emanate whatever identity claims it pleased, both the social actor conception of organizations and institutional theory predict that successful firms must maintain a viable image of conformity and commitment to socially acceptable – or legitimate – behaviors, norms and values (Meyer & Rowan, 1977; Scott, Ruef, Mendel & Caronna, 2000; DiMaggio & Powell, 1983; Dacin, 1997; Dowling & Pfeffer, 1975; King and Whetten, 2008). CSR activities represent one category of such socially calibrated identity claims. These initiatives span a wide array of socially supported topics including, for example, charitable disaster relief, environmental protection programs, promotion of education, initiatives furthering social justice and diversity, and support of the arts. When firms disseminate images of themselves participating in CSR initiatives, they are conveying evidence to their audience that furtherance of the social good is a part of their corporate identity, implying that the symbiotic role they play with society merits the audience’s support. This aspect of CSR has prompted writers in business ethics to herald corporate social responsibility disclosure as a sort of institutional panacea for image management, allowing organizations “to emphasize what [they are] doing ‘well’ while downplaying what [they are] not.” (Holder-Webb, Cohen, Nath & Wood, 2009: pg. 501).

Evidence from Useem’s (1984) interviews with high-powered members of the “inner circle” offer support that CSR initiatives are used to strategically construct a coalition of supportive target audiences. In one particularly telling example, a chief executive from a large U.S. manufacturing company claimed that arts sponsorship provided incremental benefits, as “over time you get a larger and larger audience that has a better opinion of you” (1984: 120).

Useem's interviews also highlight the deliberateness with which CSR activity is used to cultivate and manipulate a company's image among key audience members. In one interview, for example, a spokesperson at IBM stated that the company supported operas, ballets, and schools to "make[] sure that its corporate image is associated with something both creative and culturally laudable." (120). An Exxon representative, too, cited evidence from surveys to suggest that its support of cultural programs "improves [a company's] image among those who count" (120).

One consequence of organizations' active image cultivation is that an organization's image can be threatened if image-incongruent information becomes available to its audiences. Such discrepant information might leak from within a firm, be disclosed by a regulator or monitor, disseminated by a rival, or proffered by social movement activists (King & Soule, 2007; Rindova & Fombrun, 1999; Price, Gioia & Corley, 2008; Fombrun & Shanley, 1990; Hsu & Hannan, 2005; Whetten & Mackey, 2002). Discrepant information disrupts an organization's attempt to manage itself and its audiences, as audience members and internal actors receiving discrepant information may come to doubt the firm's expressed image or espoused identity. For example, while Chemical Bank disseminated images of itself in 1990 touting its participation in a low-income housing program, movement activists in the town of Yonkers demanded a boycott of the bank's services, publishing blatantly image-discrepant information claiming that the bank's official policies unfairly discriminated against low-income mortgage applicants.

Aside from evoking dissonance surrounding an organization's image, doubt introduced among organizational audiences may additionally threaten the organization's reputation, a valuable intangible asset based on stakeholders' evaluative feedback "concerning the credibility of the organization's identity claims" (Whetten & Mackey, 2002: pg. ; see also Fombrun & Shanley, 1990; Weigelt & Camerer, 1988). In times when a firm's image is endangered,

therefore, it is likely that organizations will respond to protect their image and reputation as intangible assets by increasing the amount of positive identity claims they communicate to audiences. As we have argued that CSR initiatives are used as a routine tool in building audience support, we predict that CSR activity will also be evoked as a defensive impression management tool by firm's facing extra-institutional image threats. Therefore:

Hypothesis 1: Firms that are boycotted will increase the number of CSR initiatives disclosed in press releases in the six months following the announcement of the boycott.

However, in light of the social actor conception's emphasis on the heterogeneity of organizations, we do not expect that responses to image threats will be uniform across organizations. Their audiences will not expect all firms to respond to image threats in this way. Rather, the extent of a single firm's use of CSR in response to a threat depends on a combination of both social and attentional factors.

i. Social Determinants of the Extent of Increased CSR Disclosure after an Image Threat

CSR disclosures are examples of deliberately disseminated images that organizations use in attempting to communicate their unique identities to target audiences. Images are inherently affected by each organization's conception of itself – its identity – and the evaluative feedback it receives from audiences – its reputation. Therefore, differences in organizations' identities and reputations are likely instrumental to any explanation of variances in the extent to which organizations draw upon images of CSR activities to mitigate image threats.

a. Firm Identity and Image Repertoires

Organizations use images to communicate identity claims and amass support from target audiences. Importantly, these images synchronously serve as a means of organizational expression and restraint. This is because identity claims function as both communications and commitments (Selznick, 1957; Whetten, 2006): whatever audience support is garnered by using images that portray the organization as behaving in a certain way is predicated on an implicit expectation that the company will continue to act in that same way.

Moreover, researchers on the effects of organizational identity on internal organizational audiences have stressed the importance of identity stability, suggesting that inharmonious images can cause uncomfortable dissonance and unease for organizational actors (Dutton, Dukerich & Harquail, 1994; Gioia, Schultz, & Corley, 2000). Dutton & Dukerich (1991: 520), for example, argue that “each individual’s sense of self is tied in part to [the organization’s] image” so that image threats may be translated by individual actors within organizations as affronts to their own personal identity. Recent evidence suggests that this may be especially true for organizations that have cultivated an impression among audiences of their identification with CSR agendas because such images may be especially valued by internal actors. For example, Carmeli, Gilat and Waldmen (2007) find that the perceived social responsibility of an organization is positively associated with organizational identification among employees. Further, a recent survey conducted by Stanford Graduate School of Business found that top MBA students place significant weight on the corporate social responsibility activity of potential employers and are willing to accept a lower salary job in return for placement with a company that outperforms others in this dimension (Montgomery & Ramus, 2008).

In communicating the stable identities craved by internal and external audiences, we argue that organizations craft distinct image repertoires that they repeatedly draw from in managing their social position (Clemens, 1997). An image repertoire, in its entirety, represents a more cohesive picture of the organization's identity than any one identity claim taken alone. When managing image threats, organizations are likely to respond in predictable ways, drawing from this assembled repertoire of identity claims to confirm the impressions they have previously fostered among both internal and external audiences. Organizations actively working to quell an image threat should increase the dissemination of images that support past identity claims in order to dilute the salience of whatever disconfirming information is threatening the organization's image and to reduce whatever uncertainty the threat has provoked among target audiences concerned with the organization's stability or the veracity of the its previous identity claims. If organizations have expressed the importance of CSR activity to their identity when communicating with target audiences in the past, therefore, they will be more likely to increase confirming images of their CSR activity when responding to an image threat. Hence:

Hypothesis 2: The number of CSR initiatives disclosed before a boycott (base CSR before a threat occurs) will be positively associated with the change in the number of CSR initiatives disclosed after a boycott.

a. Firm Reputation

Organizations vary in the extent to which they are successful in convincing their target audiences of the veracity of the identity claims that they make. Reputation reflects a type of collective feedback from the organization's constituent audiences relaying the current credibility of the organization's images (Fombrun and Shanley, 1990; Whetten & Mackey, 2002). In this

way, reputation can be thought of as a measure of the success of organizational attempts to manage audience perceptions.

Companies that have maintained strong reputations over time enjoy relative stability in their audience's perceptions. Audiences of these organizations develop higher levels of confidence in the veracity of the organization's image and are more likely to give the organization's claims the benefit of the doubt when presented with discrepant information (Coombs & Halladay, 2006). This is supported by research on the 'halo effect,' which suggests that organizations with stable, high reputations tend to be more resilient in the face of crisis and less vulnerable to environmental threats. (Bromley, 1993; Fombrun, 1996; Sine, Shane & Di Gregorio, 2003). Positive reputations make organizations more resilient in the face of crisis, so that they are less likely to perceive the threat as viably endangering their cultivated image. Therefore, organizations with positive reputations should be less likely to actively engage in impression management following a boycott:

Hypothesis 3: A company's reputation before a boycott will be will be negatively associated with the change in the number of CSR initiatives disclosed after a boycott

However, if audiences perceive that a firm is reputable because it acts in a socially responsible way, the firm may be even more committed to this path of socially responsible action when faced with an image threat. In cases like this, the firm's reputation may rest on past commitments to audiences that lead those audiences to expect future socially responsible behavior.¹ The image threat causes a direct contradiction between the discrepant information offered by the activists and the widely-held perception of the organization's identity (Briscoe and Safford, 2008) and may trigger the firm to attempt to resolve that contradiction by engaging in

¹ Research has shown that social movements are more likely to target reputable firms because these are the leaders of their fields and the most likely to be emulated by others (Strang & Soule, 1998; McAdam & Scott, 2005; Rao, Morill & Zald, 2000; Rojas, 2006; Bartley and Child, working paper).

behavior consistent with past images (i.e., more socially responsible activities). Ultimately, therefore, reputable firms are the most shameable if they have built their reputation using images that are directly impugned by the discrepant information presented by the activists. Further, viewing reputations as a valuable intangible asset, organizations with reputations shaped by past CSR behavior have more to lose as the result of the image threat, which ought to make them more likely to take action to counteract the threat with identity-consistent behavior. Taken together, these considerations suggest that individual organizational responses to image threats are the result of a fundamental interaction between the identity claims the organization has made in the past and its reputation. Specifically, organizations that have high reputations and have built those reputations on CSR-related identity claims should be most likely to respond to an image threat with increased CSR disclosures:

Hypothesis 4: The number of CSR disclosures before a boycott will positively moderate the effect of reputation on the change in the number of CSR initiatives disclosed after a boycott.

ii. Attentional Determinants of the Extent of Increased CSR Disclosure after an Image Threat

The promulgation of CSR press releases to quell an image threat requires action at the organizational level. However, just as individuals, organizations have limited abilities to attend to and act on the multitude of information and issues available to them (Simon, 1947). In order for an organization to function it must be selective in where and how it directs its attention. Organizational responses to image threats, therefore, depend on the level of organizational attention that the threat receives (Ocasio 1997).

As Ocasio (1997) instructs, action at the organizational level depends in part on the *focus* of individual actors within the organization and the characteristics of the *situation* in which the

focused attention occurs. In addition, while the firm may be aware of an image threat, its external audiences may not be paying attention and therefore the attempted attack should not appear very threatening at all. Therefore, regardless of whether a threatened organization would choose in the abstract to defend its image, the actual instigation of organizational action in response to social movement threats depends on i) whether the threat is able to capture the focus of organizational actors, ii) whether the organization's audiences are aware of the threat, and iii) whether the situational circumstances influence actors to recognize the discrepant information as a viable threat to the organization's image.

We propose that salient images are more likely to capture the focus of organizational actors, but that organizational members are unlikely to elicit an organization to actively counteract image threats unless they perceive the organization's public image as vulnerable.

a. Salience of Discrepant Information

Not all boycotts will generate equal responses from the target organizations. Indeed, a poorly orchestrated boycott might pass without organizational actors or their audiences having ever been aware of them at all. The greater the salience of the discrepant information disseminated by the boycotters, however, the greater likelihood that the organization will attend to the image threat and take action to counter it. Accordingly, we expect that organizations are more likely to palliate an image threat when more public attention is given to the threat, thereby making the threat more salient in the minds of organizational decision-makers (Hoffman & Ocasio, 2001; King, 2008).

Media attention may afford a viable external avenue to organizational attention. Media attention synchronously increases the salience of the image threat and implicitly legitimates that

threat by recognizing it as worthy of the interest of the public (Koopmans & Olzak, 2004). A social movement's tactical threat is largely mediated by its ability to use the media to broadcast grievances to a broad audience, thereby shaping public opinion and changing social norms and drawing those audiences into a public fight (Lipsky, 1968; Oberschall, 1973; Walgrave & Manssens, 2000). King (2008), for example, demonstrated that boycotts are more successful in garnering concessions from their targets when they receive more media attention. Thus, the ancillary effects of media attention should increase the apparent importance of the discrepant image and make organizational actors more likely to focus their attention on it. Therefore:

Hypothesis 5: The amount of media attention received by a boycott will be positively associated with the change in the number of CSR initiatives disclosed after a boycott.

b. Recent Changes in Reputation

Reputations, being collective assessments of a firm's attempts to manage audiences' perceptions, ought to be relatively stable unless significant new images or information are made available to organizational audiences. Whether an organization's reputation has increased or decreased, if it has experienced a recent change, it increases the likelihood that the organization is attending to its public image and perception among audiences. For example, if reputations have recently increased, this suggests that an organization is actively attending to the expectations of its audience, disseminating images or publicly acting in ways that cultivate a more favorable conception of its identity. Further, organizations with recently improved reputations are unlikely to take their reputations for granted, instead wanting to protect and maintain this newly won intangible resource. On the other hand, reputations that have recently decreased imply that organizations are actively receiving negative feedback from their audiences,

which should make them more likely to prioritize their relationship with target audiences so that their reputational capital is not further eroded.

An organization that is actively attending to its reputation is more presently heedful of its impression among target audiences. If an image threat occurs in this situational context, it is more likely that the organization will notice and will take action to neutralize the threat. Still, organizations have options in the way in which they neutralize an extra-institutional threat: they can i) concede to the activists demands so that the activists will stop publicizing discrepant information, or ii) engage in active impression management to defend their current image among their target audiences.

King (2008) recently found that companies that have experienced reputation declines immediately prior to a boycott are more likely to respond by conceding. These organizations may be more cognizant of their audience's growing inclination to distrust or disapprove of them and, therefore, inclined to work with activists to neutralize the image threat in the quickest way possible. Having suffered a recent demoralizing loss in reputational capital, they may also simply lack the resources or motivation needed to wage an expensive CSR campaign to defend their past identity claims.

In contrast, companies that have recently experienced a significant gain in their organization's reputation are less likely to concede to activists. Because of concession's implicit recognition of the veracity of the activists' claims and to protect their newly acquired legitimacy, organizations that have recently experienced a reputational gain might instead be motivated to engage in increased impression management among audiences to dilute the salience of the discrepant images, deflect the public's attention to the activists' disparaging claims, and offer

confirming evidence to communicate to audiences that they deserve their current high reputations. Rather than concede, experiencing a reputational gain may embolden a firm to accentuate the positive aspects of its image in the face of an image threat.

Thus:

Hypothesis 6: Recent increases in reputation before a boycott should be positively associated with the change in the number of CSR initiatives disclosed after a boycott.

However, an organization's response to an image threat depends on *both* the salience of the threat *and* the situational context in which the threat occurs. Therefore, media attention may increase the likelihood of receiving the organizational actors' focus, but the response will be even more intense when paired with the situational element of having experienced recent reputational changes. High levels of media attention to a boycott might amplify the image threat and get the attention of organizational actors, but an organization is most likely to actively respond with increased CSR initiatives if it is already attending to its reputation and inclined to protect its recent reputational gains:

Hypothesis 7: The interaction of the change in reputation before a boycott and the media attention received by a boycott will be significantly positively associated with the change in the number of CSR initiatives disclosed after a boycott.

METHODS

Data and Dependent Variable

To assess how boycotts affect the changes in CSR initiative disclosures we collected information on all of the United States-based boycotts targeting publicly-traded companies that were covered by top national newspapers from 1990 to 2005. Following a strong tradition in social movement scholarship to identify major movement events using newspaper data (e.g. McAdam and Su, 2002; Earl, Soule, and McCarthy, 2003; Earl, Martin, Soule and McCarthy,

2004; Van Dyke, Soule, and Taylor, 2004), coders gathered data on boycott reports from five national newspapers: the *New York Times*, *Washington Post*, *Wall Street Journal*, *Chicago Tribune*, and *Los Angeles Times*. Using these five national newspapers limited the potential for regional bias.² Research assistants searched the newspapers during the corresponding time period for the word “boycott” in the article’s text using the Factiva, Proquest, and Lexis-Nexis databases. They then matched the boycott reports with company-specific data from COMPUSTAT (includes all financial controls). In total, the dataset includes 133 distinct boycotts involving 189 target companies. Because financial data were not available for some of these target firms, the regression below only reports 165 observations of boycotted firms.

To operationalize the dependent variable – a measure of changes in target firms’ corporate social responsibility initiatives after the boycott is announced – we gathered additional information on the number of times each target company announced its involvement in a corporate social responsibility initiative in the six months before and the six months after a boycott’s announcement. To find the initiatives, we used the online database Factiva and searched PR Newswire and Business Wire for all CSR-related press releases issued by each boycotted company. These initiatives span a wide array of topics including, for example, social justice and diversity initiatives, disaster relief, environmental protection programs, promotion of education, and support of the arts. We did not include items that were not sent out directly by the company or items which announced that the company had been given an award or recognition for its corporate social responsibility activities because the company itself did not necessarily control the timing of these types of releases. The resulting dataset of corporate social

² One potential problem with gathering data from newspaper reports is that the dataset censors out boycotts that were not salient enough to warrant national media coverage. While ideally we would include all boycott events, we are comfortable with our results knowing that any media attention effect we find would be a conservative estimate.

responsibility initiatives therefore reflects only initiatives that were clearly and calculatedly sent out to the public by the target firm. Our search yielded a total of 1,302 distinct CSR initiatives promulgated by targeted firms in the year surrounding the announcement of a boycott. The dependent variable – the *change* in corporate social responsibility after the boycott’s announcement – was calculated by subtracting the number of initiatives in this six months before the boycott from the number in the six months after the boycott. This change variable ranged from -13 to 16 with a mean of 1.01. Among those companies included in the regression below, fifty-seven percent evidenced either no change or an overall reduction in their corporate social responsibility activity in the six months after the boycott’s announcement.

In order to test hypothesis 1 - that firms are more likely to disclose CSR initiatives after boycott events - we gathered additional data on CSR activity among a set of matched firms from a comparable group of publicly-traded firms. Given that firm size is a good predictor of whether a firm is boycotted (King, 2008), we randomly matched three firms from a sample of the five-hundred largest publicly-traded firms (by asset value) with the boycott targets. This resulted in a total set of 508 matched firms. We then compared the difference in CSR initiatives disclosed in the six months before and after the boycott event date for both the targeted firm and its three randomly matched firms. The complete set of matched firms was also included in the first stage of a Heckman regression model that allowed us to account for potential selection bias in our sample of firms targeted by boycotts.

Independent Variables

To test hypotheses 2, we included a measure of the company’s base level of corporate social responsibility, which is a count of the *number of CSR press releases sent out by a*

company in the six months prior to the announcement of a boycott. To assess Hypothesis 3, we coded a firm's *reputation* using *Fortune* magazine's list of the "Top 100 Most Admired Companies" in the United States. This list is regularly employed in organizational scholarship as a reliable indicator of a company's overall reputation (McGuire, Sundgren, & Schneeweis, 1988; Fombrun & Shanley, 1990; Staw & Epstein, 2000; Roberts & Dowling, 2002; King, 2008). The variable used in the model represents an ordinal transformation of the raw reputation scores. Companies not included in *Fortune*'s ranking received a value of "0." A score of "1" was given to companies receiving a raw reputation score ranging from 1 to 5; companies with raw scores between 5.1 and 7.99 received a score of "2." The highest value, "3," includes all companies that received a reputation score higher than an 8. The grouping of the scores roughly corresponds to the quartiles of raw reputation score. Hypothesis 4 is tested by the inclusion of an interaction variable of the product of the base CSR and reputation variables.

To test hypothesis 5, we include an independent variable -- *level of media attention* -- that reflects a count of the number of newspaper articles that discuss a boycott in the six-month period following the announcement of a boycott. The newspapers searched for articles concerning the boycotts include *The New York Times*, *Washington Post*, *Wall Street Journal*, *Chicago Tribune*, and *Los Angeles Times*. We exclude all articles that deal with the initial announcement of the boycott and those dealing with a boycott concession. To evaluate hypothesis 6 we include a measure of *reputation change*. This variable was derived from the reputation score used to test hypothesis 3. This variable indicates the difference in a company's reputation two years prior to the boycott and its reputation in the year of the boycott. Higher scores reflect positive changes in reputation. Because *Fortune*'s admiration rankings are computed using a survey conducted in the year prior to the index's publishing year, this variable

reflects a one-year lag. To test hypothesis 7 we include an interaction variable of the product of the media attention and reputation change score.

Control Variables

We include a number of control variables to account for variance explained by firm-level characteristics and situational features of the boycott. Given Waddock and Graves' (1997) popular business case for corporate social responsibility suggesting that the level of CSR activity a company will engage in is mediated by the level of slack resources held by a company at any one time, we included a control for the firm's *free cash flow* which approximates the amount of the company's excess resources. This variable, collected using *Standard and Poor's* COMPUSTAT database, is calculated as the firm's depreciation value added to its operating income and divided by its total number of common shares. The use of a firm's cash flow operationalized in this way as a general indicator of slack is common in business literature (Davis & Stout, 1992; King, 2008; King, 2009; King & Soule, 2007).

Because a target firm's industry may affect its general propensity to engage in corporate social responsibility initiatives (e.g., Chen & Bouvain, 2009; Delmas & Toffel, 2004; Marshall Cordano & Silverman, 2005), we included the dummy variables to control for the most-represented industries in the sample: *Energy, Technology, Consumer, Services, Financial, Media* and *Health*. We also included a dummy variable that reflects whether the target of a boycott was a *subsidiary* of a company instead of the mother company. Such boycotts might be expected to be gauged as less threatening to the parent company than a boycott waged against the parent company itself. Finally, we included dummy variables to control for common issues raised in the boycotts, including boycotts raising *animal* rights issues, *consumer* issues, *environmental* concerns, or claims of *discrimination*.

Descriptive statistics for all dependent and independent variables are included in Table 1, below.

[Insert Table 1 About Here]

Regression Model

Our dependent variable, change in the number of CSR initiatives is normally distributed. Although the count variable from which it was created has a Poisson distribution, the difference between the number of initiatives does not have the same skewed distribution and is not truncated at zero. We therefore use a form of linear regression to estimate our results.

In order to account for the endogeneity of CSR responses to the likelihood of being boycotted, we use a Heckman selection analysis in which the first stage of the analysis is a probit regression of the likelihood of being boycotted and the second stage model is an OLS regression of the change in the number of CSR initiatives. The final stage includes a Heckman selection coefficient in the model to control for the probability that a company would be boycotted in the first place. We included the Fortune 500 matched sample in the first stage probit analysis. We also included a variable measuring the number of boycotts reported in the last year in the firm's industry as an exogenous predictor of the probability of being boycotted. We do not show the first-stage probit results in this paper but they are available upon request.

Results

To test Hypothesis 1, we first employed a paired t-test to examine whether our sample of boycotted firms significantly increased their CSR activity in response to the announcement of a boycott. Among the 168 firms in our sample, the mean number of CSR press releases in the six months before a boycott's announcement was 3.30 and the mean number of CSR releases in the

six months after was 4.31. This difference was significant at the .001 level. To make sure that these differences were due to the boycott itself rather than to general increases in CSR activity across all firms during a certain time period, we next employed an unpaired t-test comparing the change in CSR activity of boycotted firms with that of the randomly matched non-target firms. Boycotted firms averaged an increase of 1.01 CSR releases in the six months after a boycott's announcement, whereas the randomly matched firms averaged an increase of only 0.17 CSR releases. This difference was significant at the .001 level. This t-test confirms that the increase in CSR initiatives was associated with a boycott event and was not caused by exogenous factors. Together, these two t-tests provide support for hypothesis 1 – that firms respond to boycott's by increasing their communicating CSR activity.

The regression results of the models testing Hypotheses 2 – 7 are reported in Table 2 below.

[Insert Table 2 About Here]

Model 1 shows the main effects of our independent variables. Without including the interaction effects, the results in Model 1 do not provide evidence of a statistically significant relationship between CSR activity before a boycott and the change after a boycott, nor is there a significant relationship between a firm's reputation and change in CSR activity. However, when controlling for the interaction effect between base CSR and reputation included in Models 2 and 4, the effect of reputation becomes negative and significant. The findings indicate that the main effect of reputation is conditional on the interaction between reputation and past CSR activity. Moreover, the effect of reputation becomes more positive at higher levels of past CSR activity, confirming hypothesis 3 that the base CSR level will positively moderate the effect of reputation on changes in CSR.

For clarity, we've graphed the predicted change in CSR activity depending on the reputation of the firm and base CSR in Figure 1.

[Insert Figure 1 about Here]

As you can see in Figure 1, reputation is negatively associated with change in CSR for firms that had less than two CSR-related press releases in the six months prior to a boycott. But, reputation becomes positively correlated with the change in CSR for firms that had two or more CSR-related press releases in the six months prior to a boycott. These findings suggest that firms that have strong positive reputation without actively engaging in and promulgating many CSR-related activities are even less likely to engage in CSR-related activities after an image threat, but as the level of base CSR increases – that is, as the expressed past commitment to CSR increases – reputation begins to have a positive effect on predicting changes in levels of CSR activities after a boycott. Such a finding supports our expectation that firms respond to image threats using CSR when it has been used in the past to secure a positive reputation. The audiences of these firms have come to value CSR as a legitimate part of their identity. The past commitments to CSR make it an integral tool in the firm's image repertoire.

In model 3 we also see that the main effects for media attention and change in reputation were not significantly associated with the change in corporate social responsibility activity after a boycott. However, the interaction between reputation change and media attention is significant in model 4, confirming Hypothesis 7, and the main effect of reputation change is positive and significant when controlling for the interaction effect. This result is consistent with our expectation that organizational response by increased CSR initiatives is predicated on *both* the

focus of organizational actors *and* the elements of the situation in which the focus takes place. Thus, as we see in the results, the size of the effect of the media attention (which is likely to increase focus on the discrepant image) increases as the level of recent positive change in reputation (which functions as a situational element that is likely to make an identity be perceived as more vulnerable) increases.

[Insert Figure 2 about Here]

As can be seen in Figure 2, the predicted change in CSR initiatives increases more with each successive newspaper report about the boycott for firms that had recent reputation increases. Firms one standard deviation above the reputation change mean have much higher rates of post-boycott CSR changes than firms at the mean or one standard deviation below the mean, and this gap increases at higher levels of media attention. To the extent that media attention captures the salience of the image threat, the result implies that firms experiencing recent reputation gains are much more likely to take proactive solutions to image threats, amplifying the distinguishing characteristics of the company that presumably elevated to that esteemed position in the first place. The finding is especially interesting when compared to King's (2008) analysis, which showed that firms were more likely to concede to boycotts when experiencing a reputation decline. Taken together, the results indicate that firms may respond proactively, seeking to emphasize the company's inherent virtue, after a recent reputation increase; however, after recent reputation declines, the response to an image threat is more reactive. Firms in a reputation loss condition may simply find it less troublesome for their image

to give in to the demands of boycotters than fight the image threat with contradictory, positively enhancing images.

DISCUSSION AND CONCLUSION

Organizations are complex structures that develop actor-like qualities due to past commitments made to their various audiences and the expectations that the audiences create for them based on those commitments. Through this ongoing interaction between organization and audience, an organizational identity develops that has long-term impact on the behavior of the organization. This paper assesses one implication of this “presentation of self” (Goffman, 1959) – the systematic responses of organizations facing an external image threat. The findings show that firms respond in a way that is consistent with positive audience expectations. When organizations have a history of doing CSR initiatives and have a positive reputation (part of which is presumably based on their past virtuous behavior), they will respond to image threats by doing more CSR. They accentuate those identity characteristics that favorably distinguish them. When they do not have a history of “doing good” or when that history has not crystallized in a positive reputation, they are less likely to respond to image threats with more CSR.

The findings also point to the importance of situational effects on the responses to image threats. As actors actively engaged in impression management, they are most likely to respond to attempted character attacks when the threat is perceived as real and when emboldened due to recent positive returns to their reputation. Our findings suggest, then, that CSR may be seen as the most viable response to image threat when the organization is in a good position to defend its character. When a firm’s reputation is rising and a perceived threat is made against its character, the firm is simply better positioned to defend its virtue; whereas when a firm has recently

suffered reputational declines, it may be in a weak defensive position. Other responsive tactics might be better suited at that point (e.g., conceding to the boycotters' demands) and the firm may opt to simply make the threat go away altogether rather than fight the negative perceptions mounted by the agitators. Additionally, if the attack is not seen as very threatening (i.e., the boycott lacks media attention), then the firm sees little need to respond in any way (King, 2008).

The paper contributes to institutional theory by demonstrating that firm's reactions are indeed embedded in the expectations held by audiences, but these expectations may vary from firm to firm, depending on the firm-specific commitments that the organization has made. Not all firms engage equally in CSR because they have either never done it before or because they do not have a reputation linked to CSR. The findings, therefore, challenge theorists to consider more seriously how the histories and identity characteristics of organizations matter in their interactions with the broader environment. Organizational responses to the environment, we surmise, may be highly moderated by unique firm-level commitments and perceptions. Firms respond differently to threats in their environment, depending on their past commitments and audience expectations. In this way, our paper blends together assumptions from the new and old institutionalisms.

Finally, our paper contributes to the growing literature on social movements and organizations, demonstrating that social movement effects on organizations are often indirect and unintended. While social movement activists may not be disappointed by increased CSR activity by firms, this was certainly not their intent. The analysis also suggests that social movement scholars ought to focus more on the ways in which both activists and their targets are engaged in ongoing impression management activities. The analysis points to the sensitivity of movement targets to image threats created by disruptive movement activities. Social movement scholars

should, in general, pay more attention to these cultural, symbolic outcomes of movement activity. While much social movement research focuses on the material effects of movement tactics, the symbolic effects may be even more real and significant, especially when one considers movements' influence over markets (King and Pearce, forthcoming), which are inherently grounded in symbolic understandings about what is valuable. Inasmuch as reputation is one of those valued symbols that organizations embrace, the consequences of movement tactics may hinge on their ability to effectively disrupt the images firms communicate to their audiences and threaten their established reputations.

Figure 1

Graph of the Interaction Effect between the Effect of Reputation and Base CSR Activity on the Change in CSR Activity after a Boycott

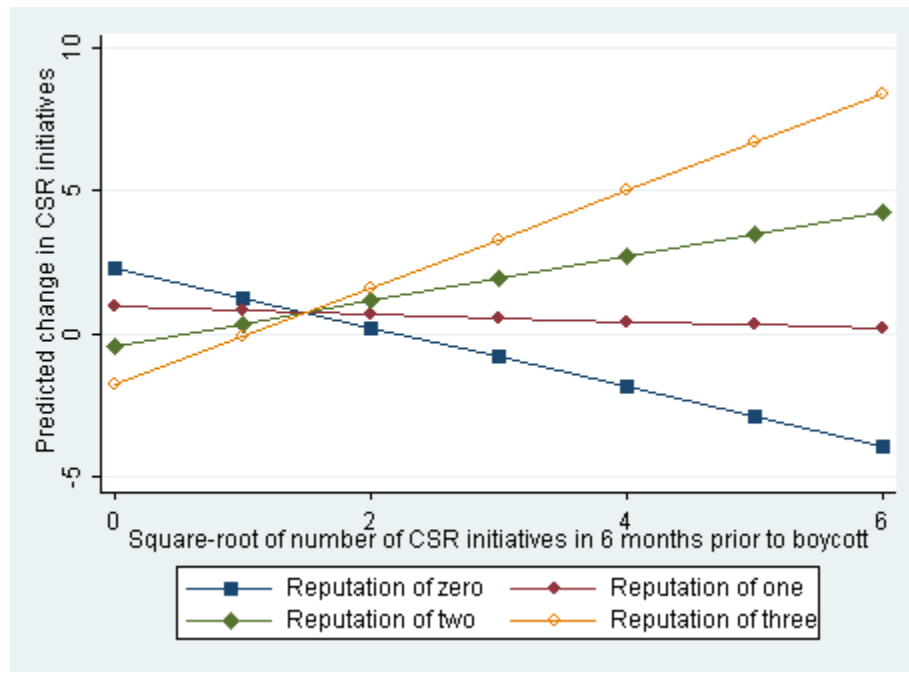


Figure 2

Graph of the Interaction Effect between the Effect of Media Attention and Reputation Change on the Change in CSR Activity after a Boycott

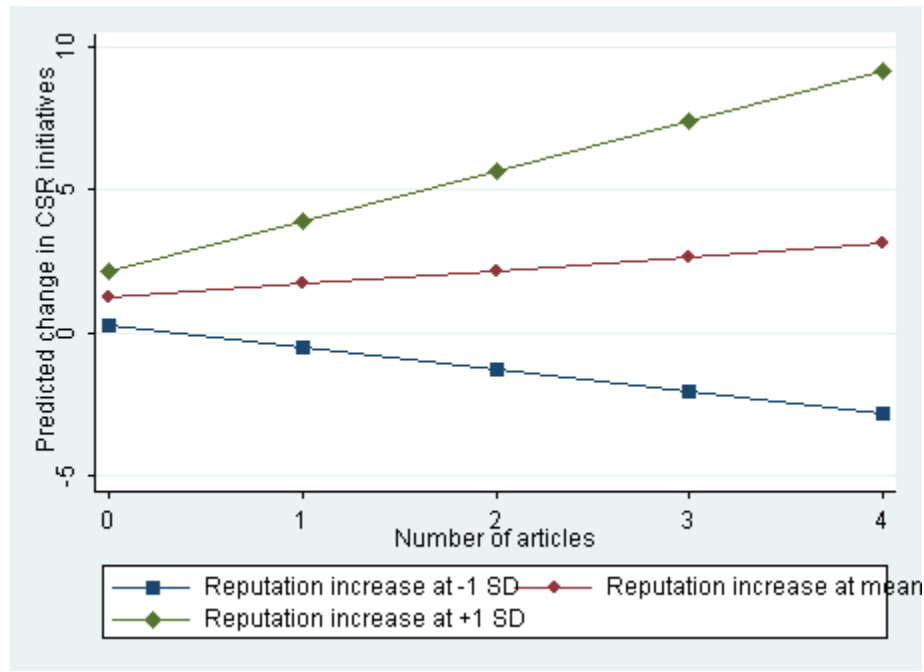


Table 1
Descriptive Statistics and Correlation Matrix

Variable	Mean	S.D.	1	2	3	4	5	6	7	
1. Change	0.376	2.47	1.0000							
2. Reputation	1.326	1.15	0.1529*	1.0000						
3. Base CSR	1.224	0.79	-0.0195	0.2363**	1.0000					
4. RepChange	0.291	0.91	-0.0063	0.3789***	0.0257	1.0000				
5. Media Att.	-0.442	1.60	0.0649	0.1454	0.0716	0.0084	1.0000			
6. Subsidiary	0.390	0.49	-0.1760*	-0.2166**	-0.0519	0.0200	0.0045	1.0000		
7. Ind. Serv.	0.206	0.40	-0.0093	0.0893	0.1209**	-0.0116	-0.0214	-0.0311	1.0000	
8. Ind. Serv.	0.300	0.46	0.0164	-0.0462	0.0668	-0.0400	0.1002	0.1976**	-0.2460***	
9. Ind. Tech.	0.100	0.30	-0.0570	0.2409**	0.0366	0.0632	0.0758	0.0620	0.0242	
10. Ind. Heal.	0.043	0.20	-0.0086	-0.0438	-0.0642	-0.0920	-0.0298	-0.0442	-0.1075**	
11. Ind. Media	0.735	0.26	0.0372	0.1229	0.1256**	0.0974	0.1803*	0.3362***	0.0656	
12. Ind. Fina.	0.129	0.34	0.0231	0.1847*	0.0382	0.0370	0.0708	0.0385	-0.0771*	
13. Ind. Ener.	0.144	0.35	0.0395	0.0520	-0.0429	-0.0049	-0.0124	-0.2341**	-0.2089***	
14. Environmen	0.105	0.31	0.2286**	0.0189	0.0875	-0.1515*	-0.1076	-0.1563*	-0.1134	
15. Discrimina	0.140	0.35	-0.0429	-0.0998	-0.0172	-0.0181	0.0274	0.0568	0.0331	
16. Consumer	0.041	0.20	0.0236	0.0185	-0.0422	0.1611*	0.0939	-0.0439	0.0816	
17. Animals	0.023	0.15	-0.1276	-0.0438	0.0826	0.0781	0.1635*	0.0350	-0.0021	
18. Logassets	9.615	2.22	0.0651	0.3176***	0.2550***	-0.0022	0.0833	0.0034	0.1199	
19. Cash	4.870	75.32	0.0260	0.1131	-0.0159	-0.0228	-0.0260	-0.0636	-0.0158	
			8	9	10	11	12	13	14	
8. Ind. Serv.			1.0000							
9. Ind. Tech.			-0.0899*	1.0000						
10. Ind. Heal.			-0.1382***	-0.0704	1.0000					
11. Ind. Media			0.1475***	0.1127**	-0.0595	1.0000				
12. Ind. Fina.			-0.1472***	0.0321	-0.0814*	0.0760*	1.0000			
13. Ind. Ener.			-0.2686***	-0.1368***	-0.0866*	-0.1156**	-0.1582***	1.0000		
14. Environmen			-0.0861	-0.0191	-0.0528	-0.1328	0.0693	0.2554***	1.0000	
15. Discrimin.			-0.0215	0.0873	0.0492	0.0342	-0.0829	-0.0829	-0.1377	1.0000
16. Consumer			-0.1085	0.0591	-0.0318	-0.1078	0.0257	0.0257	-0.0704	-0.0829
17. Animals			0.0311	-0.0423	-0.0238	-0.0808	-0.0528	0.0733	-0.0528	-0.0621
18. Logassets			-0.2118**	0.1521*	0.0271	-0.0114	0.3247***	0.1726*	0.1986**	-0.0365
19. Cash			-0.0259	-0.0149	-0.0099	-0.0063	0.0979*	-0.0122	-0.0217	-0.0319
			16	17	18	19				
16. Consumer			1.0000							
17. Animals			0.1635*	1.0000						
18. Logassets			-0.0822	-0.0433	1.0000					
19. Cash			-0.0164	-0.0090	0.0966	1.0000				

Table 2
Coefficients from the Second Stage of a Heckman Regression of the Change in the Number of Publicized CSR Initiatives of Boycotted Firms, 1990-2005°

	Model 1	Model 2	Model 3	Model 4
<i>Independent Variables</i>				
Reputation	0.097 (0.30)	-1.396** (-2.64)	0.0747 (0.23)	-1.332** (-2.69)
Baseline CSR	0.317 (0.77)	-1.217 (-1.78)	0.446 (1.16)	-1.023 (-1.56)
Reputation x Baseline CSR		0.945** (2.63)		0.909** (2.64)
Reputation Change	0.168 (0.42)	0.242 (0.62)	1.112 (1.87)	1.084* (2.16)
Media Attention	0.218 (1.73)	0.143 (1.14)	0.161 (1.37)	0.0950 (0.77)
Media x Reputation Change			1.567** (2.95)	1.431*** (3.35)
<i>Controls</i>				
Subsidiary	-1.139 (-1.93)	-1.347* (-2.37)	-1.240* (-2.09)	-1.406* (-2.53)
Ind. Technology	-2.721* (-2.01)	-3.408* (-2.44)	-2.434 (-1.88)	-3.184* (-3.42)
Ind. Health	2.436 (1.75)	2.623 (1.64)	2.338 (1.58)	2.449 (1.46)
Ind. Finance	-0.585 (-0.60)	-0.982 (-0.96)	-0.696 (-0.73)	-1.089 (-1.08)
Ind. Media	-0.460 (-0.54)	-0.0334 (-0.05)	-1.147 (-1.03)	-0.513 (-0.63)
Ind. Energy	-1.122 (-1.60)	-1.330* (-2.13)	-0.742 (-1.02)	-0.958 (-1.47)
Environment	1.012 (0.90)	1.319 (1.22)	1.090 (1.03)	1.340 (1.33)
Safety	7.537 (1.84)	8.015* (2.17)	-8.690 (-1.33)	-6.891 (-0.26)
Labor	1.559 (1.45)	1.129 (1.13)	1.785 (1.70)	1.314 (1.35)
Animals	-4.561 (-1.13)	-4.215 (-1.17)	-6.594* (-2.01)	-6.073* (-2.11)
Log Employees	0.201 (1.10)	0.307 (1.72)	0.156 (0.86)	0.257 (1.46)
Cash	0.00143 (0.21)	0.00263* (2.45)	0.00124 (1.06)	0.00234 (2.27)*
Market to Book Ratio	-0.0426 (-1.32)	-0.0535 (-1.85)	-0.0501 (-1.68)	-0.0584 (-2.25)*
Selection Correction Effect	-.40* (-2.01)	-.35 (-1.95)	-.54 (-1.79)	-0.42 (-1.93)
Constant	1.137 (0.89)	2.587* (1.98)	2.370 (1.58)	3.355* (2.52)
Observations	165	165	165	165

Robust t-statistics in parentheses

Fixed Effects for year included in the model but not recorded here.

* p<0.05, ** p<0.01, *** p<0.001

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