

Corporate Social Advocacy and Perceived Corporate Hypocrisy

Seoyeon Kim, Ph.D., Univ. of Alabama

Lucinda L. Austin, Ph.D., Univ. of North Carolina at Chapel Hill

Barbara Miller Gaither, Ph.D., Elon Univ.

Background and RQs

A recent trend in corporate communication, known as corporate social advocacy (CSA), involves corporate public statements or actions addressing potentially controversial social issues. CSA has been defined as a public relations function (Dodd & Supa, 2015); however, limited research has tested the effects of this function, especially related to different CSA characteristics. Taking a stand on a controversial social issue is a risky endeavor, as it involves the significant risk of losing stakeholders with opposing viewpoints. Moreover, consumers may not believe the CSA is driven by the corporate values, thus raising the question of whether the company is a committed supporter or merely hypocritical. While some companies support relevant issues, others focus on issues less relevant to the company's business objectives. Given that perceived corporate hypocrisy often serves as a negative indicator of consumer attitudes (e.g., Shim & Yang, 2016), this study examines how CSA activities relative to company-issue fit and corporate stand (whether actions taken or not) affect perceived corporate hypocrisy, in relation to the perceived values orientation of the company.

Two research questions were asked.

RQ1: How do company-cause fit and corporate stand involved in CSA affect perceived corporate hypocrisy?

RQ2: How does the perceived values orientation of the company affect (a) the relationship between company-cause fit and perceived corporate hypocrisy and (b) the relationship between corporate stand and perceived corporate hypocrisy?

Method

- Design: 2 (fit: high v. low) x 2 (corporate stand: stand v. no stand) between-subjects experiment
- Sample: A nationally representative sample of 1,204 U.S. adult consumers
- Measures: Perceived values orientation of the company; Perceived corporate hypocrisy

Results

- RQ1: A two-way ANOVA revealed a significant interaction effect between fit and stand, $F(1,1200) = 3.97, p < .05$.
- RQ2a: The perceived values orientation of the company fully mediated the relationship between fit and perceived corporate hypocrisy ($\beta = -0.02, SE = 0.01, p \leq 0.05$); High fit CSA negatively influenced perceived corporate hypocrisy through lowered perceived values orientation of the company.
- RQ2b: The perceived values orientation of the company partially mediated the relationship between corporate stand and perceived hypocrisy ($\beta = 0.03, SE = 0.01, p < 0.01$). To understand how fit related to the mediation, the analysis was performed in high- and low-fit-only conditions. In high-fit, only a direct effect of corporate stand on perceived corporate hypocrisy was found ($\beta = -0.11, SE = 0.04, p < 0.01$); in low-fit, a full mediation of values orientation of the company was found ($\beta = 0.04, SE = 0.01, p < 0.01$).

Implications

The study suggests that companies are viewed as less values-oriented when engaging in social issues more relevant to the company, as the CSA seems strategically motivated rather than altruistic. However, as relevant (high-fit) corporate actions are considered consistent with general business goals (profit making), individuals do not elaborate as greatly about ulterior motives. This, in turn, lowers perceived hypocrisy. When the CSA issue is high-fit, taking a corporate stand is likely to help the company be viewed as less hypocritical. However, taking a stand on irrelevant issues may increase suspicion about ulterior motives and result in increased perceptions of hypocrisy.