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# Economics or ethics? Exploring the role of CSR expectations in explaining consumers' perceptions, motivations, and active communication behaviors about corporate misconduct

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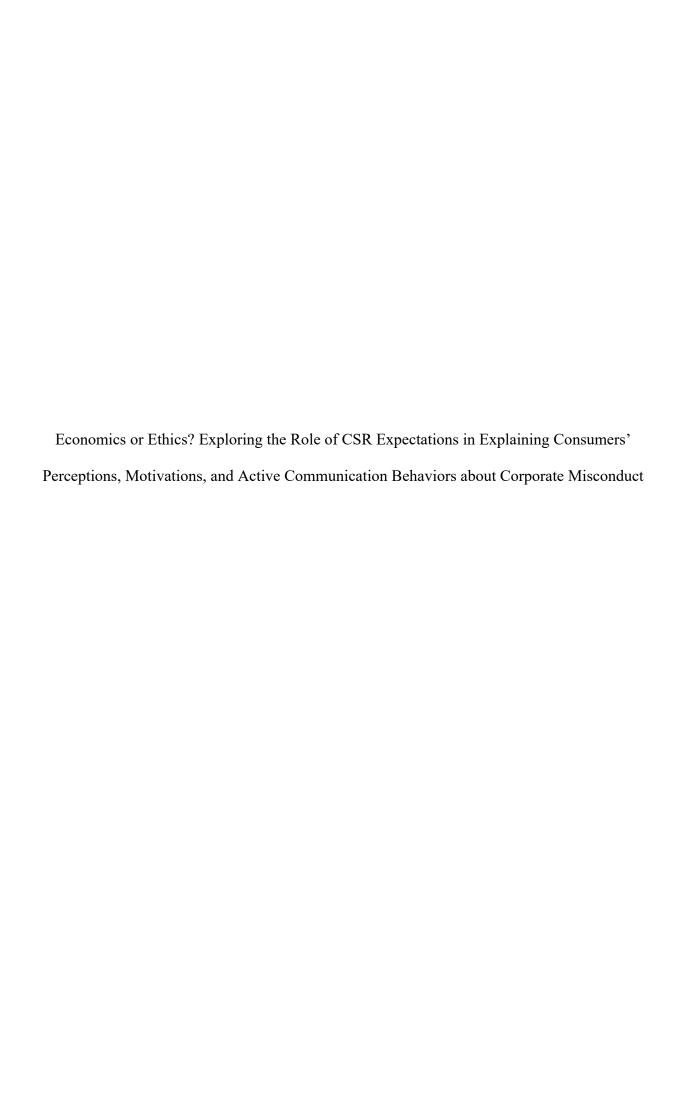
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#### Abstract

The purpose of this study was to explore the role of corporate social responsibility expectations in explaining consumers' perceptions, motivations and communication behaviors about corporate misconduct, especially in the context of allegations of workplace gender discrimination. A survey was conducted in December 2016 among 473 Americans. The results show that while people with economic CSR expectations do not evaluate corporate misconduct negatively, those with ethical CSR expectations perceive it morally wrong. However, both types of CSR expectations were found to impact consumers' motivations to engage in communication behaviors about the crisis. Theoretical and empirical implications are discussed (97 words).

Keywords: communication behaviors, CSR expectation, expectancy violations, gender discrimination, moral inequity, situational theory of problem solving

Economics or Ethics? Exploring the Role of CSR Expectations in Explaining Consumers'

Perceptions, Motivations, and Active Communication Behaviors about Corporate Misconduct

## 1. Introduction

Publics, especially consumers, hold basic expectations about the ethicality of corporate behavior (Creyer & Ross, 1997), particularly with regard to corporations, at the very least, being legally compliant, ethical, and socially responsible in their actions (Podnar & Golob, 2007). Violations of such expectations, however, may have extremely negative consequences for the corporation, as consumers are becoming increasingly intolerant of companies that fail to meet these expectations, or when there is incongruence between expectations and corporate actions (Dawkins & Lewis, 2003). Often, expectancy violations influence consumer behavior toward offending companies (Creyer & Ross, 1997; Nebenzahl, Jaffe, & Kavak, 2001). When consumers perceive ethical or CSR-related transgressions (Coombs & Holladay, 2015), they may choose to punish those companies (Marin & Ruiz, 2007) through communicative and behavioral action.

Interestingly, not all consumers exhibit a negative reaction to corporate misconduct. Uber's recent issues related to accusations of gender discrimination and sexual harassment is a good example of consumers' divergent reactions to reports of corporate misconduct. A former Uber engineer, Susan Fowler's blog post on the gender bias and sexual harassment she experienced at the company has ignited public outcry (Business Insider, 2017), forcing founder and CEO Travis Kalanick and 20 other employees to resign (Hinchliffe, 2017). However, this crisis had mixed reactions among consumers. Despite these allegations amplifying the #DeleteUber campaign, Uber has not seen a sustained drop in users, and continues to be a market leader in its industry (Hawkins, 2017). Some attribute this seemingly counter-intuitive finding to Uber's "first-mover advantage with consumers," and that it "is so ubiquitous that it is hard to hinder its growth." (Huston, 2017, para. 9). Yet, this phenomenon

goes against the normative belief that corporate wrongdoing violates consumers' expectations and therefore may be punished by them.

However, theoretically grounded explanations of such diverse consumer responses to corporate misconduct are few and far between (Bhattacharya et al., 2009; Grappi, Romani, & Bagozzi, 2013). Sohn and Lariscy (2015) suggested that expectancy violation (EV hereon) theory (Burgoon & LePoire, 1993; Burgoon, Le Poire, & Rosenthan, 1995) has the predictive power to explain individuals' negative reactions to CSR crises, meaning that people perceive a company negatively when its behavior violates their social norms and expectations. How, then, can deviations from this prediction be explained? One explanation for this phenomenon may possibly be different reference standards that individuals use to evaluate corporate (mis)conduct (Lindenmeier, Schleer, & Pricl, 2012). Reference standards include people's goals, norms, and expectations (Niedrich, Kiryanova, & Black, 2005). In other words, expectancy violation predictions may be contingent upon different types of expectations consumers have from corporations, such that irresponsible conduct may not lead to expected punitive behaviors.

In this study we test this assertion by investigating how consumers' expectations of corporate behavior may work as an antecedent to their perception of moral inequity, motivations toward, and communication behaviors about the organization. Although EV theory explains people's expectations and subsequent information processing behaviors (Burgoon & Le Poire, 1993), it does not explain other types of information behaviors. And yet, individuals search for, select, and forward crisis-related information to their social networks during a crisis (Y. Kim, 2016). Kim and Grunig's (2011) situational theory of problem solving (hereinafter STOPS) is used in this study as the theoretical framework to explain different kinds of information behaviors individuals engage in during instances of corporate misconduct.

Allegations of workplace gender discrimination were used in this study as the corporate misconduct eliciting consumers' responses. As an estimated four in ten working women in the United States report experiencing discrimination on the job (Parker & Funk, 2017), and allegations of sexual harassment against individuals in positions of power at various corporations continue to come to light, this issue is an important one to investigate. Understanding consumers' reactions to such issues in which they cannot be considered to have direct vested interest may help deter corporations from engaging in discriminatory practices in the first place.

Therefore, the purpose of this study is to explore the role of corporate social responsibility (hereinafter CSR) expectations in determining consumers' perceptions, motivations, and communication behaviors about corporate misconduct, specifically in the context of allegations of workplace gender discrimination. This study is theoretically grounded in Maignan's (2001) theorization of CSR expectations based on Carroll's (1991) conceptualization of CSR, and Kim and Grunig's (2011) STOPS. Specifically, we aim to investigate how consumers' CSR expectations may further help explain STOPS variables and EV theory (Burgoon & LePoire, 1993; Burgoon, Le Poire, & Rosenthan, 1995) in terms of explaining consumers' perceptions of corporate misconduct and their motivations to engage in communication behaviors about the issue. In the sections that follow, we present a review of the literature upon which this study draws, articulate our hypotheses, and present the results of our analyses, along with theoretical and practical implications.

## 2. Literature Review

# 2.1 Expectancy Violations in CSR Crisis

EV theory (Burgoon, 1993; Burgoon & Le Poire, 1993) was originally designed to explain interpersonal communication, postulating that individuals have expectations of others' communication behavior (Burgoon & Le Poire, 1993). In other words, people

consider certain acts or behaviors to be appropriate or desired (Burgoon & Hubbard, 2005), and expect others to conform to their expectations. These expectations are "idealized standards of conduct rather than actual communicative practice" (Burgoon & Hubbard, 2005, p. 151), and violations of those expectations work as a "motivational trigger for cognitive processing" (Sohn & Lariscy, 2015, p. 239).

The postulates of EV theory may also be applied to the interactions between publics and organizations (e.g., S. Kim, 2014a; 2014b) as publics view organizations as interactants or "social actors" (Sohn & Lariscy, 2015, p. 239). That is, individuals have expectations of corporations to behave in certain ways, and corporate-level violations of such expectations may trigger reactions from these individuals. Corporations' moral transgressions may constitute violations of stakeholders' expectations and norms (e.g., Grappi, Romani, & Bagozzi, 2013; Lindenmeier, Schleer, & Pricl, 2012) and may lead to negative consequences for the corporation. Once individuals evaluate the ethicality of corporate behavior, they compare it to their own (ethical) norms (Lindenmeier et al., 2012), and a high degree of deviation of the nature of the corporate (mis)conduct from norms has been shown to lead to consumer outrage (Lindenmeier et al., 2012). Such consumer perceptions of a corporation being unethical, unjust, or morally wrong is referred to as perceived moral inequity of corporate behavior (Krishna, Kim & Shim, 2018; Lindenmeier et al., 2017).

Most research using the postulates of expectancy violations theory in explaining consumers' reactions to crises tend to focus on morality- and ethicality-related expectancy or norm violations (e.g., Lindenmeier et al., 2012). However, following social and ethical norms are not the only expectations individuals have of corporations; individuals may expect corporations to fulfill a variety of responsibilities (Maignan, 2001; Podnar & Golob, 2007). The impact of other kinds of expectations of corporate behavior held by different individuals on their evaluation of corporate (mis)conduct, therefore, is an avenue of research that

deserves scholarly attention. In cases of CSR-related crises or transgressions, individuals' CSR-related expectations then may be key in understanding differentiated public reaction to the crises. In this study we address this gap in our literature. In the following section, we review literature on CSR expectations and then present our hypotheses regarding how two salient CSR expectations may be associated with perceived moral inequity of corporate behavior.

# 2.2 CSR Expectations for Corporate Behavior and Moral Inequity

Although definitions of CSR vary, it is generally defined as corporations' efforts to meet the economic, legal, ethical, and discretionary responsibilities expected by stakeholders (Carroll, 1979; 1991; Maignan, 2001; Vanhamme & Grobben, 2009). Four broad dimensions of CSR have been discussed in the literature (e.g., Carroll, 1979; 1991; Maignan, 2001). First, the economic dimension of CSR refers to a business's responsibility to be profitable. Second, the legal dimension implies that businesses should work within the laws of the land. Third, the ethical dimension refers to a business's responsibility to abide by ethical and moral standards set by society. Finally, the discretionary dimension indicates a corporation's responsibility to contribute to social causes and society over and above the basic economic, legal and ethical responsibilities.

Parallel to the conceptualization of CSR dimensions is the notion of CSR expectations. CSR expectations may be defined as stakeholder beliefs of how businesses should behave, especially with regard to their social responsibilities (Podnar & Golob, 2007). Stakeholders have expectations about the ethicality of corporate behavior (Creyer & Ross, 1997) and about desirable corporate practices (Maignan, O. C. Ferrell, & L. Ferrell, 2005). These expectations are often reflected in stakeholders' behaviors toward companies (Creyer & Ross, 1997; Klein, Smith, & John, 2004; Maignan et al., 2005; Nebenzahl et al., 2001). Creyer and Ross (1997) found CSR expectations to have an impact on the extent to which

consumers reward or punish a company's behavior. The impact of consumers' expectations on their behavior may be heightened during crises, especially a transgression-type of crisis, wherein intentional actions taken by an organization knowingly place publics at risk or harm (Coombs, 1995). For example, high overall CSR expectations can lead to a significant deterioration in attitudes toward a corporation (Kim & Lee, 2015), especially in cases where the morality or integrity of the organization is challenged (Sohn & Lariscy, 2015). However, Creyer and Ross (1997) argued that consumers' intentions to punish or forgive a business's behavior depend on the *relative importance* placed by consumers on the ethical dimension of CSR dimensions. Stakeholders vary in terms of what levels of importance they place on different dimensions of CSR (Perez & del Bosque, 2014).

Extending this logic, in this study we explore how consumers' CSR expectations impact their evaluation of organizations in cases of corporate misconduct, and their subsequent communication behaviors. Specifically, we adopt Podnar and Golob's (2007) conceptualization of CSR expectations based on the four CSR dimensions, i.e., economic, legal, ethical, and discretionary. It is important to note, however, that these four dimensions are not mutually exclusive; rather individuals tend to place more weight on one or a few expectations over the others when evaluating corporate behavior. While some individuals may consider meeting economic responsibilities as sufficient fulfilment of CSR, others might expect businesses to consider broader societal obligations in their decision-making.

Consumers with different expectations from businesses regarding their social responsibility may perceive different levels of moral inequity of corporate behavior, depending on the nature of the corporate behavior and which CSR expectation it violates. In other words, individuals' CSR expectations may generate different levels of perceived moral inequity of corporate behavior. The economic CSR dimension, in particular, has been found to be negatively related to the other three dimensions (e.g., Maignan, 2001), indicating that

individuals' prioritization of economic CSR expectations may impact their evaluations of corporate behavior differently than would weight on the other three expectations.

In this study, we focus on two CSR expectations that may be viewed as the most opposite to each other, i.e., economic expectation and ethical expectation. Various definitions of CSR position it on a continuum of two contrasting disciplines, ethics and economics (S. Kim, J.-N. Kim, & Tam, 2016). Although the two are not mutually exclusive, the economic dimension reflects a shareholder approach (Friedman, 1970), while the ethical dimension means societal approach (Marrewijk, 2003). While the shareholder approach focuses on corporate responsibility toward stockholders and owners, the societal approach emphasizes corporate responsibility for society as a whole (S. Kim et al., 2016). We therefore argue that those for whom economic expectations outweigh ethical expectations may not consider a corporate action as being wrong as long as it helped produce economic gains for the business, while those who prioritize ethical expectations may look for social and/or ethical implications of corporate action when evaluating it for inequity.

This focus on economic vs. ethical dimensions and expectations of CSR is in line with extant CSR-related research. Scholarship on CSR motives has often compared egoistic approaches (organization-centric) to CSR vs. altruistic approaches (other-focused) (Alcaniz, Caceres, & Perez, 2010; Becker-Olson, Cudmore, & Hill, 2006; Ellen, Webb, & Mohr, 2006; Werther & Chandler, 2005). Therefore, in this study, we examine the differentiated impact of economic CSR expectations vs. economic CSR expectation on consumers' perceptions of corporate misconduct.

Based on above literature review, we posit that individuals with high levels of economic CSR expectations may not necessarily see workplace gender discrimination as morally wrong as long as the organization fulfils its economic responsibilities for shareholders and owners, while individuals with high levels of ethical CSR expectations may

be more rigid and strict in their appraisal of such corporate misconduct. We therefore posit that those with economic CSR expectations will not perceive corporate misconduct unethical while individuals having ethical CSR expectations will perceive high levels of moral inequity of corporate unethical behavior.

H1: Economic CSR expectation is negatively associated with perceived moral inequity of corporate behavior.

H2: Ethical CSR expectation is positively associated with perceived moral inequity of corporate behavior.

At this point, it is important to conceptually define the term corporate misconduct as used in this study. The term corporate misconduct has been used and studied in the legal, marketing, business, and financial literatures for several years and scholars have adopted a variety of definitions of the term. For example, Conley and O'Barr (1997) asserted an anthropological view of business, arguing "to say that the corporation has engaged in misconduct is to say that some of the people have misbehaved in ways that the law chooses to attribute to the corporate" (p. 6). Murphy, Shrieves and Tibbs (2009) echoed the legal aspects of this definition, emphasizing that the term "misconduct" implies violation of law by a company. Davies and Olmedo-Cifuentes (2016), however, argued for the adoption of a broader definition of corporate misconduct, "that of unacceptable or improper behavior" by a corporation (p. 1428), and included acting unfairly as one of the types of corporate misconduct. For the purposes of this study, we synthesize these definitions, and define corporate misconduct as unacceptable or improper behavior perpetrated, shared, promoted, and/or practiced by multiple employees of a company, or at the top management level of a company, or through formal or informal policy or culture within a company.

In the specific case of corporate misconduct being investigated in this study, allegations of workplace gender discrimination, it is particularly important to distinguish corporate misconduct from individual misconduct. As recent high profile cases, such as Harvey Weinstein, Kevin Spacey, and others, have revealed, gender discrimination, particularly sexual harassment can be framed by corporations as being individual-level misconduct perpetrated by one bad apple, and therefore not representative of the company as a whole. However, workplace gender discrimination as investigated in this study refers to informal policies that led to unacceptable hiring, promotion, and salary determination practices, and therefore an example of corporate misconduct rather than individual misconduct.

# 2.3 Consumers' Reactions: Situational Motivation and Communication Behaviors

Organizational crises often elicit varied responses from different segments of organizational constituencies. Individuals that form issue-specific publics perceive crisis situations differently (Coombs, 2015; Ulmer, Sellnow, & Seeger, 2014) and display different levels of communication behaviors regarding the crisis (Y. Kim, 2016). However, several scholars (e.g., Austin, Liu, & Jin, 2012; Krishna & Vibber, 2017) have pointed out that despite the extensive theorizing on crisis communication, including the situational crisis communication theory (Coombs, 2006; 2007) and image repair theory (Benoit, 1995; 1997; 2000; 2004), publics' responses to organizational crises are still an underexplored area of research that deserves scholarly attention.

How individuals' diverse expectations of corporate behavior impact their motivations in light of corporate misconduct is a question that, to our knowledge, is yet to be answered. However, prior scholarship does provide some clues about the possible linkages between publics' CSR expectations and issue-specific motivation. For instance, prior scholarship has shown consumers' ethical expectations to be positively associated with support for socially responsible companies (Podnar & Golob, 2007). Furthermore, Dawkins and Lewis (2003) discussed how treatment of employees was a factor that seemed to matter the most to

customers when thinking about corporations' social responsibilities. A clear extension of this logic would be that consumers who hold high levels of ethical CSR expectations would be motivated about alleged corporate misconduct, and would want to communicate about it.

Furthermore, their perceptions of moral inequity, stemming from ethical CSR expectations, too would motivate these individuals to do something about the problem. How other CSR expectations impact individuals' perceptions, motivations, and communication behavior, however, remains unexplored.

This study represents an effort to address this gap in the literature. To unpack consumers' reactions to a crisis, we utilize the situational theory of problem solving (STOPS) as the theoretical framework. The STOPS is a theory of communication that explains publics' communication behaviors in the face of problematic life situations (Kim & Krishna, 2014). Kim and Grunig (2011) refined Grunig's (1997) situational theory of publics (STP) as situational theory of problem solving (STOPS) to better explain publics' communicative actions not only with regard to information acquisition, but also information selection and transmission. According to the STOPS, individuals who are motivated about a problem engage in three types of communication behaviors: information acquisition, information selection, and information transmission, each with active and passive forms (see Kim, Grunig, & Ni, 2009). The central premise of the STOPS is that individuals who perceive a situation as being problematic (problem recognition), perceive an involvement in the situation (involvement recognition), and see few obstacles in their path toward addressing or resolving the situation (constraint recognition), may be motivated to do something about the situation, which the STOPS refers to situational motivation in problem solving. It is this situational motivation, according to the STOPS, that predicts publics' communicative action in problem solving, i.e., information acquisition, transmission, and selection (see Kim & Krishna, 2014).

A key point of development in the STOPS over the STP is the introduction of situational motivation in problem solving, a new concept within the STOPS which Kim and Grunig (2011) define as "a state of situation-specific cognitive and epistemic readiness to make problem-solving efforts—that is, to decrease the perceived discrepancy between the expected and experiential states" (p. 132). This conceptual definition is operationalized as "the extent to which a person stops to think about, is curious about, or wants more understanding of a problem" (Kim & Grunig, 2011, p. 132). Situational motivation in problem solving sums up the effect of individuals' problem perceptions (i.e., problem recognition, constraint recognition, and involvement recognition) and mediates their relationship with communicative action in problem solving (CAPS; Kim & Grunig, 2011). Furthermore, due to the role of situational motivation in problem solving as a mediator between situational perceptions and CAPS, scholars have posited situational motivation in problem solving as a proxy measure for situational perceptions (Krishna, 2018).

Communicative action in problem solving (CAPS; Kim, Grunig, & Ni, 2009) is an articulation of the variety of communication behaviors individuals engage in while attempting to solve a problem. As noted earlier, CAPS consists of three categories of communication behaviors, information acquisition, transmission, and selection. Each of these three types is conceptualized to have an active and a passive dimension, such that CAPS consists of six communication behaviors. Information seeking, which refers to an active search for issue-related information, and information attending, i.e., passive attention to information one comes across by chance, are the active and passive dimensions of information acquisition respectively. Information transmission consists of active information forwarding, or the unprompted volunteering of issue-related information, and passive information sharing, which refers to offering information to others when asked to do so. Information selection refers to the extent to which problem solvers choose information or

sources that they deem to be relevant to the issue at hand. Active information forefending involves the acceptance or rejection of certain sources or pieces of information while information permitting involves acceptance of any information deemed to be related to the problem at hand. Importantly, Kim and Krishna (2014) noted that the active and passive dimensions of communication behaviors are not mutually exclusive. Indeed, an active individual engages in both active and passive communication behaviors, but not vice-versa. Scholars have therefore utilized only the three active dimensions of communicative action in problem solving to articulate models of individuals' active problem-specific communication behaviors (e.g., Krishna, 2017; 2018). In this study, we follow these examples and focus only on the three active communication behaviors, i.e., information seeking, information forwarding, and information forefending. Additionally, although publics' forwarding behaviors may seem to be the most important to study, for studies such as ours that are based on a fictional vignette (see the section on Research Design for details), it is equally important to understand whether publics are going to search for and select information related to the crisis upon first learning about it.

As scholarship on the STOPS continues to flourish, scholars have increasingly focused on explaining publics' issue-specific motivations and communication behaviors not only through situational variables, but also cross-situational variables (e.g., S. Kim, J.-N. Kim, & S. Y. Kim, 2017; J.-N. Kim, S. Kim, S. Y. Kim, Jun, & Krishna, 2012; Krishna, 2017; Krishna, 2018). Situational theorists have stressed the importance of considering the joint effects of situational (e.g., problem recognition, issue-specific knowledge) and cross-situational variables (e.g., age, gender, religiosity) when predicting individuals' problem-specific motivations and behaviors. In this study, economic and ethical CSR expectations form the cross-situational variables whose application in the STOPS model will be tested, further advancing scholarship on the situational theories.

It is important to note here that although the STOPS conceptualizes a variety of communicative actions that an individual can undertake while solving a problem, it does not postulate the nature or valence of situational motivation and communicative actions, particularly information forwarding and information forefending. That is, the STOPS posits that under certain conditions individuals will display communication behaviors about an issue, but what kind of information is accepted or rejected, and the nature of information the individual chooses to transmit to others is not captured in the conceptualization or the operationalization of the information behaviors. For example, the operationalization of information forefending captures whether or not an individual has some preferred sources of information about the issue at hand, not which sources he or she prefers. Similarly, information seeking captures the extent to which an individual actively looks for information, not which kinds of information he or she looks for. This point is important to note because it is not just individuals with ethical CSR expectations who might be motivated about the allegations of corporate misconduct, but also those with economic CSR expectations. Although one may assume that those with economic CSR expectations would not consider gender discrimination to be problematic and therefore not be motivated to say or do anything about the issue or the corporation, we argue that such individuals may also be situationally motivated about these allegations as they may consider such allegations a distraction from the company's primary goal, i.e., to make money. Such situational motivation would then be associated with individuals' active communication behaviors, as per the original STOPS model (Kim & Grunig, 2011). The following hypotheses are therefore posited: H3: Economic CSR expectation is positively associated with situational motivation in

problem solving.

H4: Ethical CSR expectation is positively associated with situational motivation in problem solving.

H5: Perceived moral inequity is positively associated with situational motivation in problem solving.

H6: Situational motivation in problem solving is positively associated with consumers' likelihood of engaging in active communication behaviors a) information seeking b) information forwarding and c) information forefending.

These hypotheses are summarized in Figure 1.

[Insert Figure 1 here]

# 3. Research Design

## 3.1 Data Collection

In order to test the proposed hypotheses, survey data was collected using an online research panel through Qualtrics. Before launching the main survey, two soft launches were conducted to receive feedback on survey questions, one on November 29, 2017 (N=142) and the other between December 6 and 7, 2017 (N=43). The final data collection was conducted using Qualtrics' online panels, which include millions of Americans across the United States. Although some have criticized the use of online panels such as Qualtrics for being more akin to convenience samples (e.g., Kees, Berry, Burton & Sheehan, 2017), every effort was made to ensure that the sample approximated the population of the United States as closely as possible. Probability quota sampling was used to ensure that the sample is the representative of the population of the United States. Quotas were instituted during data collection to ensure that the age and gender distribution followed that of the United States based on census data (see United States Census Bureau, 2015). The final survey was conducted in December 2016 among 473 Americans, of which 241 (50.1%) reported being male and 232 (49%) reported being female (see Tables 1, 2, and 3 for demographics). There were no missing data.

[Insert Tables 1, 2, and 3 here]

#### 3.2. Measures

The design and operationalization of survey items were guided by previous literature. For example, the measures for STOPS, i.e., situational motivation in problem solving and the three information behaviors were adapted from Kim and Grunig (2011). The three information behaviors in particular were modified such that likelihood was embedded in the research instrument, e.g., "I am likely to search for more information about this crisis on the Internet." By adapting the measures for information behaviors in this way, we were able to test whether our independent variables are associated with how likely individuals to engage in these behaviors. All measurement items (see Table 4 for all items included in this study) used five-point Likert-type scales, running from strongly disagree (1) to strongly agree (5). Cronbach's alpha for all observed variables were examined using IBM SPSS 23 to ensure reliability of the measurement items. All variables were found to have a Cronbach's alpha of >.700, with the lowest being .772 and the highest being .944. Given the high levels of reliability of the measurement items as well as the fact that they were all derived from existing literature, all items were accepted for further analysis. Table 4 is a summary of the means, standard deviations, and Cronbach's alphas for each variable. Table 4 also specifies the sources for each of the measurement items. Bicorrelations among variables were also examined and are reported in Table 5.

## [Insert Tables 4 and 5 here]

# 3.3 Survey Procedures

This study focused on users' perceptions of corporations' misconduct, specifically in the context of allegations of gender-based discrimination in the workplace. Respondents were first asked to choose one of four corporate brands, Adidas, Nestle, Apple, and Dell that they regularly use. The selection of these four brands was based on their positions in various reputation indices, such as *Forbes* and *Business Insider*, where these four corporate brands

routinely feature among the reported most ethical companies. High-ranking corporate brands were chosen to minimize the effect of prior bad reputation, especially regarding ethics.

Out of the 473 respondents, 71 chose Adidas, 133 Nestle, 76 Dell, and 193 Apple.

Respondents who reported using none of these brands were eliminated from this analysis.

After choosing a corporate brand, respondents were asked a series of questions about their CSR expectations and their general attitudes toward the selected brand. Upon completing these measures, participants were asked to read the following vignette, which was created by revising Trump's (2014) stimulus.

After shopping, you enter a coffee shop. While reading a newspaper over coffee, you come across a news article stating that several global companies have been accused of gender discrimination at top management level. These companies face the potential of being sued for discriminating against women in employing and promoting them to the corporations' top management. Reporters also uncovered significant salary/wage gaps between the women and the men in the companies, with men being paid a lot more than the women. In the news article, Amnesty International argued that these companies have intentionally discriminated against women to save costs and maximize profits. One of the companies implicated in this article is [Adidas, Nestle, Dell, Apple].

The participants were given 25 seconds to read this vignette. After they read the vignette, they were asked to respond to statements about their perceptions of moral inequity, motivation for problem solving, and intentions to engage in three types of active communication behavior about the crisis. Before exiting the survey, a debriefing was conducted according to Institutional Review Board (IRB) guidelines. Respondents were reminded again that the scenario they had read as part of the survey was purely fictional, and that the selected brands were not actually going through the crisis, at least at that time. As

part of the debriefing, participants were asked to confirm that they understood that the vignette they had read as part of the survey was fictitious.

# 3.4 Data Analysis

Structural Equation Modeling (SEM) was conducted using Stata IC/14. SEM is a statistical technique that allows researchers to test the relationships between multiple variables simultaneously using theoretically grounded, pre-specified models (Lei & Wu, 2007). The original STOPS model is one with several latent variables, which makes it appropriate to use SEM to test the relationships between variables from the STOPS model and other cross-situational models. Additionally, several studies using the STOPS, including the original study in which STOPS was conceptualized and tested, have used SEM (e.g., J.-N. Kim & Grunig, 2011; Y. Kim, 2016; Krishna, 2018), which adds to the argument for using this methodology in testing modifications of the STOPS model. Maximum likelihood procedures with imputation of missing data were used in conducting the analyses. To assess data fit, Hu and Bentler's (1999) joint-criteria, one of the more conservative fit evaluation criteria, were used, whereby CFI >.95, SRMR ≤ .10, or RMSEA ≤ .06 and SRMR ≤ .10 is considered a good model. Standardized coefficients are reported.

## 4. Results

Once all measurement items had been deemed reliable based on Cronbach's alpha levels (see Table 4), Kline's (1998) two-step procedure was undertaken in order to test the hypotheses. First, the overall measurement model was tested, such that all the latent variables in the model were allowed to co-vary, thereby saturating the model. The measurement model was found to have good model fit (CFI = .947, RMSEA = .063, SRMR = .050;  $\chi^2(169)$  = 542.48, p < .001). Then, the proposed structural model was tested as specified (see Figure 1). The model was found to be of good fit based on RMSEA (.069) and SRMR (.065) indices and acceptable fit based on CFI (.933;  $\chi^2(169)$  = 640.79, p < .001).

Standardized regression coefficients were analysed to test the hypotheses. In H1, a negative relationship between economic CSR expectation and perceived moral inequity was expected, while H2 predicted that ethical CSR expectation would be positively associated with perceived moral inequity. Both H1 ( $\beta$  = -.11, p < .001) and H2 ( $\beta$  = .42, p < .001) were supported. In H3, a positive relationship between economic CSR expectation and situational motivation for problem solving was predicted. H4 also predicted a positive association between ethical CSR expectation and situational motivation for problem solving. The results indicated that both H3 ( $\beta$  = .26, p < .001) and H4 ( $\beta$  = .22, p < .001) were supported. Next, perceived moral inequity was found to contribute to situational motivation for problem solving (H5:  $\beta$  = .25, p < .001). Finally, in H6, situational motivation for problem solving was expected to be positively associated with a) information seeking b) information forwarding and c) information forefending. H6 was strongly supported (6a:  $\beta$  = .88, p < .001, 6b:  $\beta$  = .89, p < .001, 6c:  $\beta$  = .79, p < .001).

# [Insert Figure 1]

## 5. Discussion

In this study, we sought to investigate how violations of consumers' CSR expectations may predict the likelihood of their communicative action about corporate misconduct. The results revealed that individuals with high levels of economic CSR expectations reported low levels of perceptions of the corporate misconduct (workplace gender discrimination in this case) as being morally iniquitous, while those with high levels of ethical CSR expectations reported high levels of perceived moral inequity. Most importantly, both CSR expectations and perceived moral inequity were found to be associated with situational motivation in problem solving, which in turn is associated with consumers' communication behaviors. These findings indicate that a) different consumers perceive corporate (mis)conduct differently due to their own reference standards for

corporate responsibility and b) they may be motivated to engage in communication behaviors to address the issue for different reasons.

Extant literature has found that consumer perceptions of profit-driven motives of CSR initiatives lead to less favorable thoughts (Becker-Olsen et al., 2006) and perceptions of egoistic motives lead to negative responses (Ellen et al., 2006). However, the findings of this study add an additional dimension to extant literature by demonstrating that different consumers could perceive corporate (mis)conduct differently due to their own expectations of CSR. This finding could offer an explanation for the mixed reactions to Uber's crisis. Perhaps consumers who held high levels of economic CSR expectations were the ones who did not react negatively to accusations of corporate misconduct.

The findings of the study yield useful insights for targeting strategies in managing and recovering from corporate misconduct such as the one discussed in this study. First, it is important for organizations to understand the CSR expectations held by their key constituencies, especially consumers, to be able to predict their reaction to such allegations. The results of this present study indicate that consumers holding different kinds of CSR expectations have different kinds of responses to allegations of corporate misconduct. For organizations to respond to allegations of corporate misconduct efficiently, they need to understand the CSR expectations held by their consumers.

Second, organizations should prioritize not only consumers with high levels of ethical CSR expectations, but also those with economic CSR expectations. In this study, we predicted that both economic and ethical CSR expectations would be associated with situational motivation about the corporate misconduct; this prediction was supported by our data analysis. Not only is this finding in line with prior research on CSR expectations that consumers differentiate between organizations' economic responsibilities from other social responsibilities (e.g., Maignan, 2001), it also demonstrates how seemingly contrasting

expectations can still motivate individuals similarly about an issue. The nature of the conceptualization of situational motivation, indeed, most variables included in the STOPS, is such that valence is not accounted for prima facie; instead, the items measure the existence and intensity of motivation and intended action, rather than the direction of the motivation and intended action.

One key theoretical and practical implication of this study that emerges from the discussion above is that those with ethical expectations may reasonably be expected to oppose the organization due to the expectancy violation. However, those with economic CSR expectations too were found to be motivated and likely to communicate about the issue; we can only speculate about why they may be motivated to do so. One possible explanation may be that they may want to support the organization for behaving in ways that conforms with their economic expectations, i.e., to make economic gains. Our vignette specified that women employees had been discriminated against in employment decisions as well as salaries and wages in order to save money and maximize profits. Future research may seek to investigate why such individuals were motivated about these allegations, and put our speculation of their supportive behaviors to the test. From a practical standpoint, a corporation facing such allegations may want to devise their response strategies based on those with higher levels of ethical CSR expectations, and try to rally the support of those with economic CSR expectations through inoculation and reinforcement (of positive economic growth) tactics.

This study also extended the application of Kim and Grunig's (2011) STOPS to the context of allegations of corporate misconduct. By linking CSR expectation to the roles of cognition and perception (moral inequity), motivation (situational motivation in problem solving) and communicative actions, this study served to switch the focus from Kim and Grunig's (2011) situational perceptual variables (i.e., problem recognition, involvement recognition, and constraint recognition) to the role of individuals' traits and crisis attribution.

By applying Burgoon's (1993) expectancy violations (EV) theory to corporate misconduct, this study further expands the explanatory power of the theory by explicating the role of consumer expectations in predicting consumers' responses. While other crisis communication scholarship (e.g., Sohn & Lariscy, 2012) has focused on the context of the crisis (i.e., corporate ability crisis versus CSR crisis), this study focused on the role of expectations. In doing so, we extended Burgoon's (1993) and S. Kim's (2014a) study on types of expectancy and valence of violations by incorporating the types of CSR expectations into predicting consumer reactions to a workplace gender discrimination crisis. S. Kim's (2014a) study suggested that corporate crises such as BP's oil spill issue violate both predictive (i.e. based on an actor's own interaction or behavioral style) and prescriptive expectancy (i.e. social norms) of stakeholders. Additionally, there may be both positive and negative expectancy violations (Burgoon, 1993; S. Kim, 2014a). However, our study's results show that consumers' expectations for corporate behavior can be further explained by CSR expectations.

We believe that this study proposed a practical framework for explaining consumers' reactions to a crisis, specifically allegations of gender discrimination. This study points to the importance of understanding consumers' expectations particularly in helping both academe and organizations better understand consumers' reactions to corporate misconduct. CSR expectations reflect how consumer publics view and interpret corporate misconduct. While previous literature has acknowledged that consumers' CSR expectations increase and become diverse (Maignan, 2001), our study highlighted the importance of distinguishing their CSR expectations and reactions to a crisis. As Coombs and Holladay (2012) say, situations threating organizational reputation, such as corporate misconduct, are "largely perceptual" (p. 6) and different segments of consumers react to allegations of corporate misconduct differently, due to their different judgment of morality. By centralizing the publics'

perspective, our study presents insights into how consumers' expectations may impact organizations' response and recovery strategies.

However, this study is not without limitations. First, as noted earlier, we did not account for valence in consumers' communicative actions, a limitation that future research should seek to address. Second, consumers' attitudes toward the corporate brand were not considered when screening participants. Future research may consider controlling for brand attitudes when selecting participants as well as in data analysis. Third, while consumers are indeed a key public for any organization, the media environment we find ourselves in today means that not just consumers, so do non-consumers of corporate brands have the ability to voice their opinion and engage in negative megaphoning about corporate misconduct. Future studies should incorporate the perspective of non-consumers as well to identify differences and convergences between consumer and non-consumer publics' reactions to corporate misconduct. Fourth, to reduce the effect of prior bad reputation, only corporate brands holding high positions in reputation and ethics-related indices were included in this study. Then, only one type of misconduct was tested in this study, and that too one that constituted misconduct at the corporate level, as two forms of gender discrimination were unearthed within several companies, according to the vignette. General misconduct allegations may elicit different consumer responses. Furthermore, future study may also want to parse out the differences between corporate misconduct and individual misconduct in a corporate setting to see how consumers react to these situations differently. Fifth, although we chose four corporate brands to investigate in this research, the terms "organization," "corporation," "company," and "corporate brand" are used interchangeably in this manuscript. Future studies may try to illuminate the differences and nuances between these terms and contribute to scholarship by parsing out how responses to each kind of institution is different across different constituencies. Finally, as our findings are correlational, a careful interpretation of

our findings should be made not to establish causality between variables. We selected SEM to test our hypotheses because of its merits in testing the role of a mediator. The focus of this study was to propose a new theoretical model explicating consumers' motivation and communication behaviors in the context of a workplace gender discrimination, which requires examining direct and indirect relationships among variables. Nonetheless, to further examine the causality implied among the variables, other methods, such as experimental studies could be helpful. Despite these limitations, we firmly believe that the results of this study have significant implications for both theory and practice of public relations, and will spur future research on publics' responses to corporate misconduct.

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# Tables

Table 1.

Age Distribution of the Sample

	No. of
Age Range	Respondents
18-29 years	103
30-39 years	108
40-49 years	93
50-59 years	95
60 years and older	74

Table 2.

Ethnicity Distribution of the Sample

	No. of
Ethnicity	Respondents
African American	33
Caucasian	389
East Asian	15
South Asian	2
Hispanic/Latino	22
Native American/Indigenous/Pacific Islander	5
Arab/Middle-Eastern	1
Other	8

Table 3.

Ethnicity Distribution of the Sample

	No. of
Education	Respondents
Less than high school	7
High school or G.E.D	79
Some college (did not complete, or completing)	79
2-year college degree (Associates)	62
4-year college degree (BA, BS)	124
Professional degree (MD, JD)	15
Some graduate	15
Master's degree	65
Doctorate degree	27

Table 4.

Measures, reliability estimates, means, and standard deviations for tested variables

Variable	Items	No. of Items	Source citation	Cronbach's Alpha	Mean	Standard Deviation
Economic	To maximize				3.42	1.167
CSR Expectation (Stem: I	profits. To control their production costs				3.60	0.940
believe the most important responsibility of business is to)	strictly. To always improve economic performance.	3		.722	3.94	0.858
	To focus on ethical concerns, even if they negatively affect economic	_			3.87	0.902
Ethical CSR Expectation (Stem: I	performance. To ensure that respect of ethical principles has priority over		Maignan (2001)		3.91	0.858
believe the	economic	4		.841		
most important responsibility of business is to)	performance. To be committed to well-defined ethics				4.15	0.807
	principles. To avoid compromising ethical standards in order to achieve corporate goals.				4.07	0.894
	I consider the behavior of to be unethical.	_			3.90	1.063
Perceived Moral Inequity of Corporate	I consider the behavior of to	3	Lindenmeier et al (2012)	.944	3.88	1.044
Behavior	I consider the behavior of to				3.91	1.098
Situational	I would be curious about this crisis.	_	Kim and		3.79	0.928
Motivation in Problem Solving	I would often think about this crisis to solve it.	3	Grunig (2011)	.810	3.37	1.027

	I would want to better understand			3.74	0.935
	this crisis.  I am likely to search for more information about this crisis on the Internet.			3.60	1.100
Information Seeking	I am likely to search for news articles or blogs related to this crisis.	3	.902	3.47	1.148
	I am likely to spend time and effort to find information related to this crisis.			3.43	1.139
	I am likely to spend time discussing this issue with someone I do not know well.			2.91	1.252
Information Forwarding	I am likely to discuss this crisis with my family and/or friends.	3	.856	3.46	1.121
	I am likely to have conversations about this crisis with others.			3.40	1.133
	I am likely to trust certain sources over others when it comes to information about			3.67	0.936
Information Forefending	this crisis. I am likely to be able to judge whether the	3	.834	3.59	0.955
	information related to this crisis is credible/helpful or not. I am likely to know			3.46	1.008
	who provides false information related to this crisis.				1.00

# Bicorrelations

	Econom	Ethical	Moral	Situation	Informati	Informati	Informatio
	ic	CSR	Inequit		on	on	n n
	CSR			al	Seeking	Forwardin	Forefendi
			у	Motivati		g	ng
				on			
Economic CSR	1						
Ethical CSR	.271***	1					
Moral Inequity	0.023	.323**	1				
Situationa 1	.276***	.391**	.364**	1			
Motivatio n							
Informatio n Seeking	.188***	.264**	.275**	.633***	1		
Informatio n Forwardin	.300***	.204**	.179**	.600***	.731***	1	
g							
Informatio n Forefendi ng	.240***	.366**	.248**	.520***	.584***	.634***	1

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed)

# **Figures**

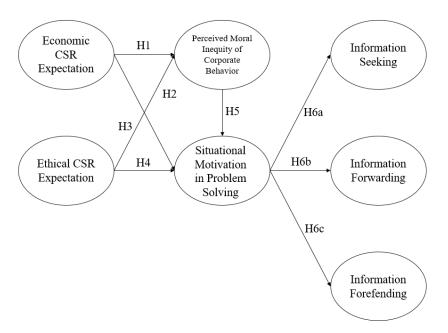


Figure 1. Conceptual Model

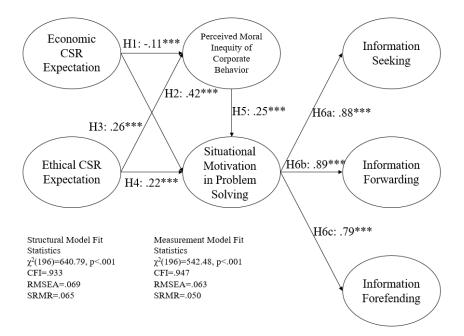


Figure 2. Results of Model Testing