TESTING THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY AND CRISIS RESPONSE MESSAGING IN CORPORATE REPUTATIONAL RECOVERY

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The undersigned, appointed by the dean of the Graduate School, have examined the thesis entitled

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presented by Sarah Rosselet,

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and hereby certify that, in their opinion, it is worthy of acceptance.

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CH. 1 INTRODUCTION

The practice of public relations is complex, fluid, and multifaceted (Cancel et al., 1997): Job skills range from relationship building (Wood, 2015), to media relations and crisis communications. Crises draw intense attention from media and publics, and often require immediate crisis communication from public relations practitioners (Augustine Pang, Fritz Cropp, and Glen T. Cameron, 2006). Corporate crises happen every day, (Gonzalez-Herrero and Pratt, 1995) and the frequency of crises coupled with the need for immediate response from crisis communicators is quickly making crisis communication one of the most widely studied areas of public relations (Austin, Liu, and Jin, 2014). While PR practitioners could greatly benefit from a decisive ‘roadmap’ of the right crisis communication tactics, the process of public relations is far too complex to be placed into any decisive boxes or give one right answer for all crises (Cancel et al., 1997).

Almost all organizations will face crises at some point, but the task of effectively handling crises begins before a crisis leaks and continues after it stops making headlines. Crisis planning and crisis recovery are both important, if not well understood, aspects of crisis communication (Austin, Liu, and Jin, 2014). While crisis planning might be a key factor in determining the success of an organization’s crisis communication campaign (Augustine Pang, Fritz Cropp, and Glen T. Cameron, 2006), communication post-crisis and crisis recovery can be used to restore an organization’s reputation (Coombs, 2007). Prior research shows that organizational reputation is a cue for consumers about an organization before any crises actually occur (Lyon & Cameron, 2004). Additionally, engagement in CSR activities and reputation management are increasingly becoming part of the role of PR practitioners (Hutton, et. Al 2001). Theories about image repair (Benoit, 1997) and Discourse of Renewal (Benoit, 1997) can help practitioners develop post-crisis communication plans that will best help their organization recover from crises.

By looking at the full lifecycle of corporate crisis communication as it relates to reputational recovery, practitioners can develop more well-rounded reputational capital in the pre-crisis stage through CSR efforts, develop successful and appropriate messaging during the crisis, and use recovery strategies to minimize damage after the crisis ends.

Purpose of Study

This purpose of this experimental study is to find the relationship between CSR efforts, crisis response messages, and post-crisis reputational recovery. This study will use the theoretical framework of Contingency theory to analyze crisis response messaging, as well as post-crisis theories to analyze reputational recovery. Previous research has studied the effect of CSR efforts and crisis response messaging separately (Cancel et. al, 1997; Kim & Reber, 2008) and through the lens of CA versus CSR (Kim, Kim, & Cameron, 2009) but no studies as of yet have studied the combined effects of CSR efforts and Contingency continuum crisis response messaging on reputational recovery. Additionally the industry under study, pharmaceuticals, is of growing importance in the American corporate landscape ("WHO | Pharmaceutical Industry," n.d.).

While no one can give PR practitioners a true ‘roadmap’ of the best crisis communication tactics, this study seeks to uncover a set of guidelines so practitioners can decide for themselves.

CH. 2 LITERATURE REVIEW

Contingency Theory

The Contingency theory of public relations addresses an organization's response position on a continuum during a crisis, and how they change depending on the crisis and publics involved.

Originally developed by Cancel et. al (1997), the Contingency theory of public relations emerged as an alternative to other traditional PR theories, such as the Normative Theory of Excellence in public relations, by offering a more flexible perspective than earlier PR literature. The pilot study attempts to identify a set of variables that will help determine what stance an organization will take on the continuum of Contingency theory, including internal and external variables. The proposed Contingency continuum ranges from pure advocacy to pure accommodation, and depending on the crisis and publics involved, communication by an organization will fall somewhere on the continuum. This study is the first theoretical PR study to assert that the practice of public relations can't be determined by a rigid theory because "it depends" on a variety of factors. Findings from this original study suggest that the Contingency theory is a valid alternative to the Four Models Normative Theory of Excellence in public relations and that there are a lot of further research opportunities.

After the pilot study proposed Contingency theory, additional studies were conducted to build on the new theory. Cancel and Mitrook (1999) empirically tested the Contingency theory to determine whether the contingency theory makes sense to PR practitioners. This study even identified new predisposing variables for the continuum, while showing that practitioners find support for Contingency theory. The addition of these factors helps refine the 87 factors affecting crisis response messages that were proposed in the original study. Shin, Cameron and Cropp (2006) worked to further quantify Contingency theory and add parsimony to this 87-variable matrix by measuring the theory along Occam's Razor, which holds that the best explanation is often the simplest. Notably, this study wanted to see which of the 87 factors 'dominate' in PR activities. While "it depends" on a wide variety of factors, the existing literature works to address which factors carry the most weight in PR activities. The categories of factors are broken up into factors affecting individual-level public relations activities and organizational-level public relations activities, and these vary mainly on personal competency versus management support. This is important because it shows the nuanced nature of crafting successful public relations messages: Activities will depend on the personal ethics and skills of the PR practitioner, but to engage in successful public relations, an organization needs a strong PR department and support from top management. Providing further validity and reliability to existing Contingency theory literature, Shin, Cameron and Cropp also noted variables that don't have an effect on PR activities, such as the number of PR practitioners with a college degree and age of the organization.

In addition to literature that builds on the Contingency theory variable matrix, authors have also worked to identify factors that limit PR activities. For example, while the originally proposed Contingency continuum ranges from pure advocacy to pure accommodation, Kim, Kim, and Cameron (2009) recognized that there are factors that limit accommodation. To help build parsimony in the body of Contingency theory literature, they studied situations when communication with a specific public by an organization might be limited. Similar to Cancel and Mitrook, (1999) the authors surveyed public relations practitioners to see if six proposed ‘proscriptive’ factors rang true in their experience. Practitioners recalled situations where their communication with publics was limited due to a higher moral authority, being caught between two contending publics, existing litigation or regulatory issues, and jurisdictional issues.

In addition to studying factors that limit the *ability* of practitioners to engage in dialogue, Reber and Cameron (2003) constructed scales to measure variables that affect a practitioner’s *willingness* to engage in dialogue with publics. Reber and Cameron wanted to test whether questions designed to measure Contingency theory responses truly fit into factors described by the original theory, and to see what factors limit practitioner’s willingness to engage with publics. Once again, this study surveyed PR practitioners to find support for variables. Authors found that practitioners are most unwilling to engage in dialogue with publics that are involved in ongoing litigation, which could affect simulated crisis situations proposed by this study. Additionally, authors found support for *bridge building* as a primary goal for PR practitioners. Bridge building, while it comes in many forms, could tie into CSR activities performed by an organization before a crisis situation. Overall Reber and Cameron’s (2003) work is extremely important to this line of study because of their privileged access to high level corporate PR practitioners, so the findings align with the corporate communication focus of this study. It is also important to note that the technique of surveying practitioners in the field about their experiences is used extensively in Contingency theory research, and has helped create an empirically tested, industry backed body of knowledge regarding the theory.

Contingency theory literature includes specific applications of the theory as well. Going beyond testing the original theory and factors, Kim, Kim, and Cameron (2009) studied the impact of two different types of corporate associations, Corporate Social Responsibility and Corporate Ability, on public perceptions during crises through the lens of Contingency theory. This study aligns almost perfectly with the research questions for my proposed study. The authors hypothesized that different crisis types framed with CA versus CSR will affect consumer perceptions of the crisis and crisis responsibility. The method, which could be potentially applied to the course of study outlined here, was a quantitative study used a 2 (crisis type: accident vs. aggression) x 2 (corporate response type: CSR vs. CA) x 2 (issue: food poisoning vs. battery explosion) experimental design of 167 undergraduate students. The main takeaway was that CSR strategies should be carefully considered. My proposed study seeks to build on these findings by testing the effects of pre-existing CSR activities as a primer before Contingency theory response messages, instead of testing CSR as a corporate response strategy. Kelleher (2008) applied Contingency theory to another specific area of research, organizational blog use. Kelleher studied whether the existence of blogging as a PR technique affected a practitioner's willingness to take accommodative stances towards publics, similar to Reber and Cameron's (2003) study. Contrary to the hypothesis, the study found that PR practitioners were less likely to engage in accommodation if they saw blogs as a part of their everyday communication with publics. These practical applications of Contingency theory show the wide variety of applications for the theory. In this proposed study, Contingency theory would be the applied theoretical framework, similar to Kim, Kim, Cameron (2009) and Kelleher (2008). While my proposed study would not be directly testing the variables of Contingency theory, it would be applying the Contingency theory framework to another frame of study that includes CSR activities and reputational recovery.

In conclusion, Contingency theory is an overarching theory of public relations that allows for development of a more realistic and effective crisis strategy because the Contingency continuum accounts for change depending on factors of individual crises. The body of literature on Contingency theory is extremely nuanced and well researched, but still allows room for practical applications of the Contingency continuum.

Corporate Social Responsibility (CSR)

While much literature on Corporate Social Responsibility (CSR) exists, scholars have consistently struggled with developing a concise, all-encompassing definition of CSR (Carroll, 1991). The pilot work on the subject, Bowen's (1953) "Social Responsibilities of a Businessman" gives arguably the first definition of social responsibility as:

"The obligations of businessmen to pursue these policies, to make these decisions, or to follow those lines of action which are desirable in terms of the objectives and values to society." (Bowen, 2013, p.6)

This definition encompasses much of the thinking about the theoretical obligations of businesses and corporations towards the American people. Other scholars have defined CSR in both broader and narrower concepts, including profit motivation and concern for broad social issues (Carroll, 1991). In Carroll's (1991) work, he outlines a fairly all-encompassing definition for the CSR for businesses as:

"The economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time." (Carroll, 1991, p. 500)

The understanding behind Carroll's definition is that while corporate entities do have ethical and legal motivations for social responsibility, the underlying responsibility of businesses is economic: To provide goods and services to the economies that they serve. While this definition is all encompassing, it does not truly hit at the heart of the aspects of CSR that this work seeks to study. A more appropriate aspect of CSR for this area of study is CSR as it relates to the activities of PR practitioners. Kim and Reber (2008) identified five roles that public relations practitioners play in CSR: Substantial advisory role, philanthropic role, value-based role, promotional role or no role at all. This study shows the wide range of aspects that PR practitioners can play in CSR activities, as well as the range of functions that CSR can take on, including corporate philanthropy programs, community outreach programs, and generally abiding by applicable laws and regulations. Most pertinent to this study, is that "public responsibility is considered a basic, and sometimes synonymous, role of public relations." (Kim and Reber, 2008, p.

338). The role of public relations practitioners in encouraging and implementing CSR activities for clients is increasing as more corporate organizations realize the importance of social responsibility for their business models. The existing body of literature addresses this relationship between PR practitioners and CSR activities.

There is research that shows that CSR activities help increase public reputational perception of a corporate organization, though it might not actually increase purchase intent. (Sen and Bhattacharya, 2001) But can CSR activities as a pre-existing reputational primer help a corporate organization recover from a crisis situation? This study seeks to find the answer to this apparent gap in the literature.

Post-Crisis Theories

According to Austin, Liu and Jin (2014), "Crisis recovery begins when crises end." Post-Crisis theories address this crucial time in the crisis process, and how to restore reputational capital lost after a crisis. There are a multitude of post-crisis theories that address this topic, but three most pertinent theoretical frameworks to this proposed study are Image Repair Theory (IRT), Discourse of Renewal and Recovery Communication and Reputational Recovery. All three offer differing outcomes and theoretical backings, but a comprehensive study of all three can lend a well-rounded view of post-crisis communication as it relates to this proposed study.

Image Repair Theory (IRT)

Image Repair Theory (IRT), originally described by Benoit (1997), is a tactic-focused way to look at crisis communication in relation to corporate recovery. The theory posits that first, a crisis must be defined as such. To be defined as a crisis, the accused organization must be held responsible for an action that is deemed offensive. If a situation fits this definition of crisis, there are five Image Restoration tactics that organizations can engage in: “Denial, evasion of responsibility, reducing offensiveness, corrective action and mortification” (Benoit, 1997, p. 179).

IRT differs from Contingency theory literature in that it categorizes response strategies not by their message types but by concrete actions, and doesn’t identify crisis response messages but image restoration techniques. These two theories can marry well with each other because while IRT is more technique based, the tactics still align with various message types along the Contingency continuum.

Discourse of Renewal

Another post-crisis theory is the Discourse of Renewal, as studied by Ulmer, Seeger, and Sellnow (2007). The pilot study looked at the characteristics of renewal and what conditions affect the success of renewal strategies in post-crisis communication. Authors found that Discourse of Renewal is a valid post-crisis communication strategy and that a number of conditions affect the effectiveness of the strategy. Similar to the variable matrix in Contingency theory, Discourse of Renewal also found a number of conditions affect the success of a communication strategy. For instance, crises not central to accusation or blame, positive stakeholder relationships, inherent positive attitudes about renewal and privately held corporations are all conditions that increase the success of a renewal strategy post-crisis.

The most important distinction between Discourse of Renewal and other post-crisis theories is that the end goal in Discourse of Renewal is just that: Renewal. As later studies show, the success of a renewal strategy is largely dependent on the type of crisis (Ulmer & Sellnow, 2002). It is also interesting to note that Discourse of Renewal is a very positively focused theory of post-crisis communication. Ulmer and Sellnow (2002) built on this in their case study of the September 11, 2001 attacks, where they studied renewal as a focus of crisis discourse. This study deepened existing literature by positioning renewal as a crisis communication tactic and looking at three types of renewal-based communication through the frame of the attacks. They found two implications for Discourse of Renewal theory. First, in some crisis situations like the September 11 attacks, image restoration should not be the primary goal so Discourse of Renewal is especially appropriate. Second, renewal discourse can be equally as effective as other post-crisis communication strategies in certain situations. As was stated earlier, Discourse of Renewal differs from IRT in that end goal is not image restoration, but renewal. This is particularly applicable in crisis situations like the September 11 attacks, where renewal for a whole community or public should be the primary focus, rather than image or reputational restoration for an organization. The differences in post-crisis outcomes vary depending on the crisis and the theoretical framework, as evidenced by the differences in outcome between IRT and Discourse of Renewal. This displays the wide range of post-crisis theories, and the ability of practitioners to combine aspects of different theoretical frameworks depending on the crisis type and publics involved.

Recovery Communication and Reputational Recovery

The last pertinent aspect of post-crisis theory is recovery and reputational recovery. Although recovery communication and reputational recovery are extremely pertinent aspects of post-crisis communication, the field is currently lacking. Austin, Liu and Jin (2014) expand on field of effective recovery communication and the role of communication during crisis recovery. Similar to much of the earlier-cited Contingency theory literature, through in-depth interviews with senior employees and strategic communication firms and in-house organizational communicators, authors worked to define recovery, find the role of practitioners in recovery, find organizational characteristics that affect recovery, and the role of publics in the recovery process. Most notably, this study offers a succinct definition of crisis recovery that was referenced in the beginning of this review: “Crisis recovery begins when crises end.” By focusing on crisis recovery from three different viewpoints (publics, organizations, and messages) this gives insight in all three areas. Different publics can affect crisis recovery, like the media building evidence banks and victims sharing stories. Organizations can improve their recovery abilities by fostering strong values and ethics and cultivating strong leaders. Lastly and most importantly, *good recovery communication is transparent and positive, focuses on the future, addresses failures, and tries to fix damage*. These findings can help guide effective recovery communications for practitioners and theoretical scholars alike.

Fortunato (2008) also looked at reputation restoration, through a case study of the crisis communication efforts by the Duke lacrosse team after their infamous sexual assault scandal. This case study looked at how the team used crisis communication tactics in their efforts to frame the story and restore their reputation. The case study, conducted through the lens of IRT and framing theory, found that one very important task was framing the story as it was covered by the mass media. By applying theoretical approaches to a practical, real-world crisis situation, the study helped build on the body of knowledge about Reputational Recovery.

In conclusion, post-crisis theories including IRT, Discourse of Renewal, and Recovery Communication focus on crisis communication techniques that help minimize damage and repair reputations after a crisis has occurred. These three theoretical perspectives all offer different outcomes based on the crisis type, public, and organization. Studying all three perspectives can give a more nuanced view of the post-crisis communication options for practitioners. Like all other aspects of public relations, it truly does “depend” on so many factors, and drawing on a wider variety of theoretical perspectives can account for a maximum amount of factors related to this proposed study.

Hypotheses

Informed by the prior research outlined above, the hypotheses that this study will be testing are as follows:

H_1) Engagement in Corporate Social Responsibility (CSR) efforts before a crisis situation will positively affect an organization's ability to recover post-crisis.

H_0) Engagement in Corporate Social Responsibility (CSR) efforts before a crisis situation will have no effect on an organization's ability to recover post-crisis, or will negatively affect an organization's ability to recover post-crisis.

H_2) Accommodative crisis response messages will work best to aid an organization's reputational recovery post-crisis.

H_3) The existence of CSR efforts combined with accommodative crisis response messages will achieve the best reputational recovery for an organization post-crisis.

H4) Engagement in CSR efforts will positively affect an organization's perceived reputation before a crisis occurs.

CH. 3 METHODOLOGY

Experiment

The methodology for this study used a 2 (CSR: CSR or No CSR) x 3 (crisis response messaging: Accommodative, advocative, or neutral) between-subjects factorial design experiment. Experimental research is the best mass media research method for determining causality (Wimmer & Dominick, 2010) between variables. Additionally, the variable control allowed by using an experiment helps increase internal validity and decreases the chance for confounding variables (Wimmer & Dominick, 2010). Due to the interrelated nature of the independent variables, control for other confounding variables, and therefore an experimental design, is necessary. The choice for a factorial design is based on existing literature on CSR and reputational studies that employs similar designs (Coombs & Holladay, 2009; Lyon & Cameron, 2009; Kim et. al, 2009).

This study tested a simulated pharmaceutical company in a simulated crisis scenario. According to a Gallup poll, (2015) the American public overall has a negative view of the growing pharmaceutical industry. Reputational ratings of the industry consistently fall in the bottom third, unlike relatively popular industries like accounting and computer technology. This likely has to do with the fact that pharmaceutical companies are often embroiled in political battles (Gallup, 2015) that demonize the industry. Despite low ranking reputations, the healthcare industry and pharmaceutical industry specifically are growing: Revenue from the global pharmaceutical industry is worth over $300 billion a year and is expected to rise to $400 billion in the next three years (WHO, 2016). The combination of political and regulatory issues, industry growth, and high profits make the pharmaceutical industry especially vulnerable for organizational crises. Most importantly, although this is an industry that is consistently struggling with image issues, organizations have immense opportunities to engage in CSR efforts that actually help people due to the nature of their work. Studying a simulated pharmaceutical organization will help see the effects of CSR efforts and crisis response messaging to give practical results to PR practitioners working with pharmaceutical organizations. This study did not use an existing pharmaceutical organization as to avoid biases of participants against existing companies.

Though the organization was simulated, the crisis situation was based off of a recent crisis faced by Turing Pharmaceuticals. Turing faced criticism after they increased the price of a drug, Daraprim, from $13.50 to $750 per pill, essentially creating a 5,000% price increase (Fortune, 2015). The organization claimed that the extra money was necessary to fund research and development of the disease that the drug treats, toxoplasmosis (Fortune, 2015). Regardless of their response, the organization has cut jobs (USA Today, 2015) and the CEO faced extreme public backlash (Fortune, 2015). The issue of crises facing pharmaceutical companies is relevant and topical, making pharmaceuticals a suitable industry choice for this study.

Sampling

The sample size for this study was 390 participants aged 18-34 recruited from Amazon Mechanical Turk, who will be recruited to participate for a small compensation rate. According to Mason and Suri, (2012) Amazon Mechanical Turk is a “powerful tool” that can provide increased access to subjects for researchers. (Mason & Suri, 2012, p. 2) The pool of available participants on Amazon MTurk is stable over time and very diverse: According to Mason and Suri, (2012) “workers tend to be from a very diverse background” that encompasses “a wide range of age, ethnicity, socio-economic status, language and country of origin.” (Mason & Suri, 2012, p. 3) Studying a diverse subject pool will help make study results externally valid to measure perceptions of the public.

Participants ranging in age from 18-34 are part of the “Millennial” generation, which encompasses individuals born between 1980-2000 (McGlone et. al, 2011). Millennial report a higher rate of volunteerism and commitment to making the world a better place (McGlone et. al, 2011). Even more importantly, many millennials believe it is the responsibility of corporate organizations to help with this goal (McGlone et. al, 2011). Studying a sample of millennial participants will be generalizable to other millennial publics.

The sample size included 390 people, randomly divided into 6 groups. As of July 1, 2015, there are currently 75.3 million people living in the US aged 18-34 (MarketingCharts, 2016). Using a sample size calculator (CheckMarket, 2016) accounting for 95% confidence level and a 5% margin of error, the necessary sample size for a statistically significant sample of 18-34 year olds in the United States is 385. As the selection for this sample was convenience sampling as opposed to random sampling, it cannot truly be a representative sample. In order to ensure to most usable data for the experiment, 390 participants were recruited from Amazon Mechanical Turk. After cleaning the data to remove any participants who took less than one minute to complete the survey or whose IP address was not from the United States, the study yielded 379 usable responses divided into groups of 57-68 participants each. Cleaning the data ensured that only data from participants in the United States who were thoughtfully reading the stimuli and answering questions was included in the analysis.

Variables

The independent variables in this study were the existence of CSR efforts and crisis response messaging. CSR was operationalized as the existence of CSR efforts in the boilerplate information (Stimuli #1) at the beginning of the study. This initial stimuli describing the organization either contained information about the company's corporate philanthropy programs or it did not. Crisis response messaging was operationalized according to existing literature about Contingency theory. The messaging fell into three categories on the Contingency continuum: Advocative, accommodative, or neutral (Cancel et. al, 1997) Advocative messaging advocated on behalf of the organization by defend its actions, and accommodative messaging worked to "build bridges" with publics by accommodating publics affected by the crisis (Cancel et. al, 1997). Neutral messaging did not contain either accommodative or advocative stances, simply saying that the company will comply with requisite authorities after the crisis.

The dependent variable in this study was reputational recovery. This was operationalized by a perceived reputation score, measured before and after the crisis. Perceived reputation was measured using a combination of existing scales. The first five items in the perceived reputation scale are the adapted version of Coombs and Holladay's (1996) 10-item Organizational Reputational scale. The adapted 5-item version used in previous reputation literature (Coombs & Holladay, 2002; Coombs & Holladay, 2009) includes the following scale:

(1) "The organization is concerned with the well-being of its publics,"

(2) "The organization is basically DISHONEST,"

(3) "I do NOT trust the organization to tell the truth about the incident,"

(4) "Under most circumstances, I would be likely to believe what the organization says,"

(5) "The organization is NOT concerned with the well-being of its publics."

The remaining three items in the perceived reputation scale came from the empirically tested Satisfaction Scale (Hon & Grunig, 1999) with an average Cronbach's alpha of .88. Satisfaction measures how much "each party feels favorably towards the other" (Hon & Grunig, 1999, p. 3) making it a logical addition to the perceived reputation scale. The three items added from the Satisfaction Scale are below:

(6) "I am happy with this organization."

(7) "Most people like me are happy in their interactions with this organization."

(8) "Most people enjoy dealing with this organization."

Agreement or disagreement with the statements was measured on a traditional Likert scale:

Strongly Disagree = 1
Disagree = 2
Neutral = 3
Agree = 4
Strongly Agree = 5

For the positive statements in the perceived reputation scale, coding for the values attached to the statements were as seen above. Negative statements in the perceived reputation scale were reverse coded, as seen below:

Strongly Disagree = 5
Disagree = 4
Neutral = 3
Agree = 2
Strongly Agree = 1

Similar to Coombs and Holladay, (2009) prior to any stimuli being offered, participants filled out demographic information and answered a "one-item, global evaluation" (Coombs & Holladay, 2009, p. 3) asking them to rank their perception of five industries: Pharmaceutical, technology, oil & gas, financial services, and legal services. This tested for pre-existing opinions on pharmaceutical organizations, along with two other low-reputational-ranked industries, oil & gas and legal services (Gallup, 2015).

Experimental Design

As stated earlier, this study was a between-subjects design experiment. Including the absence or existence of CSR efforts and the three crisis response message types, there were six total conditions: CSR/Accommodative messaging; CSR/Advocative messaging; CSR/Neutral messaging; No CSR/Accommodative messaging; No CSR/Advocative messaging; No CSR/Neutral messaging. All conditions were between-subjects, so each participant took part in only one condition.

Subjects were randomly assigned to one condition of the six possible conditions. Random assignment is necessary in experimental designs so that any changes observed can be attributed to the program or treatment, and not to individual differences within the groups. If the groups are equal except for the condition to which they are assigned, researchers can have more confidence that any difference observed is due to “the treatment under study and not to the characteristics of the group.” (Nebecker, n.d.)

Procedure

The experiment was distributed online through Qualtrics, “the leading global provider of data collection and analysis products for academic research.” (“Market Research & Online Survey Platform: Qualtrics,” n.d.) Qualtrics is an online survey building software that includes over 100 different question types, advanced flow logic, and randomization, making it a perfect fit for hosting this online experiment (“Market Research & Online Survey Platform: Qualtrics,” n.d.). Conducting experiments online has a number of advantages, including convenience for participants and lack of experimenter bias (Wimmer & Dominick, 2010).

First, participants were presented with a short series of demographic questions. Demographic questions in this study included participant’s age, gender, ethnicity, marital status, education level, political affiliation and household income. These demographic questions were modeled after Wyse's (2012) "5 Examples of Survey Demographics Questions." Then, participants answered perception questions about the pharmaceutical industry and four other industries. Participants were then randomly assigned to receive either the CSR or No CSR stimuli. This first stimulus was boilerplate information about a simulated pharmaceutical organization, Flux Pharmaceuticals. The boilerplate information was modeled after boilerplate information given by Pfizer Pharmaceuticals on branded company press releases (Pfizer, n.d.). All of the stimuli from the experiment can be seen in the appendix. Time spent on the stimuli pages was monitored, ensuring that participants spent a minimum of 20-30 seconds on the page. This was meant to help ensure that participants would read the stimuli, instead of quickly clicking through the pages. Additionally, there was a disclaimer at the top of all stimuli pages asking participants to read the stimuli carefully, as there would be questions following. After reading the first stimuli, participants are asked to what extent they agree or disagree with the statements in the perceived reputation scale. All participants then read the second stimuli, the news story for the simulated crisis. This stimulus was the same across all conditions. Participants were then randomly assigned to the crisis response messaging condition, where they read one of three possible press releases from the organization: Accommodative, advocative or neutral. After reading the final stimulus, participants then answered the questions from the perceived reputation scale for a second time. Finally, participants rated their overall perception of the pharmaceutical industry for a second time and the experiment concluded.

Validity

Stimuli

To ensure validity of the stimuli, the company information, news story, and press releases were all written using previous literature as a guide to ensure that the necessary topics were included. The length of the CSR and non-CSR function boilerplate information, as well as all three press releases, was roughly the same to ensure that length of reading time did not have any effect on research participants.

Pilot Test

Before testing began, the experiment (including all stimuli) was pilot tested by convenience sample of 13 individuals over the course of two days. Two individuals pilot tested each condition to collect initial data. Based on the results from the pilot tests, necessary changes were made to clarify the experiment. It was information from the pilot test that lead to the clarification on stimuli pages alerting participants that there would be questions concerning the stimuli later. Additionally, due to unexpectedly low reputation scores in the pilot tested, the language in the news story stimulus was toned down to be less harsh towards the organization. Additionally, while there was some difference between CSR and non-CSR functions in the initial reputation scores, there was not a large difference. Due to this, the CSR language was enhanced in the first stimulus.

Cronbach's alpha

To measure the internal consistency and validity of the scale used to measure perceived reputation, Cronbach's alpha was found for both the pre- and post-test reputation scales. Five of the eight total questions in the perceived reputation scale were positive statements. These were statements 1, 4, 6, 7 and 8. The three remaining items in the perceived reputation scale were negative questions, reverse coded. These were statements 2, 3 and 5. Cronbach's alpha for the pre-test positive item perceived reputation scale was **.901** (*n*=5). Cronbach's alpha for the pre-test negative item perceived reputation scale was **.814** (*n*=3). Cronbach's alpha for the post-test positive item perceived reputation scale was **.922** (*n*=5). Cronbach's alpha for the post-test negative item perceived reputation scale was **.816** (*n*=3). Cronbach's alpha for all of the scales shows acceptable internal validity.

CH. 4 RESULTS

Data Analysis

Both descriptive and inferential statistics were used in the analysis of the data.

Descriptive statistics

Descriptive statistics were used in the initial analysis of the study participants. As was stated earlier, a total of 379 participants were included in the study and were randomly assigned to 1 of 6 conditions: CSR/Advocative messaging (*n*=57, 15%), CSR/Accommodative messaging (*n*=64, 16.9%), CSR/Neutral messaging (*n*=68, 17.9%), No CSR/Advocative messaging (*n*=68, 17.9%), No CSR/Accommodative messaging (*n*=64, 16.9%) and No CSR/Neutral messaging (*n*=58, 15.3%). Participants ranged in age from 18-34. The mean age of participants was 28.359 and the median age was 29, with a standard deviation of 3.83. 3.7% (*n*=14) of the participants were aged 18-21, 21.4% (*n*=81) of the participants were aged 22-25, 30.8% (*n*=117) of the participants were aged 26-29, and 44.1% (*n*=167) of the participants were aged 30-34. 73.4% (*n*=278) were Caucasian, 7.4% (*n*=28) were Hispanic/Latino, 6.6% (*n*=25) were Black or African American, 10.3% (*n*=39) were Asian, .5% (*n*=2) were American Indian or Alaska native, .3% (*n*=1) were Native Hawaiian or Pacific Islander, and 1.6% (*n*=6) did not identify with any of these ethnicities. The majority of the study participants (60.4%, *n*=229) were male, 38.8% (*n*=147) of the participants were female, .3% (*n*=1) were transgender, and .5% (*n*=2) of the participants did not choose to disclose a gender. This study also collected information on the current marital status, education level, political affiliation and income level of participants. Regarding current marital status, the majority of participants (67.8%, *n*=257) were single, 30.9% (*n*=117) were married, 1.1% (*n*=4) were divorced, and .3% (*n*=1) were separated. Participant's highest completed level of education was more spread out: 39.8% (*n*=151) of participants had a Bachelor's degree, 28% (*n*=106) of participants had completed some college but no degree, 11.6% (*n*=44) of participants had completed high school, 8.4% (*n*=32) of participants had an Associate's degree, 6.3% (*n*=24) of participants had a Master's degree, 2.9% (*n*=11) of participants had completed trade or vocational school, 1.6% (*n*=6) of participants had a professional degree, 1.1% (*n*=4) of participants had completed some high school but no degree, and .3% (*n*=1) of participants had a doctoral degree. Political affiliation was relatively evenly split, with 45.4% (*n*=172) of participants identifying as democratic, 33% (*n*=125) of participants identifying as independent, 15% (*n*=57) identifying as republican, 5.3% (*n*=20) identifying as libertarian and 1.3% (*n*=5) identifying as another political affiliation. The last piece of demographic information on the survey participants is regarding current household income: 8.7% (*n*=33) of participants make less than $10,000 per year, 10.6% (*n*=40) of participants make $10,000-$19,999 per year, 13.2% (*n*=50) of participants make $20,000-$29,999 per year, 14% (*n*=53) of participants make $30,000-$39,999 per year, 13.2% (*n*=50) of participants make $40,000-$49,999 per year, 12.9% (*n*=49) of participants make $50,000-$59,999 per year, 8.2% (*n*=31) of participants make $60,000-$69,999 per year, 5.5% (*n*=21) of participants make $70,000-$79,999 per year, 2.9% (*n*=11) of participants make $80,000-$89,999 per year, 2.9% (*n*=11) of participants make $90,000-$99,999 per year, 5% (*n*=19) of participants make $100,000-$149,999 per year and 2.9% (*n*=11) of participants make more than $150,000 per year.

Inferential Statistics

Inferential statistics were used to test the hypotheses put forth at the beginning of the study. A 3 x 2 Factorial analysis of variance (ANOVA) was conducted with the post-test perceived reputation score as the dependent variable, and the CSR function (CSR, No CSR) and messaging (Advocative, Accommodative or Neutral) as the independent variables to test hypotheses H_1/H_0, H_2 and H_3. Factorial ANOVA tests are used for tests with more than one independent variable, and are able to test both the main effects and the interaction effects of the variables (Cronk, 2014). An independent samples t-test between the CSR/ No CSR pre-test perceived reputation score groups was conducted to test H_4. Independent samples t-tests compare the means of two independent groups, best achieved by random assignment (Cronk, 2014) making this test ideal for comparing the pre-test perceived reputation scores of the CSR and No CSR groups.

Hypotheses Testing

H1 predicted that engagement in Corporate Social Responsibility (CSR) efforts before a crisis situation will positively affect an organization's ability to recover post-crisis. **H0** predicted that engagement in Corporate Social Responsibility (CSR) efforts before a crisis situation would either have no effect or negatively affect an organization's ability to recover post-crisis. The factorial ANOVA test showed that the main effect for CSR function was not significant ($F(1,373) = .530$, $p > .05$) therefore H_0 was supported and H_1 was not. See Table 1 for a full breakdown of the factorial ANOVA results. While results from the factorial ANOVA indicated that CSR efforts did not have a positive effect on the organization's post-test perceived reputation score, the test did not indicate whether CSR efforts actually had a negative impact. To test this second part of H_0, an independent samples t-test was run comparing the mean post-test perceived reputation score between the CSR and No CSR functions. The independent samples t-test found no significant difference ($t(377)=.536$, $p > .05$) between the mean post-test perceived reputation score for CSR (M=22.577, SD= 2.894) and No CSR (M=22.426, SD= *2.560)* functions. Thus, while H0 was still supported, findings indicate that CSR efforts had no effect (positive nor negative) on post-crisis perceived reputation scores.

Table 1

Summary of 3 x 2 Factorial ANOVA Results

Independent variable	df	*F*	Sig.
CSR function	1	.530	.467
Messaging	2	3.906	.021
CSR*Messaging	2	.710	.492

Table 2

Summary of Independent Samples t-test Results for Post-Test Reputation Scores

t	df	Sig.	Mean Difference
.536	377	.592	.150

H2 predicted that accommodative crisis response messages would work best to aid an organization's reputational recovery post-crisis. The factorial ANOVA test showed that the main effect for messaging was significant ($F(2,373)=3.906$, $p < .05$). Interestingly, the mean score for post-test perceived reputation was highest for the advocative messaging group (see table of means below).

Table 3

Mean Post-Test Perceived Reputation Scores by Messaging Group

Messaging group	*n*	*M*	*SD*
Accommodative	128	22.679	2.568
Advocative	125	22.848	2.871
Neutral	126	21.976	2.685

Therefore, while the factorial ANOVA test did find significant effects for messaging type, H_2 was not supported because the advocactive messaging worked best to increase perceived reputation after the simulated crisis and not the accommodative messaging, as was predicted.

H3 predicted that the existence of CSR efforts combined with accommodative crisis response messages would achieve the best reputational recovery for an organization post-crisis. To test H_3 this thesis looked again at the factorial ANOVA test, this time at the interaction effects between CSR function and messaging type on the post-test perceived reputation score. The factorial ANOVA test showed that the interaction effect for CSR function and messaging type was not significant ($F(2,373) = .710$, $p > .05$) therefore, H_3 was not supported.

H4 predicted that engagement in CSR efforts would positively affect an organization's perceived reputation before a crisis occurs. To test H_4, an independent samples t-test was conducted comparing the means the pre-test perceived reputation scores of the CSR and No CSR groups. The independent samples t-test found a difference approaching significance between the means of the two groups ($t(377)=1.969$, $p = .05$). The mean score of the CSR group ($M= 24.762$, $sd= 2.373$) was trending toward significantly higher than the mean score of the No CSR group ($M= 24.290$, $sd= 2.342$). Therefore, H_4 was supported, implying that the engagement in CSR activities trends toward positively affecting the organization's perceived reputation score in the pre-crisis stage.

Table 4

Mean Pre-test Perceived Reputation Score for CSR and No CSR groups

CSR function	*n*	*M*	*SD*
CSR	189	24.762	2.373
No CSR	190	24.290	2.342

Table 5

Independent Samples t-test Results for Pre-Test Reputation Scores

t	*df*	Sig.	Mean difference
1.969	377	.050	.472

CH. 5 DISCUSSION

Theoretical Implications

The findings from this thesis have a number of theoretical implications. Although three of the four hypotheses put forth in this experiment were not supported, this yields valuable insight for CSR theory, Contingency theory and post-crisis theories.

Arguably the most impactful findings from this thesis come from the acceptance of H_0, indicating that the engagement in CSR efforts had no effect on an organization's ability to recover post-crisis. This study found that CSR had neither a positive or negative effect but more importantly, it did not have the positive impact that was anticipated.

As addressed in Ch. 2, there is research showing that CSR efforts help increase public reputational perception but might not increase purchase intent for that organization's goods or services (Sen and Bhattacharya, 2001). This aligns with the acceptance of H_0 and H_4 shown in this thesis. Although engagement in CSR efforts did increase the perceived reputation score for the organization in the pre-crisis stage, it did not increase reputation perception of the organization after a crisis had occurred. Much like Sen and Bhattacharya's (2001) conclusion, CSR efforts can initially help an organization but it will not directly lead to increased revenue or protection from a crisis. The beginning of this thesis noted a gap in existing CSR literature: Can CSR efforts act as a reputational primer to help an organization recover? In accordance of the findings from this thesis, it appears as if the answer to that question is no. At least for the pharmaceutical organization and crisis situation here, the pre-existence of CSR efforts did not help insulate their reputation from crisis-related damage. This ties into Kim, Kim and Cameron’s findings that CSR efforts are not “as affected as expected in certain crisis situations” (Kim, Kim & Cameron, 2008, p. 88) and are even viewed in a negative light in a crisis. While this thesis did not find that CSR efforts actively hurt the corporate organization’s ability to recover from a crisis, it certainly did not have the positive impact that was predicted.

As stated in Ch. 2, this study sought to apply Contingency theory framework to another frame of study that includes CSR activities and reputational recovery. In doing that, this study found important theoretical implications for Contingency theory. Shin, Cameron and Cropp (2006) found that the nature of crafting public relations messages is extremely nuanced, and findings from this study wholly support that. From the complex nature of crafting the experiment stimuli to the topical and controversial issues of the Pharmaceutical industry, this study reaffirmed previous study’s findings for a need for delicate understanding and nuance when crafting messages.

Additionally, this thesis reaffirms findings by Cancel and Mitrook (1999) and Reber and Cameron (2003) regarding situations where practitioners are unable or unwilling to accommodate publics. Most notably, both studies found that ongoing litigation or regulatory issues limit both practitioner’s ability and willingness to craft accommodative messages. In the case of this research, stimuli mentioned ongoing FDA investigations. This nod towards ongoing litigation and regulatory issues ties interestingly to study findings that show support for advocative messaging, and raises a question for future research: While ongoing litigation and/or regulatory issues affects *practitioner's* willingness and ability to craft accommodative messages, do these same issues affect *public's* responses to them? Based on the findings of this research, it would appear there is an effect on an organization's publics.

The last, overarching implication from this study is the superiority of advocative messaging in this particular situation. As Contingency theory framework is based on a model of "it depends" on the organization's particular situation, this study found that advocative messaging did a better job at post-crisis reputational recovery.

Finally, while this study used the frameworks of post-crisis theories less than the framework of Contingency theory or CSR theory, there are still theoretical implications for some post-crisis theories. First, this study reaffirmed Benoit's (1997) Image Repair strategies, as they were displayed (though inadvertently) in the stimuli. Based on the results of this study, the most effective IRT strategies for this particular situation were evasion of responsibility and reducing offensiveness, as those were most prominent in the advocative messaging. Corrective action, most prominent in the accommodative messaging, did not seem to be as effective.

Additionally, Discourse of Renewal was not a pertinent theoretical framework for this study, reaffirming Ulmer & Sellnow's (2002) findings that Discourse of Renewal is only the right framework for certain crises. The most positive, renewal focused stimuli were the accommodative messages, and those were not the most effective.

Practical Implications

While this study had many theoretical implications, there are a number of very important practical implications as well. Unlike the theoretical implications though, many of these practical recommendations are closely tied to practitioners working in the pharmaceutical or other, similarly divisive, industries.

The first, and general, practical implication relates to engagement in CSR activities. As this study shows, while CSR does help increase the reputational capital of an organization in the pre-crisis stage, it will not inoculate an organization's reputation post-crisis. These findings have implications for any PR practitioner trying to pitch CSR engagement to upper-level management. If the upper-level management in an organization is trying to bolster their reputation regardless of a possible crisis situation, these findings would help support the case of a practitioner trying to introduce CSR activities to management. One the flip side, these findings show that billing CSR engagement as a possible reputation management plan down the line would be ineffective, and therefore should not be a selling point for CSR engagement.

The next implication is tied to messaging types. For crises similar to the simulated crisis in this study, meaning crises in a controversial or divisive industry where people were harmed financially and possible physically (due to a lack of prescription medicine), advocative messaging without mention of CSR activities is best for increasing an organization's reputational capital among publics. Crafting accommodative messages or neutral messages that do mention previous CSR or philanthropic efforts are the least effective. These implications can help practitioners in a number of ways. Most broadly, practitioners can bring these messaging types into consideration when crafting the key communication messages and communication plan. This in turn can help practitioners in executing and disseminating these messages, like writing the press release and media holding statement, as well as communicating with journalists. Finally, these implications can filter down to even the most granular of communication tasks, like crafting social media posts or company emails with the correct voice. Tying directly to the stimuli in this experiment, organizations in distress should consider moving mentions of CSR activities or corporate philanthropy out of their boilerplate information when putting out a press release or creating the crisis event-driven website. This experiment showed that there are indeed appropriate places for sharing company CSR and philanthropic activities, but crisis communication materials are not those places.

The final practical implication, targeted specifically at practitioners dealing in the pharmaceutical industry, is to understand the different opinions of their stakeholders. This experiment showed that opinions on controversial topics fall on a wide spectrum. Organizations dealing with a variety of stakeholder groups, from customers to employees to investors or public affairs, have to use nuance and customization when creating public relations messaging. PR messages are never ‘one-size-fits-all’ but especially not in a crisis situation in a controversial industry. These crises are especially delicate, and require well-crafted and customized messaging. A multi-stakeholder, targeted messaging approach that takes differing opinions and priorities into consideration appears to be the best strategy to mitigate the effects of a an organizational crisis in a divisive industry.

Limitations & Direction for Further Research

While this study builds on existing literature, it does have limitations. First, the subjects under study were recruited from Amazon MTurk, meaning that non-probability sampling was used and that the sample therefore is not a truly representative sample. Additionally, this study specifically focuses on the pharmaceutical industry. The results might not be generalizable to other industries based on the specific focus on pharmaceutical organizations and crises.

Regarding the results of this experiment, the acceptance or rejection of the various hypotheses could be due to a number of factors. First, the wording of stimuli could influence the opinions of study participants in a way unexpected by the researcher. Pre-existing attitudes, beliefs, or personal experiences and experiences of loved ones with the medical industry in any capacity involving pharmaceuticals could have an effect on the study participants. Even reading news stories regarding recent, high-profile pharmaceutical industry cases could have an effect on study participant's results. Additionally, while all appropriate measures were taken to ensure that only the most correct results were used, (including setting a minimum time to be spent on stimuli pages and monitoring/cleaning of the data) study participants on MTurk could have gone through the experiment faster than intended, and not paid as close attention to the questions as the researcher would have hypothesized. Finally, study participants were from an extremely wide range of geographic locations, socioeconomic brackets, education levels and political affiliations, as noted in Ch. 4. Although these different categories were quantified, they were not tested against the hypotheses. Therefore, opinions of the study participants could be tied to any of these parts of their identities.

Regarding future directions for research, there are three important possible avenues for future research based on the findings from this study. The first opportunity would be to look at various functions of study participant's demographic results as mentioned earlier, including education level, income, age or political affiliation, to see what effects they have on perceived reputation. Separating out various subsets of the study participant population could yield more specific results. Additionally, it would be interesting to see what effect the pre-existing opinions of the pharmaceutical industry had on participant's results. All of these directions for future research don't involve collecting any more data, but studying the existing data collected by this study.

The second important opportunity, also mentioned earlier, would be to explore the effects of ongoing litigation and regulatory issues on stakeholder's opinions of an organization. This study has shown that to be a fruitful avenue for exploration.

Finally and more broadly, similar studies could be conducted using a less controversial industry. The pharmaceutical industry is very topical and controversial, so a study with a more general focus like manufacturing or distribution might yield different results. Although this was not initially anticipated, this study was as much about the pharmaceutical industry as it was about crisis management. Using a less divisive industry could have more pure findings related to the Contingency theory messaging and effects of CSR.

CH. 6 CONCLUSION

As discussed earlier in this research, the practice of public relations is indeed complex, fluid, and multifaceted (Cancel et al., 1997). The skills needed to be a good practitioner of public relations are increasing every day as organizations have new communication channels through social media, increased contact with their various stakeholders, and face increasingly complex crises. When crisis strikes an organization, as it inevitably will, it draws intense attention from media and various publics and stakeholder groups. Corporate crises happen almost every day (Gonzalez-Herrero and Pratt, 1995) and often require immediate action from communicators (Augustine Pang, Fritz Cropp, and Glen T. Cameron, 2006). This increasingly-important topic of crisis communication was the focus of this research. What can organizations do before a crisis situation to inoculate their reputations? What type of communication works best to help reputational recovery? Does CSR help or hinder a company in a crisis situation? These were all questions that this research set out to study.

This study found answers to all of these questions and more: CSR activities are important in helping an organization's reputation- but they will not inoculate an organization's reputation from damage in the post-crisis stage. Advocative messaging was the most effective communication to aid in reputational recovery for crises in divisive industries. CSR neither helps nor hinders a company's reputation in the post-crisis stage.

As engagement in CSR activities and reputation management are increasingly becoming part of the role of PR practitioners (Hutton, et. Al 2001) these questions are more pertinent than ever. The results of this study indicate that engagement in CSR activities is important for an organization, as they increase stakeholder's perceived reputation of the organization. If a crisis strikes though, previous engagement in CSR activities will not inoculate from reputational damage. Mention of these CSR activities will not help or hinder the organization in a crisis situation, but will still help an organization before crisis hits. Based on these implications, it seems safe to say that engagement in CSR programs will remain an important role of PR practitioners.

There is no one-size-fits-all approach to crisis recovery or public relations, because the practice is far too complex to fit in one box (Cancel et al., 1997). The purpose of this study was not to draw a roadmap, but to lead practitioners closer to the best outcome for their organizations and stakeholders. As corporate crises increase in frequency and complexity, findings from this study can help guide practitioners in doing just that.

APPENDIX

Appendix A

IRB Approval

Letter from the University of Missouri-Columbia Campus IRB is below. This study was Campus IRB Project #2005678.

Institutional Review Board
University of Missouri-Columbia

190 Galena Hall; Dc074.00
Columbia, MO 65212
573-882-3181
irb@missouri.edu

May 31, 2016

Principal Investigator: Sarah Anne Rosselet
Department: Journalism

Your Exempt Application to project entitled Testing The Role Of Corporate Social Responsibility and Crisis Response Messaging In Corporate Reputation Recovery was reviewed and approved by the MU Institutional Review Board according to the terms and conditions described below:

IRB Project Number	2005678
IRB Review Number	215491
Initial Application Approval Date	May 31, 2016
IRB Expiration Date	May 31, 2017
Level of Review	Exempt
Project Status	Active - Open to Enrollment
Exempt Categories	45 CFR 46.101b(2)
Risk Level	Minimal Risk
Internal Funding	Personal funds

The principal investigator (PI) is responsible for all aspects and conduct of this study. The PI must comply with the following conditions of the approval:

1. No subjects may be involved in any study procedure prior to the IRB approval date or after the expiration date.
2. All unanticipated problems, adverse events, and deviations must be reported to the IRB within 5 days.
3. All changes must be IRB approved prior to implementation unless they are intended to reduce immediate risk.
4. All recruitment materials and methods must be approved by the IRB prior to being used.
5. The Annual Exempt Form must be submitted to the IRB for review and approval at least 30 days prior to the project expiration date. If the study is complete, the Completion/Withdrawal Form may be submitted in lieu of the Annual Exempt Form
6. Maintain all research records for a period of seven years from the project completion date.
7. Utilize all approved research documents located within the attached files section of eCompliance. These documents are highlighted green.

If you are offering subject payments and would like more information about research participant payments, please click here to view the MU Business Policy and Procedure: http://bppm.missouri.edu/chapter2/2_250.html

If you have any questions, please contact the IRB at 573-882-3181 or irb@missouri.edu.

Thank you,
MU Institutional Review Board

Appendix B

MTurk Consent Form

Testing the Role of Corporate Social Responsibility and Crisis Response Messaging in Corporate Reputational Recovery (Online Experiment) Campus IRB Project #2005678

You are invited to participate in a research study about public relations techniques. You must be between 18-34 years of age to participate.

If you decide to participate, you will be asked to take part in a survey. This will take approximately 15 minutes.

What it involves: If you decide to participate in this study, you will be shown information about a company, a news story, and a press release and asked to answer questions about each. You will also provide basic demographic information. This study should take no more than 15 minutes.

Benefits and risks: The risks to participating in this study are expected to be no greater than those encountered in ordinary everyday life. The benefits include the opportunity to take part in an academic study looking at what public relations strategies are most effective.

Reporting of data/Anonymity: You will not be linked to your data, meaning nowhere in the results of discussion of the findings of this study will your name be mentioned. Identifying information will be omitted from the data set and all and individual responses will only be analyzed as a whole.

Voluntary study: You may decline to answer any question, or you may withdraw your participation at any time by ceasing to respond to questions or closing your browser window. If you choose to participate and you complete the survey, at the end of the survey you will receive a code to receive $1.50 through your MTurk account. Those who are screened out after the initial questions will not be eligible to receive a code.

Contact: If you have any questions about the study, please contact Sarah Rosselet, the Primary Investigator for this project at PRResearch3@gmail.com or her academic adviser, Glen Cameron, at CameronG@missouri.edu.

If you have any questions about your right as a study participant, or are dissatisfied at any time with any aspect of the study, you may contact (anonymously if you wish) the Campus Institutional Review Board at 483 McReynolds, University of Missouri, Columbia MO 65211. You may contact them by phone as well, at 573-882-9585.

If you have read the above information and would like to participate in the study, please press the “Next” button. By clicking the “Next” button, you accept that you are at least 18 years of age, and no older than 34 years of age.

Appendix C

MTurk Experiment Questions

Testing the Role of Corporate Social Responsibility and Crisis Response Messaging in Corporate Reputational Recovery (Online Experiment) Campus IRB Project #2005678

You are invited to participate in a research study about public relations techniques. You must be between 18-24 years of age to participate.

If you decide to participate, you will be asked to take part in a survey. This will take approximately 15 minutes.

What it involves: If you decide to participate in this study, you will be shown information about a company, a news story, and a press release and asked to answer questions about each. You will also provide basic demographic information. This study should take no more than 15 minutes.

Benefits and risks: The risks of participating in this study are expected to be no greater than those encountered in ordinary everyday life. The benefits include the opportunity to take part in an academic study looking at what public relations strategies are most effective.

Reporting of data/Anonymity: You will not be linked to your data, meaning nowhere in the results of discussion of the findings of this study will your name be mentioned. Identifying information will be omitted from the data set and all individual responses will only be analyzed as a whole.

Voluntary study: You may decline to answer any questions, or you may withdraw your participation at any time by ceasing to responds to questions or closing your browser window. If you choose to participate and you complete the survey, at the end of the survey you will receive a code to receive $1.50 through your MTurk account. Those who are screened out after the initial questions will not be eligible to receive a code.

Contact: If you have any questions about the study, please contact Sarah Rosselet, the Primary Investigator for this project, at PRResearch3@gmail.com.

If you have any questions about your right as a study participant, or are dissatisfied at any time with any aspect of this study, you may contact (anonymously if you wish) the Campus Institutional Review Board at 483 McReynolds, University of Missouri, Columbia MO 65211. You may contact them by phone as well, at 573-882-9585.

If you have read the above information and would like to participate in the study, please press the “Next” button. By clicking the “Next” button, you accept that you are at least 18 years of age, and no older than 34 years of age.

Demographic questions: Please answer the demographic questions below.

What is your age?

____

What gender do you most identify with?
- o Male
- o Female
- o Transgender
- o None
- o Would rather not say

What is your ethnicity?
- o White
- o Black or African American
- o Hispanic or Latino
- o American Indian or Alaska Native
- o Asian
- o Native Hawaiian or Pacific Islander
- o Other

What is your current marital status?
- o Single, never married
- o Married or domestic partnership
- o Widowed
- o Divorced
- o Separated

What is your highest completed level of education?
- o No schooling completed
- o Elementary school to 8^{th} grade
- o Some high school, no diploma
- o High school graduate, diploma or equivalent (ex: GED)
- o Come college credit, no degree
- o Trade, technical, or vocational training
- o Associate Degree
- o Bachelor’s Degree
- o Master’s Degree
- o Professional Degree
- o Doctoral Degree

Choose the political affiliation that aligns most closely with yours.
- o Democrat
- o Republican
- o Libertarian

- Independent
- Other (please specify): ___________

What is your current household income?
- Less than $10,000
- $10,000 - $19,999
- $20,000 - $29,999
- $30,000 - $39,999
- $40,000 - $49,999
- $50,000 - $59,999
- $60,000 - $69,999
- $70,000 - $79,999
- $80,000 - $89,999
- $90,000 - $99,999
- $100,000 - $149,999
- More than $150,000

This set of questions concerns your perceptions about different industries in the United States.

Please rank your perceptions about the following industries from one (1) start to five (5) stars, with one star representing a very negative perception of the industry and five stars representing a very positive perception of the industry.

__ Oil and gas industry
__ Technology industry
__ Pharmaceutical industry
__ Financial services industry
__ Legal services industry

How do you feel about the pharmaceutical industry? Use the face below to indicate how happy or unhappy you feel about the pharmaceutical industry in the United States. Moving the slider up indicated that you are happy with the pharmaceutical industry, and moving the slider down indicates that you are unhappy with the pharmaceutical industry. Leaving the slider in the middle indicates that you feel neutral about the pharmaceutical industry.

STIMULI #1- Boilerplate Company Info either with CSR or without CSR is shown

Please indicate your agreement or disagreement with the following statements ranging from strongly agree to strongly disagree, regarding the information you have just read about Flux Incorporated.

The organization is concerned with the well-being of its publics.

- o Strongly disagree
- o Disagree
- o Neither agree nor disagree
- o Agree
- o Strongly agree

The organization is basically dishonest.

- o Strongly disagree
- o Disagree
- o Neither agree nor disagree
- o Agree
- o Strongly agree

I do not trust the organization to tell the truth about an incident that has occurred.

- o Strongly disagree
- o Disagree
- o Neither agree nor disagree
- o Agree
- o Strongly agree

Under most circumstances, I would be likely to believe what the organization says.

- o Strongly disagree
- o Disagree
- o Neither agree nor disagree
- o Agree
- o Strongly agree

The organization is not concerned with the well-being of its publics.

- o Strongly disagree
- o Disagree
- o Neither agree nor disagree
- o Agree
- o Strongly agree

I am happy with this organization.

- o Strongly disagree
- o Disagree
- o Neither agree nor disagree
- o Agree
- o Strongly agree

Most people like me are happy in their interactions with this organization.

- o Strongly disagree
- o Disagree

- Neither agree nor disagree
- Agree
- Strongly agree

Most people enjoy dealing with this organization.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

STIMULI #2: News Story, same for all conditions

STIMULI #3: Press release, 3 options that will be randomly assigned to all conditions (Accommodative, Advocative, and Neutral)

Again, please indicate your agreement or disagreement with the following statements ranging from strongly agree to strongly disagree, regarding the information that you have no read about Flux Incorporated.

The organization is concerned with the well-being of its publics.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

The organization is basically dishonest.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

I do not trust the organization to tell the truth about an incident that has occurred.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

Under most circumstances, I would be likely to believe what the organization says.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree

- Strongly agree

The organization is not concerned with the well-being of its publics.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

I am happy with this organization.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

Most people like me are happy in their interactions with this organization.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

Most people enjoy dealing with this organization.

- Strongly disagree
- Disagree
- Neither agree nor disagree
- Agree
- Strongly agree

The last set of questions concerns your overall perception of the pharmaceutical industry in the United States.

Please rank your perceptions about **just the pharmaceutical industry** in the United States from one (1) star to five (5) stars, with one star representing a very negative perception of the industry and five stars representing a very positive perception of the industry.

__ Pharmaceutical industry

How do you feel about the pharmaceutical industry? Use the face below to indicate how happy or unhappy you feel about the pharmaceutical industry in the United States. Moving the slider up indicated that you are happy with the pharmaceutical industry, and moving the slider down indicates that you are unhappy with the pharmaceutical industry. Leaving the slider in the middle indicates that you feel neutral about the pharmaceutical industry.

Thank you for completing our survey! At the end of this survey, you will receive a code to get $1.50 through your MTurk account.

Appendix D

Experiment Stimuli

Boilerplate Information: Stimuli #1

CSR Function:

Flux Pharmaceuticals strives to create medicines and treatments that make people's lives better. By working tirelessly to conduct cutting-edge pharmaceutical research and developing treatments for new and existing conditions, Flux Pharmaceuticals sets the standard for quality in the industry. The expertise of Flux Pharmaceutical's scientists allows for unparalleled research opportunities to create breakthrough medicines and vaccines. Following Flux Pharmaceutical's commitment to making people's lives better, they run an extensive corporate philanthropy program that brings free medical testing and treatment to countries in sub-Saharan Africa to combat the spread of HIV/AIDS. Countries in sub-Saharan Africa remain the most affected by the HIV/AIDS crisis, and Flux Pharmaceuticals is using their resources and research to help combat this problem. For more information, please visit www.FluxPharmaceuticals.com or follow @FluxPharmaceuticals on Twitter, LinkedIn, and Facebook.

No CSR Function:

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News Story: Stimulus #2

Pharmaceutical Company Allegedly Raising Drug Costs

WASHINGTON D.C.- US-based Flux Pharmaceuticals has been artificially inflating the cost of an anti-epileptic drug, the FDA alleged today. After a thorough examination into the finances of the company, the FDA has filed a formal complaint against them for the artificially high prices of the pharmaceutical drug Seppra.

Seppra is an anti-epileptic drug that works to help combat epileptic seizures, sometimes called an anticonvulsant. Seppra was developed by Flux Pharmaceuticals and approved by the FDA in early 2010, and has been sold to patients globally since then.

“Epilepsy affects almost 3 million Americans,” FDA Vice President Michael R. Taylor said. “Seppra was a medical breakthrough when it was first introduced. Artificially raising the cost is unacceptable.”

As with all pharmaceuticals, there are costs associated with production and testing of the drug as well as marketing and distribution, plus the costs of inflation. But these factors alone might not account for the dramatic price increase of Seppra. When first introduced, the cost was $14.50 per pill and Seppra now costs $50 per pill.

“This is part of a larger trend in the increase of pharmaceutical drug prices in America,” Taylor said. “This price increase does not represent merely the effects of inflation. The costs of this drug should not rise, and yet they have drastically increased since 2010.”

According to the FDA, Flux Pharmaceuticals will undergo a federal investigation to look at the cost increase.

Stimuli #3- Press Releases

<u>Advocative:</u>

Please read the following press release from the company.

Seppra Cost Increase Necessary for Research

CINCINNATI, Ohio- The cost increase of the anti-epileptic drug Seppra is necessary to facilitate new research on both the drug itself and the broader disease of Epilepsy, Flux Pharmaceuticals CEO Nathan Shelby announced today.

“The price increase for Seppra is due to an added need for research and development concerning the testing of the drug,” Shelby said. “Flux Pharmaceuticals holds all of our treatments to the highest standard, and in order to keep Seppra safe and effective we need to conduct continual research and development.”

Many pharmaceutical drugs need to be continually tested even after their initial release to insure their safety. Additionally, Flux Pharmaceuticals is using profit made from Seppra for research on the underlying disorder.

“The increased revenue from Seppra is also going to research about the disease of Epilepsy itself,” Flux Pharmaceuticals Chief Scientist Thomas Grace said. “Using our cutting edge scientific equipment and staff, we are conducting research to find alternate cures for Epilepsy.”

Flux Pharmaceuticals follows and will continue to follow all FDA reporting regulations concerning profit and revenue, and strives to make safe and effective treatments for people all over the globe.

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<u>Accommodative:</u>

Please read the following press release from the company.

Seppra Cost Increase Necessary for Research

CINCINNATI, Ohio- The cost increase of the anti-epileptic drug Seppra is necessary to facilitate new research on both the drug itself and the broader disease of Epilepsy, Flux Pharmaceuticals CEO Nathan Shelby announced today.

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<u>Neutral :</u>

Flux Pharmaceuticals to Comply With FDA

CINCINNATI, Ohio- Flux Pharmaceuticals will comply with all FDA investigations regarding the recent allegations made against the company, CEO Nathan Shelby announced today.

“We will do everything necessary to help the FDA with their investigation,” Shelby said. “In the coming weeks or months, Flux will provide the FDA with any documentation or information they might need.”

At this time, Flux Pharmaceuticals has no official statement on the truth or falsehood of the allegations.

“Just like the FDA, we want to be as transparent as possible and ensure that we are following sound business practices,” Shelby said.

Flux Pharmaceuticals strives to make safe and effective treatments for people all over the globe.

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