Nike’s Corporate Social Advocacy (CSA) Practices as Related to Strategic Issues Management (SIM) and Threats to Organizational Legitimacy

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NIKE’S CORPORATE SOCIAL ADVOCACY (CSA) PRACTICES AS RELATED TO STRATEGIC ISSUES MANAGEMENT (SIM) AND THREATS TO ORGANIZATIONAL LEGITIMACY

by

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B.A. University of Central Florida, 2017

A thesis submitted in partial fulfillment of the requirements for the degree of Master of Arts in the Nicholson School of Communication and Media in the College of Sciences at the University of Central Florida Orlando, Florida

Summer Term
2019

Major Professor: Melissa D. Dodd
ABSTRACT

This research examined how corporate social advocacy (CSA) and corporate social responsibility (CSR) efforts impacted perceptions of authenticity. Using an experimental survey, participants were randomly exposed to Nike’s actions related to the Black Lives Matter (BLM) movement via mock-online news articles. Participants completed a survey that contained Likert-type scale items regarding attitudes (perceived corporate intent, perceived authenticity, brand trust, and brand credibility) and behavioral intentions (word of mouth intentions (WOM), and purchase intention (PI)). Results indicated that positive attitudes significantly increased when Nike implemented an action step after taking a public stance on a controversial social-political issue. Further, results revealed significant differences for positive WOM intentions and PI, given the experimental prompt. This study extends public relations scholarship through expanding our understanding of stakeholder perceptions of authenticity when companies engage in CSA and CSR practices. To earn legitimacy, companies must meet stakeholder expectations through successfully executing socially responsible actions. This study illustrates a need for future research on stakeholder perceptions of authenticity when various action steps are added to a company stance on divisive social-political issues.

Keywords: corporate social advocacy, corporate social responsibility, public relations, organizational legitimacy, strategic issues management, financial performance, authenticity, stakeholders
ACKNOWLEDGEMENTS

I would first like to thank my thesis committee chair Dr. Melissa D. Dodd, and my two committee members, Dr. Nan Yu and Dr. Patric Spence of the Nicholson School of Communication and Media at the University of Central Florida. Each of these remarkable professors inspired me in a unique way to pursue my research interests and to always ask questions. Without exception, I was never turned away when I needed guidance and they taught me how a change in perspective could solve any problem. I am truly thankful for the knowledge they instilled in me as I continue with my academic journey.

I would like to express my gratitude to all the faculty and staff at the University of Central Florida who helped me reach this point in my academic career.

I would also like to acknowledge my peers for supporting me when I felt overwhelmed and for pushing me to challenge myself at every turn.

Finally, I must express how genuinely thankful I am to my loving parents who always put my needs first and raised me to believe I could accomplish any feat I set my mind to reaching. Every obstacle that seemed nearly impossible to overcome was achievable with the support of my parents. Without their endless encouragement over my years of study, I would not be in the position I am today.

Thank you to everyone who helped me along the way to reaching the end of my master’s degree culminating experience.
# TABLE OF CONTENTS

LIST OF TABLES .................................................................................................................. vi

CHAPTER ONE: INTRODUCTION ...................................................................................... 1

CHAPTER TWO: LITERATURE REVIEW ............................................................................. 6
  Strategic Issues Management (SIM) .............................................................................. 7
  Corporate Social Responsibility (CSR) .......................................................................... 11
  Corporate Social Advocacy (CSA) ................................................................................. 13
  Organizational Legitimacy Theory ................................................................................. 16
  Background of Nike and the Black Lives Matter (BLM) Movement .......................... 21

CHAPTER THREE: METHODS ........................................................................................... 28
  Participants ..................................................................................................................... 28
  Procedure ...................................................................................................................... 30
  Measures ....................................................................................................................... 31

CHAPTER FOUR: RESULTS .............................................................................................. 35

CHAPTER FIVE: DISCUSSION, LIMITATIONS AND FUTURE RESEARCH, AND CONCLUSIONS .................................................................................................................. 41
  Discussion ..................................................................................................................... 41
  Limitations and future research ................................................................................. 44
  Conclusions ................................................................................................................... 46

APPENDIX A: IRB APPROVAL ......................................................................................... 47

APPENDIX B: CONDITIONS ............................................................................................ 49
  Demographics ............................................................................................................... 54
  Survey .......................................................................................................................... 57

REFERENCES ..................................................................................................................... 60
LIST OF TABLES

Table 1: Descriptive statistics for perceptions of corporate intent ............................................. 36
CHAPTER ONE: INTRODUCTION

With each passing year in the United States, consumer expectations for corporations to engage in controversial social-political issues increases. Industry research finds that “with even greater intensity, Americans continue to believe that corporations should take action to address important issues facing society (81%) and have a responsibility to do so (77%)” (Hootkin & Meck, 2018, p. 3). Companies should meet or exceed the expectations of its stakeholders and uphold core values to earn legitimacy (Suchman, 1995). Carroll (1991) defined a stakeholder as “those groups or persons who have a stake, a claim, or an interest in the operations and decisions of the firm” (p. 43). In order to successfully operate within a community, companies commonly facilitate organizational functions through strategic issues management (SIM) (Heath & Palenchar, 2009). SIM is applied by a company to earn and maintain legitimacy by adapting to the social environment established by its stakeholders. Heath and Palenchar (2009) explained how “SIM is a sturdy discipline that has matured over the years as reflective management has moved to respond to changing threats and opportunities in the economic and public policy arenas in which they operate” (p. 5). As stakeholder expectations change, SIM practices allow a company to adjust their strategies to meet the needs of stakeholders and maintain legitimacy.

A facet of SIM is corporate social responsibility (CSR). Companies engage in CSR strategies, both reactively and proactively, to meet stakeholder expectations to be socially responsible members of the community and advance societal level outcomes. Carroll (1999) described how CSR has been recognized in the business community for centuries but has consistently evolved with the decades. From this perspective, there is an apparent need to extensively research CSR as it develops and identify changes in stakeholder attitudes and
behaviors that may impact a company’s approach to CSR practices. By implementing CSR initiatives, companies earn organizational legitimacy, which gives them the right to operate.

As stakeholder expectations for corporate involvement in social justice advocacy evolved, Dodd and Supa (2014), researched and coined the term “corporate social advocacy (CSA)” to illustrate the emergence of companies taking stances on social-political issues as an active component to their SIM practices (p. 5). Currently, companies must decide whether to include themselves in the debate concerning controversial issues or face backlash from stakeholders who expect involvement. For example, the case regarding Delta Airlines and gun control, Delta attempted to remain neutral on the gun control debate after the tragic Marjory Stoneman Douglas high school mass shooting and found themselves at the focal point of the divisive national issue with major boycotts (Freedom du Lac & Eltagouri, 2018). Delta failed to meet the expectations of its stakeholders and faced threats to their organizational legitimacy.

When a company violates stakeholder expectations, a legitimacy gap is likely to form, which may lead to a crisis (Sellnow & Seeger, 2013). For instance, a company that employs children in their overseas factories may violate its stakeholders’ expectations of upholding ethical business practices, leading to a legitimacy gap. Rim and Kim (2016) explained how, in recent years, public skepticism towards a company’s motives for engaging in CSR practices has increased as companies become more vocal with their stances on issues. Thus, this study aims to identify authentic company actions related to participating in controversial social-political issues through an experimental survey.

The corporation Nike is used as the case-in-point for this study due to their extensive history with taking stances on controversial social-political issues (CSA). When a company remains legitimate over a long period, it reveals their ability to adapt their CSR practices. In the context
of CSR, Nike models a company that has evolved its strategies with their successful advertisement campaign focusing on their stances for various divisive social justice issues. Nike’s social justice advertisement campaign began with their original “Just Do It” advertisement in 1988, that addressed issues of ageism by featuring Walt Stack, an 80-year-old man who ran 17 miles a day (Tyler, 2018). Bytheway (2005) generally defined ageism as “discrimination against older people on grounds of age” (p. 361). Nike has approached numerous controversial social justice issues, including immigration, LGBTQ rights, and sexism.

More recently, Nike produced the video advertisement “Dream Crazy” featuring the National Football League (NFL) player, Colin Kaepernick, in addition to other athletes who have overcome major disabilities or hardships to play sports, as part of their 30th-anniversary campaign for “Just Do It” (Kittelstrom, 2018). The “Dream Crazy” video focused on Kaepernick primarily for his involvement in the Black Lives Matter (BLM) movement and African American activism (Kittelstrom, 2018). However, the specific action that drew international attention to Kaepernick was his protest of the national anthem to address racial inequality and police violence. In August of 2016, Kaepernick began kneeling during the national anthem during his NFL games as a tactic to protest police brutality against African Americans and the hardships associated with being black in the United States (Garcia-Navarro, 2018). Kaepernick’s newly formed protest spread to several other NFL players and public supporters that inspired others to emulate his actions (Wolfson, 2018). The spectacle quickly went viral and even went so far as to receive several public responses on Twitter and news media platforms from President Trump claiming that players who knelt during the national anthem should either be suspended or fired from the team (Kenny, 2017). The drastic upsurge in the participation of Kaepernick’s protest led to the establishment of an NFL league rule preventing players from kneeling during
the national anthem (Wolfson, 2018). On May 23, 2018, the rule became official. The rule stated, “all team and league personnel on the field shall stand and show respect for the flag and the anthem” (NFL, 2018). As a result, public attention to the issue grew with the polarizing national debate over the legality of the NFL rule.

Initially, Kaepernick protested only as an individual without the support of a corporate entity until Nike endorsed his stance with the “Dream Crazy” video advertisement. Once the video aired, Kaepernick and Nike met severe public disapproval for their controversial position regarding the protests during the national anthem symbolizing BLM advocacy (Kittelstrom, 2018). When a company takes a stance on a controversial social-political issue, it may have risky outcomes due to incongruent stakeholder values. Despite some adverse public reactions, Kaepernick and Nike gained strong stakeholder support after the video was released. According to a 2018 Edison Trend report, “this year between Sunday, September 2 and Tuesday, September 4, Nike’s online sales grew 31% vs. 17% last year during the same period”. The spike in sales demonstrates the impact a company stance has on its stakeholders’ attitudes and behaviors.

Public skepticism towards company motives for applying similar CSA efforts to the example previously described with Nike is increasing. Currently, companies find that taking stances on social-political issues and alternative CSR methods is a fundamental component of their SIM practices. However, taking a public stance seems insufficient for stakeholders to perceive company actions as authentic to progressing societal level outcomes over corporate level intentions and emphasizes a need for further research. Therefore, this study sought to expand previous literature on CSA and CSR to examine stakeholder perceptions of authenticity in company actions and the impact on word of mouth intent (WOM) and purchase intention (PI). In
addition, this study examines the multidimensional construct authenticity by measuring perceived authenticity, brand credibility, and brand trust.

The current thesis is broken down into five chapters. The first chapter provides an introduction to the study, including the applied theoretical frameworks, a description of the case-in-point, and an overall organizational outline. Next, chapter two offers an in-depth review of the literature on the theoretical frameworks that shaped this study and the following analysis. Additionally, chapter two provides a comprehensive overview of the social-political issue (Black Lives Matter movement) related to racial inequality and police brutality and extensive background information on the corporation Nike. Chapter three describes the methods used to conduct the research, and chapter four reports the results. Finally, chapter five offers the discussion, limitations, suggestions for future research, and conclusions.
CHAPTER TWO: LITERATURE REVIEW

In recent years, more companies are choosing to meet stakeholder expectations of increasing engagement in social advocacy by taking stances on controversial social-political issues (Dodd & Supa, 2014). For example, Gillette addressed the issue of toxic masculinity in their advertisement featuring the #MeToo movement against sexual harassment (Topping, Lyons, & Weaver, 2019). In response to the Gillette ad, The New American magazine took an opposing stance on toxic masculinity (Topping, Lyons, & Weaver, 2019). With the rise of companies taking stances on divisive issues, referred to as corporate social advocacy (CSA) (Dodd & Supa, 2014), there is a pressing need for a deeper understanding of strategic issues management (SIM) practices. Specifically, how companies implement SIM through corporate social responsibility (CSR) initiatives like CSA. Companies engage in socially responsible actions, such as CSA, to reflect their core values to their stakeholders. For example, after the Marjory Stoneman Douglas School shooting, Dick’s Sporting Goods stopped selling AR-15 assault rifles to illustrate their stance on the issue. However, stakeholders are influenced differently by company stances, which they demonstrate through boycotts, purchasing behaviors, and brand loyalty.

Through increasing transparency, a company builds a stronger rapport with its stakeholders, thus, earning organizational legitimacy (Sellnow & Seeger, 2013). The amount of transparency between an organization and its stakeholders varies from company to company (Fombrun & van Riel, 2004). For instance, a publicly traded company must disclosure more information to its stakeholders than a privately traded company. An organization earns the right to operate within a community by “telling the truth, not following the flow of capital, and not damaging the environment” (Hearit, 2006, p. 13). Companies must consistently practice these
authentic behaviors to remain legitimacy (Sellnow, & Seeger, 2013). Hayhurst and Szto (2016) revealed that Nike profits from selling harmful Indigenous caricatures while also taking stances that support Indigenous health. The researchers described Nike’s actions as inauthentic behaviors and posited that Nike publicly promotes social justice issues for profit gaining. Public skepticism arises from inconsistent company actions (Rim & Kim, 2016). Therefore, this study examines the impact of varying authentic company actions on attitudes and behavioral intentions. The author provides a review of literature on SIM functions, CSR, and CSA and how they relate to organizational legitimacy theory.

Strategic Issues Management (SIM)

Organizations strategically manage issues when facing a crisis to either mitigate adverse effects or as a preventative tactic to avoid the crisis altogether (Oliver & Donnelly, 2007). Jacques (2007) defined a strategic issue as “a condition or event, either internal or external to the organization which, if it continues, will have a significant effect of the functioning or performance of the organization or on its future interests” (p. 147). To counter a strategic issue when it transpires, a company must have previously earned legitimacy (Suchman, 1995). An organization gains legitimacy through activities that mirror their social values (Dowling & Pfeffer, 1975). SIM is an approach that organizations apply to reach the acceptance of the community they operate within.

Heath & Palenchar (2009) defined strategic issues management (SIM) as:

the amalgamation of organizational functions and responsive culture that blends strategic business planning, issue monitoring, best-practice standards of corporate responsibility, and dialogic communication needed to foster a supportive climate between each organization and those people who can affect its success and who are affected by its operations (pp. 8-9).
SIM emerges from consistent communication practices between an organization and its stakeholders (Dodd & Supa, 2014). Stakeholders will have diverse values which impact the types of stances a company takes on a divisive issue; and thus, affecting brand equity either positively or negatively (Heath & Palenchar, 2009). Therefore, maintaining an open dialogue is a critical component of SIM practices to prevent an organizational crisis caused by incongruent core values.

Suchman (1995) explained how legitimacy “reflects a congruence between the behaviors of the legitimated entity and the shared (or assumedly shared) beliefs of some social group; thus, legitimacy is dependent on a collective audience, yet independent of particular observers (p. 574). In other words, companies seek out their stakeholders’ views and opinions on social-political issues before taking stances on social-political issues to remain legitimate. Dodd and Supa (2014) explained how “stakeholder perceptions regarding organizational engagement in and stances on social-political issues may differ among stakeholder groups and across individuals, ultimately impacting organizational goals” (p. 3). The researchers further explain how a company stance on a controversial issue may isolate specific stakeholders whose values do not align with that stance.

Previous literature frequently discusses three central SIM processes produced by the scholarly debate over one unified SIM process (Zhang, 2013). According to Heath and Palenchar (2009), there are four main functions associated with SIM, which include gathering and monitoring information, analyzing the data and classifying the issue, sorting and prioritizing the problem, and developing an action or implementation plan. The next debated SIM process is the Chase/Jones Model five-step procedure that includes issue identification, issue analysis, issue
change strategy options, issue action programming, and evaluation of results (Jones & Chase, 1979; Gaunt & Ollenburger, 1995; Harris, 2005). Lastly, Perrott (2011) discussed an eight-step model which consists of capturing and listing issues, sorting and coding, deciding what are the most critical problems, ranking points, identifying issues for an immediate response, preparing action plans, monitoring progress on implementing the action plans, and continuing issue capture. Although researchers cannot decide on a single approach, the process of identifying the issue, developing an action plan, and applying that same plan to address the problem is collectively agreed on by scholars. SIM practices extend to adapting to trends in society as well as internal organizational issues (Ansoff, 1980).

**Transparency.** Transparency of information between a company and its stakeholders is a key aspect of effective SIM. According to Grunig and Hunt (1984), generally define transparency as the amount of information an organization’s stakeholders can identify and understand to base their decision-making processes that generate further corporate action. Gower (2006) described how “stakeholders must perceive or believe that the organization is transparent and that they are being told everything they need to know” (p. 96). Transparency aids in preventing skepticism and feelings of distrust from stakeholders. The use of transparency in SIM practices is a widely used approach to attaining legitimacy because companies who are transparent in their activities can trace back the steps that caused the issue and prevent a similar crisis. Additionally, transparency coincides with general SIM practices through the active collection of information that is then distributed to stakeholders to notify them of any significant company actions (Grunig & Huang, 2000). Fombrun and van Riel (2004), stated that transparency consists of “the timely disclosure of adequate information” (p. 185). This process contributes to organizations maintaining positive relationships with its’ stakeholders.
Transparency is a useful tool to use in a crisis event, but choosing to disclose only certain pieces of information when facing a crisis can be even more successful (Hearit, 2006). However, if an organization fails to disclose enough information to its stakeholders, it can lead to feelings of distrust and skepticism (Hon, 2006). Similarly, when transparency is apparent in an organization, its stakeholders develop feelings of trust in the company’s culture (Bowen, 2004). Jahansoozie (2006) explained the importance of transparency to the relationship when an organization’s behaviors triggered feelings of distrust (as cited in Rawlins, 2009, p. 76).

Palenchar and Heath (2006) argued that “an organizational culture of transparency acknowledges and respects the information, communication and decision-making expectations and demands of all its stakeholders and stakeseekers, and does not stage-manage them by limiting access to, propagandizing information about or manipulating decision-making regarding risk” (p. 124). To sum, when organizations are transparent, they are meeting standard expectations and preventing public skepticism. Stakeseekers are defined as groups, such as protest, activist, and environmentalist groups, that claim stake to an organization but do not have distinct ties (Heath, 1997; Holzer, 2008). Stakeseekers can quickly emerge as stakeholders and must be addressed as such to avoid conflict that may cause a crisis.

Furthermore, a lack of transparency between a company and its stakeholders prevents them from voicing their opinions and therefore, limits their ability to make knowledgeable decisions concerning the company (Leighton, Roht-Arriaza, & Zarsky, 2002). An organization damages its credibility when transparency is not apparent to its stakeholders (Vaughan & Tinker, 2009). Likewise, when stakeholders perceive a company as open, it is linked to having opinions of a socially responsible organization. Jahansoozie (2006, p. 11) claimed that “transparency can be viewed as a relational condition or variable that promotes accountability, collaboration,
cooperation and commitment” (as cited in Rawlins, 2009, p. 76). Thus, companies taking stances on controversial social-political issues may be perceived by stakeholders as transparent behaviors that build trust within the relationship.

**Corporate Social Responsibility (CSR)**

Carroll (1999) argued that Howard Bowen should be called the “Father of corporate Social Responsibility” for his work on the modern literature of social responsibilities (p. 270). Bowen (1953, p. 6) defined social responsibilities of businessmen as “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (as cited in Carroll, 1999, p. 270). Later, Davis (1960, p. 70) revised the definition of social responsibility to include the idea that “businessmen’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest” (as cited in Carroll, 1999, p. 271). Until recently, companies overlooked ethical and philanthropic components of CSR as social responsibilities as opposed to corporate duties to society (Carroll, 1991). Carroll (1991) introduced the pyramid of corporate social responsibility to illustrate how “the entire range of business responsibilities are embraced” (p. 40). The pyramid represents the different features of CSR, which include: economic, legal, ethical, and philanthropic responsibilities while combining them into one practice (Carroll, 1991). Carroll (1991) claimed, “the total corporate social responsibility of business entails the simultaneous fulfillment of the firm's economic, legal, ethical, and philanthropic responsibilities” (p. 43). Companies engage in CSR activities to fulfill their social responsibilities to their stakeholders (Pava & Krausz, 1995).

The modern approach to CSR is for organizations to promote social justice as active members of the community. Blasi, Caporin, and Fontini (2018) described CSR as a positive,
responsible attitude a company upholds for its stakeholders. For example, Starbucks switched from plastic straws to recyclable lids with a long-term plan in place to eliminate plastic straws from all store locations by 2020 (Liberto, 2018). Dodd and Supa (2014) argued that “engagement in environmental conservation efforts is not controversial, nor does it have the potential to outrage stakeholder groups or incite boycotts” (p. 5). Companies that execute CSR efforts strengthen their organizational legitimacy by reflecting their core company values (Hearit, 2006).

Although companies may profit from participating in CSR activities, this could be a positive outcome of ethical behavior as opposed to a motivational factor driving these actions (Blasi, Caporin, & Fontini, 2018). Industry research revealed that “in fact, nearly eight of ten Americans (78%, +6 since 2016) believe that taking a stance on an issue can actually help a company’s bottom line” (Hootkin & Meck, 2018, p. 10). Cochran and Wood (1984) found a small link between CSR and financial performance. Margolis, Elfenbein, and Walsh (2009) supported this claim through a meta-analysis of 251 studies that revealed corporate social performance (CSP) has a relatively small but positive effect on corporate financial performance (CFP). Conversely, McGuire (1988) argued that there are economic disadvantages associated with companies implementing socially responsible initiatives. McGuire (1988), also discussed a third perspective linked to socially responsible efforts leading to the offsetting of other company costs meaning there were no financial losses or gains. However, in an analysis of 21 CSR studies by Pava and Krausz (1995), results indicated that there were many connections found between CSR actions and company profits. According to Pava and Krausz (1995), companies take on social responsibilities to promote social justice without financial motivations. Dodd (2010) found that consumers are more likely to support organizations who engage in CSR practices; thus,
increasing a company’s profits. Therefore, CSR, and CSA as a byproduct influence consumer purchasing behaviors (Dodd, 2010; Meck & Hootkin, 2016).

Dodd and Supa (2014) claimed that “the debate surrounding CSR and financial performance may more rightly be a result of differences in ideology about stakeholders (i.e., stockholders as the only stakeholders) and/or confounding the relationship between CSR as a strategic management function and “simple” philanthropy” (p. 4). The various CSR approaches taken by companies may attribute to the inconsistencies in research. Beauchamp and O’Conner (2012) found that “CEOs in this study did not communicate CSR as a voluntary, goodwill gesture. Rather, CSR was communicated as a requirement to provide shareholders with a return on investment” (p. 495). However, the intent of company engagement in socially responsible efforts is as voluntary actions to promote social change (Dodd & Supa, 2014). McWilliams and Siegel (2000) described how CSR behaviors are “actions that appear to further some social good, beyond the interest of the firm and that which is required by law” (p. 117). Organizations are perceived as authentic when they reflect their core values to their stakeholders through CSR (Molleda, 2010). Taking stances on controversial social-political issues demonstrates a company’s willingness to go further than their standard business interests and develops strong, positive relationships with their stakeholders. When a company fails to meet stakeholder expectations, it may threaten an organization’s legitimacy, and a crisis is likely to transpire (Sellnow & Seeger, 2013).

**Corporate Social Advocacy (CSA)**

Corporate social advocacy (CSA) “refers to an organization making a public statement or taking a public stance on social-political issues” (Dodd & Supa, 2014). Companies have been taking part in socially responsible initiatives around the world for centuries (Carroll, 1999).
However, companies have only recently begun taking public stances on controversial issues (CSA) as a form of CSR (Dodd & Supa, 2015). Dodd and Supa (2015) described CSA as “the outgrowth of two important fields of academic study in public relations: strategic issues management and corporate social responsibility” (p. 288). The researchers defined the characteristics of CSA more specifically (Dodd & Supa, 2014):

(a) the social-political issues addressed by organizations are divorced from issues of particular relevance to the organization; (b) engagement in the social-political issues is controversial and serves to potentially isolate organizational stakeholders while simultaneously attracting activist groups; and, (c) as a result, there is a particularly necessary emphasis on financial outcomes for the organization. (p. 5)

Within this framework, the issues companies are taking stances on are generally unrelated to their common business interests. For example, the fashion brand Marc Jacobs, partners with the charity SATO to help rescue homeless dogs in Puerto Rico and find them homes (Marc Jacobs, 2019). Dodd and Supa (2014) argued that organizations taking stances on social-political issues impact stakeholder perceptions of their social responsibility efforts. Additionally, purchase intention was found to be influenced by perceptions of corporate social advocacy (Dodd & Supa, 2014). In fact, when consumer attitudes towards an issue were congruent with the company’s stance, there was a positive effect on purchase intention (Dodd & Supa, 2014).

When companies take stances on specific social-political issues, they bring public attention to that issue. Company actions must reflect consistent values towards an issue to avoid inauthentic stakeholder perceptions. For instance, Nike claimed to support Indigenous health while selling merchandise with harmful Indigenous caricatures, which stakeholders perceive as inconsistent actions by the company (Hayhurst & Szto, 2016). Hayhurst and Szto (2016) explained how companies could communicate stances to reflect authenticity, but without actually carrying out authentic actions, they may face threats to their legitimacy. Companies rely on
strategic ambiguity to disclose only specific information to its stakeholders. However, companies often misuse strategic ambiguity and becomes an unethical business practice. Companies often withhold information, hide details, or mislead its stakeholders after perceived instances of inauthentic actions to prevent a crisis. CSA is an effective method for companies to illustrate their authentic activities and earn legitimacy when executed appropriately.

To maintain organizational legitimacy, a company could employ strategic ambiguity to plan how and what information they release to its stakeholders (Cheney & Christensen, 2001). It is common for companies to be strategically ambiguous during a crisis event, but they choose to remain vague about other practices as well (Sellnow & Seegar, 2013). Some companies highlight specific actions while evading others that stakeholders perceive as less favorable. Taking this into account, the corporation Chick-fil-A, donated millions of dollars to political organizations that oppose LGBTQ rights but did not actively promote this stance publicly to its stakeholders. Despite Chick-fil-A’s attempts to avoid a public position on the issue, their company became connected to LGBTQ rights as an outcome of their action.

With increases in news coverage over company actions, it is challenging to hide any activities from stakeholders. Research by Park and Berger (2004) found that “the number of news stories about CEOs increased in all four newspapers” (p. 109). Action from one individual that has an association with a company can quickly become a public stance for that company. Further, Meyer (2003, ¶ 6), an executive consultant stated, “technology has both created the expectation and also produced the tools to deliver greater organizational transparency. Access to information through the Internet has shifted the balance of power toward the customer rather than the supplier” (as cited in Rawlins, 2008, p. 72). That said, companies are forced to provide added transparency to their stakeholders with technology, highlighting any actions taken
intentionally or not. According to Dodd and Supa (2015), CSA “materializes as an important communication, public relations function when organizations (whether intentionally or not) align themselves with a controversial social-political issue outside their normal sphere of CSR interest” (p. 288). Corporate giants, such as Google, Microsoft, Apple, Starbucks, and Target, pride themselves on their perceived public image through executing CSA to promote their company’s core values. To illustrate, Target donates millions of dollars in cash, in-kind donations, and food products and partners with the U.S. Soccer Foundation, to foster numerous communities (Target, 2018). Research by Dodd and Supa (2014) revealed the powerful effect CSA has on consumer purchase intention. CSA is a salient area of study for public relations practitioners with its impact on stakeholder’s attitudes, and behavioral intentions, have yet to be fully understood.

**Organizational Legitimacy Theory**

Organizational legitimacy is broadly defined by Suchman (1995) as society’s acceptance of a company’s actions that they deem appropriate and follow a set of public norms, values, and beliefs. Dowling and Pfeffer (1975) explained how legitimacy is earned by an organization when they “establish congruence between the social values associated with or implied by their activities and the norms of acceptable behaviors in the larger system of which they are a part” (p. 122). A company’s existence often relies on its’ ability to earn legitimacy from their community (Zimmerman & Zeit, 2002). Corporate involvement in local norms and customs help to generate legitimacy for a company (Randrianasolo & Randrianasolo, 2017). As cited in Dowling and Pfeffer (1975, p. 123), legitimacy is viewed as the “appraisal of action in terms of shared or common values in the context of the involvement of the action in the social system” (Parsons, 1960, p. 175). Furthermore, Parsons (1960) noted that organizations maintain legitimacy when
their activities are consistent with the expectations of the community (as cited in Dowling & Pfeffer, 1975, p. 123). To sum, to maintain legitimacy in the environment a company functions in, they must adapt and continue to meet societal expectations.

For a company to act appropriately within a community, they must consider the cultural norms before taking any action. Dodd (2010) stated that “subjective norms, which beliefs are also considered to underlie, must also be measured in order to predict behavior” (p. 257). The process of understanding and adhering to a community’s accepted norms and values currently demands corporate involvement in socially responsible efforts. Fombrun and Shanley (1990), discussed how engagement in CSR activities allows the public to witness the company’s genuine interests. Implementing CSR efforts can lead to earning organizational legitimacy when the legitimizing actors within the community support the company’s actions (Randrianasolo, 2018). A legitimizing actor is considered any individual within a community that has the power to control which companies are considered legitimate (Randrianasolo, 2018; Campbell, Eden, & Miller, 2012; Chan & Makino, 2007). Therefore, it is crucial to have consistent and transparent communication with all stakeholders to remain a legitimate entity.

An outcome related to earning legitimacy is that stakeholders may likely develop positive attitudes towards the company, which further influences behaviors such as word of mouth intent (WOM) and purchase intention (PI) (Friestad & Wright, 1994). Cochran and Wood (1984) illustrated the positive connection between company engagement in CSR and financial performance. Dodd (2010) also found a positive relationship between company engagement in CSR actions and consumer purchase intention. Additionally, Becker-Olsen, Cudmore, and Hill (2006) supported this claim by determining that when individuals perceived CSR efforts within a company’s actions, it positively affected both consumer attitudes and purchase intentions.
Moreover, Randrianasolo (2018) concluded that “legitimacy-gaining strategies such as CSR strategies positively influence consumer attitudes toward the firm. Similar to the effect of CSR on attitudes, it can be stated that CSR earns legitimacy and positively influences consumer word of mouth (WOM) intentions” (p. 207). For example, Starbucks’ immense customer loyalty following is spread through WOM when customers exchange their positive experiences from the coffee shops. Positive WOM is a product of a company’s earned legitimacy by engaging in authentic actions that reflect their core values (Murray & Vogel, 1997). Past researchers explained the importance of CSR initiatives to a company’s success in the marketplace (Sen & Morwitz, 1996). Today, for a company to remain legitimate and perform financially, it must implement CSR efforts as part of its SIM practices.

CSR is executed by many companies as an instrument to enhance organizational legitimacy through socially responsible initiatives. Companies increase the likelihood of their success in a community by demonstrating perceptions of goodwill to their stakeholders through actions (Podnar & Golob, 2007). Downling and Pfeffer (1975), discussed how organizations earn legitimacy when they “establish congruence between the social values associated with or implied by their activities and the norms of acceptable behavior in the larger system of which they are a part” (p. 122). Thus, when companies communicate instances of CSR activities to its stakeholders, it may increase their organizational legitimacy (Bachmann & Ingenhoff, 2016). However, communicating CSR actions to stakeholders is not always effective and has been found to produce feelings of distrust and skepticism in stakeholders (Morsing, Schultz, & Nielsen, 2008). However, companies that are attempting to rebuild legitimacy by self-promoting must remain wary of the “self-promoter’s paradox” (Ashforth & Gibbs, 1990, p. 186), which involves stakeholder skepticism towards the authenticity of their actions. Individually,
companies that are in a state of instability must cautiously approach taking stances on controversial social-political issues to prevent further damage to its reputation. Likewise, when a company’s actions are perceived as inauthentic by its stakeholders, it deters efforts at regaining legitimacy (Lindgreen, A., Maon, F., Reast, J., & Yani-De-Soriano, M., 2012).

Bachmann and Ingenhoff (2016), found that companies “can (re)gain legitimacy through extensive CSR disclosures—even though stakeholders are highly skeptical in terms of perceived persuasion intent and psychological reactance. The advantage of enhanced legitimacy through discretionary CSR disclosures, thus outweighs the disadvantages around stakeholder skepticism” (p. 392). These findings are supported by De Roeck and Delobbe’s (2012), who argued that active involvement in CSR practices does earn organizational legitimacy. Sellnow and Seeger (2013) explained how “without legitimacy, organizations typically cannot continue functioning. Crises reveal and emphasize any failings of organizations to meet the standards for organizational legitimacy” (p. 87). To earn legitimacy, companies must uphold core values through strategic actions in the community that aid in developing a positive reputation (Dowling, 2001). Conversely, when a company’s operations do not reflect their core values, a legitimacy gap may emerge. A legitimacy gap is “a gap between corporate performance and its legitimacy” (Prakash Sethi, 1975, p. 60). In that respect, when a company attempts to carry on operations without legitimacy, a crisis event will occur as a product of a legitimacy gap. To repair a legitimacy gap when facing a potential crisis, effective external and internal communication is needed (Quesinberry, 2005).

**Strategic Ambiguity.** By demonstrating values that align with the accepted societal norms of a community, a company can successfully differentiate themselves from others (Ordeix-Rigo & Duarte, 2009). Once a company begins to meet a community’s expectations,
they earn legitimacy, which allows them to exist and operate. With this idea, companies apply CSR practices to prove to their stakeholders that they are actively engaging the social demands of the community and developing a relationship. Transparency is a SIM strategy that helps build strong organizational-public relationships through a mutually beneficial system (Palenchar, M. J., Heath, R. L., Levenshus, A., & Lemon, L., 2017). There is greater trust between a company and its stakeholders when there is transparency of information. Palenchar et al. (2017) explained:

this is all towards a step of certainty – that sound science is correct, that products are safe, that there are community outlets for discourse, that risk bearers have access to information to make informed choices, and that our relationships are based on the certainty of trust and mutual agreement (p. 714)

A legitimacy gap may form when a company is not transparent enough with its stakeholders. According to Ulmer and Sellnow (1997), “when organizations introduce ambiguity by communicating complex information or an equivocal line of reasoning, they diminish the ability of consumers to comprehend which messages are most accurate or relevant” (p. 230). Strategic ambiguity is intended as an ethical practice but can easily be abused and become unethical. Unethical practices occur when a company attempts to use persuasion techniques to alter the information they disclose to its stakeholders (Heath, R. L., Waymer, D., & Palenchar, M. J., 2013).

Rhetoric, or the study of persuasion, is the active process of gathering social truths and is considered “a humanistic study that examines all the symbolic means by which influence occurs” (Campbell, 1996, p. 8). Companies use rhetoric to convey authentic messages to maintain a positive image and avoid threats to legitimacy. The epitome of rhetoric is for an individual or organization to satisfy the needs and interests of all associated groups using differences in opinion (Heath, 2012). Rhetoric intends to break down different perspectives and disseminate
that knowledge onto others to promote social action as opposed to manipulating the truth to deceive stakeholders (Heath, R. L., Waymer, D., & Palenchar, M. J., 2013). When faced with a potential crisis, companies may use unethical business practices, such as scapegoating, mortification, and shifting blame to evade responsibilities (Benoit, 1995; Coombs, 1995; Ware & Linkugel, 1973). Because organizations usually remain ambiguous, it has proven to be challenging to place the appropriate responsibilities of companies (Ulmer & Sellnow, 1997). Cheney (1991) argued that "organizational messages take on a relatively placeless, nameless, omniscient quality, even when a corporate identity is assumed and declared" (p. 5). Actions that stakeholders perceive as inauthentic are found to diminish trust and create skepticism, which causes threats to a company’s legitimacy (Suchman, 1995). Thus, a lack of organizational legitimacy may influence future purchasing behaviors in consumers and impact a company’s financial performance (Dodd, 2010). This study examines the impact of a company’s (Nike) varying authentic actions related to a controversial social-political issue (BLM) on stakeholder attitudes and behavioral intentions. The following section provides an overview of Nike and the Black Lives Matter (BLM) movement.

**Background of Nike and the Black Lives Matter (BLM) Movement**

The corporation Nike has both public supporters and protesters regarding their endorsement of former NFL player Colin Kaepernick and his initial stance on the Black Lives Matter (BLM) movement. Although Nike has an extensive history of publicly supporting social-political issues, there is widespread community skepticism concerning the real motivations behind the longstanding social justice advertisement campaign (Carrington & Boykoff, 2018). Public skepticism towards the authenticity of Nike’s stance on BLM, originated from Nike’s
actions taken years prior during a time of escalated violence from police against African American communities.

In April of 2015, a police officer killed an unarmed African American named Freddie Gray, igniting community outrage over his untimely death (Blackistone, 2018). A string of police-involved deaths was happening across multiple cities, including Baltimore, North Charleston, Ferguson, Cleveland, and Madison (Mollman, 2015). Following these tragedies, Nike held a Law Enforcement Appreciation Day promotion, which caused a substantial backlash in the form of extensive boycotts amongst African American communities (Mollman, 2015). Even though Nike had scheduled the event months before the deaths had occurred, their decision to hold the sale day was perceived by African American communities as insensitive and inauthentic causing public skepticism towards their company motives (Mollman, 2015). Nike (2015) released the following statement on May 15 after the #BoycottNike and #DontDoIt hashtags began circulating on social media.

Nike has no intention to offend anyone, nor to imply that we are insensitive to the serious and important issues between law enforcement and black communities in America. We care about and support efforts to continue discussions to create positive change and bring equality for everyone in our society.

Several Nike-sponsored athletes, such as LeBron James, Carmelo Anthony, and Chris Paul, vocalized their concerns related to police violence towards African American communities and the illegal retaliation taken against the police in response (Butler-Young, 2016). Later that year, Nike CEO Mark Parker (2015) addressed the company in an open letter taking a clear public stance on the issue of racial injustice in America.

As a company, I’m proud that Nike takes a stand on issues that impact all of us, our athletes and society as a whole. And I am proud that Nike stands against discrimination in any form. We stand against bigotry. We stand for racial justice. We firmly believe the
world can improve. We are a diverse company and, as we stated in our recent Sustainable Business Report, are firmly committed to making it more diverse and inclusive. (¶ 3)

Nike continued to approach a social justice advertisement campaign and address racial inequality with their 2017 advertisement featuring LeBron James, Serena Williams, Gabby Douglas, Kevin Durant, and Michael B. Jordan, all of whom are black athletes (Tyler, 2018).

More recently, the 2018 Nike advertisement featured former NFL player Colin Kaepernick after bringing a lawsuit accusing the NFL owners of collusion to prevent him from reentering the league (Tyler, 2018). Kaepernick believed the collusion efforts were brought on by his protests against racial inequality and police brutality. NFL player Eric Reid also had collusion allegations against the league when he was not resigned the next season after he had joined Kaepernick in protest during the national anthem (Kennedy, 2019). The Nike video “Dream Crazy,” was released during the NFL’s season opener for the celebration of the 30th-anniversary “Just Do It” advertisement campaign. The timeliness and place of the aired Nike-Kaepernick video amplified Kaepernick’s narrative and is considered “one if its biggest ads of the year—or perhaps, of the past 30 years” (Pearl, 2018). Later, the NFL reached a confidential settlement agreement in 2019 with both Kaepernick and Reid (Kennedy, 2019).

Pearl (2018) reported a statement in ADWEEK from Chris Allieri, principal at Mulberry & Astor communications and marketing consultancy in New York, that “their intention is to be timely and likely to do the right thing. Sometimes that outweighs any potential brand fallout”. Professionals in the industry commend the advertisement, but at the same time, Nike skeptics felt that the video failed to stress the magnitude of the police brutality against African-American communities by not directly mentioning BLM or Kaepernick’s protests (Tyler, 2018). There is speculation over if Nike engages in social justice advocacy advertisement campaigns for profit
gaining as opposed to being socially responsible (Carrington & Boykoff, 2018; Tyler, 2018). Blackistone (2018) from the Washington Post, discussed how Nike’s founder Phil Knight had donated half a million dollars through the Nike PAC to the GOP gubernatorial Oregon candidate Knute Buehler the year prior which was perceived by some as Nike playing both sides to profit by any means necessary. The polarizing views on the intent of Nike’s stances illustrate how people are influenced differently by company actions.

Many organizations engage in sponsorships with competitive athletic apparel brands, such as Nike, Adidas, and Under Armour (Jenson, Wakefield, Cobbs, & Turner, 2016). Nike holds numerous contracts with big-name corporations like the NFL and NBA that extend over several years (Rovell, 2015). Nike’s deals range to 52.8% of all NCAA Division I Football Bowl Subdivision (FBS) schools in the United States, which are considered the superior teams in college football (Perez, 2018). Nike’s high-profile sports apparel brand has a broad reach of influence over people and communities. At this time, Nike remains the NFL’s official athletic apparel brand even after the Kaepernick video was released, which had caused a legitimacy gap (Garcia, 2018). Conversely, Organizations, like Missouri College, have dropped Nike as their official athletic apparel brand because of the company’s support of Kaepernick with the “Dream Crazy” video advertisement (Ellefson, 2018).

Although there was overwhelming support of Nike’s video with Kaepernick, there was also severe public disapproval (Granderson, 2018). Individuals demonstrated their criticism by burning their Nike apparel, making a video of it, and posting it to various social media platforms as a means of protesting Nike’s Kaepernick video (Curtis, 2018). Additionally, Sutherland (2018) reported that the National Association of Police Organizations (NAPO) wrote an open
letter to Nike Chairman Parker to articulate their objections of featuring Kaepernick in the video and wrongfully depicting the police as racists.

On behalf of the more than 241,000 law enforcement officers represented by our Association across the country, I write to you to condemn in the strongest possible terms your selection of Colin Kaepernick for Nike’s “Just Do It” ad campaign. Mr. Kaepernick is known, not as a successful athlete, but as a shallow dilettante seeking to gain notoriety by disrespecting the flag for which so many Americans have fought and died. (¶ 1)

The inclusion of Mr. Kaepernick in Nike’s “Just Do It” ad campaign also perpetuates the falsehood that police are racist and aiming to use force against African Americans and persons of color. (¶ 2)

However, only a portion of the NAPO members was made aware of the letter, with black members left out of the loop. In response, the National Black Police Association (NBPA) expressed their opinion regarding Kaepernick’s protests with an open letter to Nike opposing the stance taken by the NAPO members.

NAPO believes that Mr. Kaepernick’s choice to openly protest issues surrounding police brutality, racism, and social injustices in this country makes him anti-police. On the contrary, the NBPA believes that Mr. Kaepernick’s stance is in direct alignment with what law enforcement stands for—the protection of a people, their human rights, their dignity, their safety, and their rights as American citizens. NAPO has shown an adeptness at maintaining the police status quo and the tone in their letter further validates Mr. Kaepernick’s concerns, as it undermines the trust that is needed by law enforcement in order for the profession to maintain its legitimacy. That NAPO has chosen this matter to take a stance only perpetuates the narrative that police are racist, with no regard, acknowledgment, respect, or understanding of the issues and concerns of the African-American community. (¶ 2)

The corporation Nike has a diverse and vast pool of stakeholders that range from a variety of cultural backgrounds, socio-economic classes, and age groups. The Nike-Kaepernick video not only divided the police force but many other stakeholder groups.

According to industry research, there is increased pressure on corporations to reflect core company values and adhere to stakeholder demands to take stances on controversial social-
political issues (Hootkin & Meck, 2018). The Nike-Kaepernick video had offended some people while inspiring others. A company’s position on a divisive issue will never be able to satisfy each stakeholder due to differing opinions on matters (Suchman, 1995). When stakeholders perceive company actions as inauthentic, it may threaten its legitimacy and form a legitimacy gap. Thus, for a company to earn legitimacy, they need to reflect key stakeholder values to operate successfully (Dowling, 2001). Nike faced threats to its legitimacy by opposing some of its stakeholders’ values leading to incongruency between the company and some stakeholders. However, other stakeholders perceived Nike’s stance as authentic because it aligned with their views. Therefore, this research focused on how Nike’s actions may impact individuals’ perceived authenticity.

Researchers have raised concerns over the unfavorable outlook related to company engagement of CSR for improving its public reputation or influential power and the possible deterring of future research in the public relations field (Heath, R. L., Waymer, D., & Palenchar, M. J., 2013). According to Moloney (2005), “PR is used by these groups persuasively to give voice to their interests in a competitive—if not hostile and deadly—struggle for marginal advantage in terms of more material, ideological, policy, or reputational resources” (p. 551). As such, there is a pressing need for further examination of authentic CSR and CSA practices. In addition, with the increase in companies implementing CSA efforts, it is salient to public relations practitioners to understand the impact that stakeholder perceptions of authenticity have on behavioral intentions (WOM and PI) and how to identify which actions stakeholders perceive as authentic.

This study explored individuals’ perceptions of authenticity after being randomly exposed to various stances and actions from Nike on the controversial BLM social-political
issue. Furthermore, participant attitudes (perceived authenticity, brand credibility, and brand trust) and behavioral intentions (WOM and PI) were measured after exposure to identify any significant differences in perceptions. Thus, the researcher proposed the following research question and hypotheses:

**RQ1:** How do participants perceive the intent of Nike’s engagement in CSA?

**H1a:** Following exposure to news articles that vary by authenticity, there will be significant differences in perceptions of authenticity.

**H1b:** Following exposure to news articles that vary by authenticity, there will be significant differences in brand trust.

**H1c:** Following exposure to news articles that vary by authenticity, there will be significant differences in perceptions of brand credibility.

**H2a:** Perceptions of authenticity will significantly impact word of mouth behaviors.

**H2b:** Perceptions of authenticity will significantly impact purchase intentions.
CHAPTER THREE: METHODS

This research used an experimental survey design to analyze stakeholder perceptions of authentic actions concerning CSA efforts. The survey measured participants’ attitudes (perceptions of authenticity, brand credibility, and brand trust), behavioral intentions (word of mouth (WOM) and purchase intention (PI)), and demographic items. The data was analyzed using SPSS analyses to determine any significant associations. Participants in this study were randomly assigned to one of four possible experimental CSA communication conditions that demonstrate various company stances and actions regarding the Black Lives Matter (BLM) movement. The survey building software, Qualtrics, was used to generate the survey and randomize the conditions. Then, the Qualtrics link was uploaded to Amazon Mechanical Turk (MTurk) to access the sample. Participants were exposed to Nike’s stances and actions via mock-online news articles: (1) Authentic company stance-no action; (2) Authentic company stance-plus action; (3) Inauthentic company stance; and (4) Control (See Appendix B). The control group was the Nike corporate mission statement condition. The participants examine these actions which illustrate Nike’s controversial stance on the BLM movement against police brutality in African American communities.

Participants

This research applied a criterion sampling technique. Since the study sought to understand individuals’ perceptions of authenticity in company stances and actions, participants were recruited from Amazon MTurk to comprise a diverse sample. For the participants to meet the criteria for this study, they were required to be (1) eighteen or older, and (2) completed at least a high school level education. There was a total of 274 recorded responses in an online
survey. However, of the sample, only 171 recorded responses were analyzed after filtering through exclusion criteria to eliminate any unacceptable responses. The exclusion criteria included deleting responses that incorrectly answered infrequency items to detect any potential bot participants or Christmas treed responses. For example, statements included: “I make my own clothes and shoes” or “I sometimes get hungry or thirsty.” The items were rated on a 5-point Likert scale ranging from “strongly disagree” (1) to “strongly agree” (5). Any incorrect responses to these items were deleted to ensure every participant thoroughly read and understood the survey items. Also, if a participant completed the survey in less than four minutes (240 seconds), which is below the average time of (280 seconds), after excluding all significant outliers, the responses were deleted from the data set.

The biological sex of participants was relatively representative between females (n=87, 51.2%) and males (n=80, 47.1%) while some indicated not listed (n=3, 1.8%). However, the vast majority of participants identified as White/Caucasian (n=131, 77.1%). Participants also indicated the following ethnicities: Black/African American (n=18, 10.6%); Asian/Pacific-American, (n=14, 8.2%); Hispanic/LatinX (n=4, 2.4%); and Bi- or Multi-Racial (n=3, 1.8%). None of the participants identified as Native American/American Indian or Not listed. Participants also identified as Liberal (n=82, 48.2%); Moderate (n=43, 25.3%); Conservative (n=38, 22.4%); and Not listed (n=7, 4.1%). Because of the experimental conditions used in this study, participants were also asked (after viewing the prompts) about current purchasing behaviors from the company Nike. About half of all participants specified that they “Never” (n=86, 50.3%) purchase from Nike as opposed to “Sometimes” (n=69, 40.4%) and “Frequently” (n=16, 9.4%). Additionally, participants were asked if they were previously familiar with Nike’s stance on BLM. The majority of the participants reported “Yes” (n=126, 73.7%) as opposed to “No”
(n=36, 21.1%) and “Unsure” (n=9, 5.3%). Lastly, participants were asked if they were previously aware of who Colin Kaepernick was. Most of the participants generally knew who he was by indicating “Yes” (n=153, 89.5%). Participants also indicated “No” (n=16, 9.4%) and “Unsure” (n=2, 1.2%).

**Procedure**

Participants were provided with a brief description of the study as well as a human-review board (IRB) informed consent form before participating in the study. After giving consent by clicking the arrow to continue, participants were randomly assigned to one of four experimental manipulations with each condition containing a mock-online news article excerpt on Nike’s stances, and actions regarding the Black Lives Matter movement. The newspaper, USA Today, was used as the backdrop to the mock-online news article conditions. USA Today was selected because of its international reach for American daily news. Also, many consider the newspaper company as having a Center media bias which entails not favoring either side of the political spectrum. Therefore, this prevents any dominant participant bias from altering their survey responses and skewing the results.

The introduction section of all mock-online news article conditions read the same content describing Nike’s stances on social justice issues in their advertising campaigns in light of the release of their 30th-anniversary campaign highlighting police brutality against African American communities. Excluding the control condition (4), each article contained a portion of Nike’s CEO Mark Parker’s public statement addressing their company stance on the Black Lives Matter (BLM) movement fighting against police brutality. Condition (1) *Authentic company stance-no action*, included a Nike CEO public statement addressing their stance on the BLM movement without any action to follow; (2) *Authentic company stance-plus action*, included a Nike CEO
statement addressing their stance on the BLM movement and their Community Impact Fund for marginalized communities which acted as the action step to follow; (3) *Inauthentic company stance*, included a Nike CEO public statement addressing their stance on the BLM movement and Nike’s use of social justice campaigns for profit; and (4) *Control*, included Nike’s corporate mission statement. After each participant viewed a mock-online news article, they responded to a series of questions relating to attitudes (perceptions of authenticity, brand credibility, and brand trust) and behavioral intentions (WOM intent and PI). Once each person finished the sets of scale questions, they were directed to complete a series of demographic questions.

**Measures**

In order to measure participant attitudes and behavioral intentions, items from previous research on perceptions of authenticity, brand credibility, brand trust, WOM intent, and PI, were adopted and modified to fit this study (Delgado-Ballester, 2004; Kirmani, 1997; Molleda, 2010; Molleda & Jain, 2013; Napoli, et al., 2014; Weber Shandwick, 2015; Yang & Kang, 2009). Items derived from non-scientific perception of corporate intentions industry survey were also applied (Weber Shandwick, 2015). Napoli, Dickinson, Beverland, and Farrelly (2014) illustrated how brand authenticity is a multidimensional construct that is based off a variety of consumer perspectives. The research indicated that positive perceptions of brand trust and credibility were positively related to higher authenticity ratings. Additionally, positive brand authenticity ratings were found to be a significant predictor of consumer purchase intention, which reveals the convergent, discriminant, and predictive validity of the construct. Thus, brand authenticity comprises of consumer attitudes that predict behaviors such as WOM intent and PI. For this study, *attitudes* were measured using four separate constructs: perceptions of authenticity (10 items), brand credibility (4 items), brand trust (6 items), and perceived intentions (14 items)
Perceptions of authenticity. Items were selected from research by Molleda and Jain (2013) to measure perceptions of authenticity on the multiple dimensions of perceived authenticity from a strategic communication perspective. A perceived authenticity scale, which focused on the aspects of active engagement and overall experience, was tested in this study and was found to be a reliable measure of stakeholders’ perceptions of authenticity. Additionally, the results revealed how perceived authenticity includes multiple constructs. Molleda and Jain (2013) defined perceived authenticity as “the degree to which stakeholders believe that an organization is acting in accordance with its identity, values, and mission” (p. 18). In this study, participants were asked to rate ten statements about Nike’s engagement in this issue, which included: “Reflected legitimacy company traditions” and “Demonstrated sincere concern for the issue.” Participants used a 5-point Likert scale ranging from “strongly disagree” (1) to “strongly agree” (5) to rate statements on these attitudinal scales (n=10, alpha=.96).

Brand credibility. Items were adapted from research by Kirmani (1997) to measure brand credibility on advertising repetition effects and perceptions of brand quality. The study indicated that through positive repetition effects manufacturers develop positive consumer perceptions of effort and credibility. Moreover, the study revealed a significant relationship between positive perceptions of manufacturer effort and credibility and increasing consumer attitudes of brand quality. Participants were asked to rate four statements to measure participants’ perceptions of brand credibility. Items included: “This company is a credible source for information on this issue” and “This company is honest about its stance toward the issue.”
Participants used a 5-point Likert scale ranging from “strongly disagree” (1) to “strongly agree” (5) to rate statements on these attitudinal scales (n=4, alpha=.93).

**Brand trust.** Items were selected from research by Delgado-Ballester (2004) to measure the construct, brand trust. The researcher focused on the two main dimensions (reliability and intentions) of the concept, trust, from the consumer-brand domain and how they differ. A multi-item scale of brand trust was developed and tested in this research. The results illustrated that brand reliability and intentions are distinct dimensions that develop consumer brand trust. Participants were asked to rate six statements to measure participants’ perceptions of brand trust. The participants responded to items which included: “This company would be honest and sincere in addressing my concerns” and “I could rely on this company to solve a problem.” Participants used a 5-point Likert scale ranging from “strongly disagree” (1) to “strongly agree” (5) to rate statements on these attitudinal scales (n=6, alpha =.95).

**Perceived corporate intent.** Items were adapted from non-scientific industry research by Weber Shandwick (2015) to measure perceptions of corporate intentions. A survey was created that “gauges awareness of and attitudes toward CEOs speaking out on important societal issues” (p. 1). The research found that CEO activism impacts PI. Thus, a measure of perceived intentions was adapted, and participants were asked to rate fourteen included statements. The participants responded to items which included: “The reason Nike took a stance on this issue was to positively influence the company’s reputation” and “The reason Nike took a stance on this issue was to do what the company perceives as right for society.” Participants used a 5-point Likert scale ranging from “strongly disagree” (1) to “strongly agree” (5) to rate statements on the attitudinal scale (n=14, alpha =.74).
In order to measure *behavioral intentions*, WOM (4 items) and PI (5 items), were used in this study. Measured participant attitudes were used to predict behavioral intentions towards a company.

**Word of mouth intent (WOM).** Items were adapted from research by Yang and Kang (2009) on “contingency interactivity, self-company connection (the cognitive dimension), company attitude (the attitudinal dimension), and word-of-mouth intentions (the behavioral dimension)” (p. 324) to measure WOM intent. A four-dimensional scale of blog engagement was developed and tested in this research which revealed that interactive blogs increase positive consumer perceptions of a company and in turn, supportive WOM intentions. The results of this study demonstrated that the four dimensions are separate constructs but are also significantly related to measuring blog engagement. Participants were asked to rate four statements to measure participants’ WOM intentions. Items included: “I would encourage friends and family to buy products from this company” and “I would say positive things about this company and its products to other people.” Participants used a 5-point Likert scale ranging from “strongly disagree” (1) to “strongly agree” (5) to rate statements on the behavioral intentions scale (n=4, alpha=.96).

**Purchase intention (PI).** Items were adapted from research by Yang and Kang (2009) to measure PI. Participants were asked to rate five statements, which included: “Given the opportunity, I intend to purchase from this company” and “I intend to purchase from this company over its competitors.” Participants used a 5-point Likert scale ranging from “strongly disagree” (1) to “strongly agree” (5) to rate statements on the behavioral intentions scale (n=5, alpha=.97).
CHAPTER FOUR: RESULTS

This research aimed to explore how a company stance on social-political issues (CSA) may affect consumer perceptions of authenticity. More specifically, how these varying perceptions of authenticity impact attitudes and behavioral intentions.

RQ1 sought to identify how participants perceived the intent of Nike’s stances on the BLM movement. Previous industry research regarding CEO activism revealed that Americans are unsure of corporations’ true motives behind taking positions on social issues (Weber Shandwick, 2015). To answer this question, participants in this research responded with their agreement to “the reason Nike took a stance on this issue was:” Table 1 presents descriptive statistics for each of the fourteen items adopted in this study.

The highest evaluated corporate intention items are self-interested. Including: “to get attention in the media,” “to positively influence the company’s reputation,” and “to sell more products and services.” The results support previous research related to public skepticism of CSR efforts by companies (Weber Shandwick, 2015; Rim & Kim, 2016). Rim and Kim (2016) explained how “skepticism often originates from the paradox between the nature of a for-profit company, which strives to increase profits, and the nature of CSR, which is a voluntary commitment to creating a better society.” In other words, participants believed companies engaged in social justice issues through public stances to promote their agenda instead of doing what is right for society.

However, participants also had some agreement to items that reflected the company being open and honest (perceived authenticity) or non-self-interested. Including “to be open and honest about how the issue aligns with the company’s values” and “to do what the company perceives
as right for society.” This implies that participants believed companies are not engaging in controversial issues entirely for corporate-level outcomes, but perhaps their actions were not perceived as authentic enough to prevent skepticism altogether. Thus, companies have an opportunity to adjust their efforts that focus on societal-level outcomes to avoid uncertainty from stakeholders.

Table 1: Descriptive statistics for perceptions of corporate intent

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean (SD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>To get attention in the media</td>
<td>3.58 (1.21)</td>
</tr>
<tr>
<td>To positively influence the CEO’s reputation</td>
<td>3.13 (1.13)</td>
</tr>
<tr>
<td>To positively influence the company’s reputation</td>
<td>3.72 (1.10)</td>
</tr>
<tr>
<td>To sell more products and services</td>
<td>3.82 (1.14)</td>
</tr>
<tr>
<td>To be open and honest about how the issue aligns with the company’s values</td>
<td>3.50 (1.10)</td>
</tr>
<tr>
<td>To be open and honest about how the issue aligns with the CEO’s values</td>
<td>3.19 (1.13)</td>
</tr>
<tr>
<td>To avoid possible boycotting of the company</td>
<td>2.67 (1.26)</td>
</tr>
<tr>
<td>To leverage the company’s influence and financial power for good</td>
<td>3.33 (1.08)</td>
</tr>
<tr>
<td>To do what the company perceives as right for society</td>
<td>3.57 (1.13)</td>
</tr>
<tr>
<td>To speak up on behalf of the company’s employees</td>
<td>2.84 (1.14)</td>
</tr>
<tr>
<td>To speak up on behalf of the company’s customers</td>
<td>3.15 (1.27)</td>
</tr>
<tr>
<td>To hide or correct problems</td>
<td>2.74 (1.10)</td>
</tr>
<tr>
<td>To be more competitive</td>
<td>3.37 (1.11)</td>
</tr>
<tr>
<td>To attract and retain the best employees</td>
<td>2.95 (1.10)</td>
</tr>
</tbody>
</table>

H2a-b aimed to examine how perceptions of authenticity toward a company (Nike) impacted behavioral intentions (WOM and PI). A multiple regression was conducted to evaluate
how well the independent variables (perceived authenticity, brand credibility, and brand trust) could predict the dependent variable (word of mouth intent (WOM)). The linear combination of the independent variables was significantly related to WOM: $F(3, 167) = 225.41, p < .0001$. The sample multiple correlation coefficient, R, was .90, which indicates that approximately 80% of the variance of WOM could be accounted for by the linear combination of perceived authenticity, brand credibility, and brand trust. However, only perceived authenticity ($t =3.12, p < .01, \beta = .27$) and brand trust ($t =7.72, p < .0001, \beta = .54$) account for any of the unique variance in WOM. Brand credibility was not a significant predictor.

A second multiple regression was conducted to evaluate how well the independent variables (perceived authenticity, brand credibility, and brand trust) could predict the dependent variable (PI). The linear combination of the independent variables was significantly related to PI: $F(3, 167) = 153.11, p < .0001$. The sample multiple correlation coefficient, R, was .86, which indicates that approximately 73% of the variance of PI could be accounted for by the linear combination of perceived authenticity, brand credibility, and brand trust. However, only perceived authenticity ($t =3.33, p < .001, \beta = .33$) and brand trust ($t =6.30, p < .0001, \beta = .51$) account for any of the unique variance in PI. Brand credibility was not a significant predictor.

Next, H1a-c sought to determine if there was a significant difference in the conditions (1) Authentic company stance-no action; (2) Authentic company stance-plus action, (3) Inauthentic company stance; and (4) Control, and the participant’s perceived authenticity, brand credibility, and brand trust. However, due to uncontrolled error, only condition (1) Authentic company stance-no action, and (2) Authentic company stance-plus action are reported. Condition (4) Control, had significantly less usable responses after eliminating any responses that failed to meet the exclusion criteria. Also, condition (3) Inauthentic company stance, was rated as more
authentic than the authentic conditions (1) and (2). In the inauthentic condition, the news article emphasized Nike’s earnings from the social justice advertisement. Participants may have considered Nike’s honesty and openness as authentic rather than using social justice advertisements to earn a profit. Therefore, the researcher focused on the significant findings from conditions (1) and (2).

A Multivariate Analysis of Variance (MANOVA) was calculated using the conditions as the fixed factor and perceived authenticity, brand credibility, brand trust, WOM, and PI as the multiple dependent variables. For perceived authenticity, a significant difference was noted: \( F(3, 167) = 4.18, p < .05, n^2 = .07 \). There is a medium effect size within the dependent variable perceived authenticity. In a follow-up to this question, the researcher conducted a Tukey HSD post hoc. The Tukey HSD post hoc indicated that there was a significant difference between people exposed to condition (1) *Authentic company stance-no action* \((M = 3.01, SD = 1.10)\) and condition (2) *Authentic company stance-plus action* \((M = 3.71, SD = .84)\). Participants perceived the company as more authentic when there was an action that followed their public stance. Thus, the results demonstrated that adding an action step to an authentic public stance significantly impacted stakeholder perceptions of authenticity toward the company.

Next, for brand credibility, a significant difference was noted: \( F(3, 167) = 4.06, p < .05, n^2 = .07 \). There is a medium effect size within the dependent variable brand credibility. In a follow-up to this question, a Tukey HSD post hoc was conducted. The Tukey HSD post hoc indicated that there was a significant difference between people exposed to condition (1) *Authentic company stance-no action* \((M = 3.01, SD = 1.10)\) and condition (2) *Authentic company stance-plus action* \((M = 3.71, SD = .84)\). Further, for brand trust, a significant difference was also noted: \( F(3, 167) = 4.48, p < .05, n^2 = .07 \). There is a medium effect size within the dependent
variable brand trust. In a follow-up to this question, a Tukey HSD post hoc was conducted. The Tukey HSD post hoc indicated that there was a significant difference between people exposed to condition (1) *Authentic company stance-no action* (*M* = 3.01, *SD* = 1.10) and condition (2) *Authentic company stance-plus action* (*M* = 3.71, *SD* = .84). The results revealed that by adding an action step to an authentic company stance, it significantly increased perceptions of brand credibility and brand trust toward the company. Perceived brand credibility and brand trust are two of several constructs that comprise perceived authenticity (Napoli, Dickinson, Beverland, & Farrelly, 2014).

H2a-b sought to understand how adding an action step may affect behavioral intentions (WOM and PI). Previous research suggests that increased perceptions of authenticity, a multidimensional construct, may positively impact WOM intentions and PI (Napoli, Dickinson, Beverland, & Farrelly, 2014). In the current research, for WOM intent, a significant difference was noted: *F*(3, 167) = 3.86, *p* < .05, *n*² = .07. There is a medium effect size within the dependent variable WOM. In a follow-up to this question, a Tukey HSD post hoc was conducted. The Tukey HSD post hoc indicated that there was a significant difference between people exposed to condition (1) *Authentic company stance-no action* (*M* = 3.01, *SD* = 1.10) and condition (2) *Authentic company stance-plus action* (*M* = 3.71, *SD* = .84). Following, for PI, a significant difference was also noted: *F*(3, 167) = 5.06, *p* < .05, *n*² = .08. There is a large effect size within the dependent variable PI. In a follow-up to this question, a Tukey HSD post hoc was conducted. The Tukey HSD post hoc indicated that there was a significant difference between people exposed to condition (1) *Authentic company stance-no action* (*M* = 3.01, *SD* = 1.10) and condition (2) *Authentic company stance-plus action* (*M* = 3.71, *SD* = .84). Thus, the results
indicated that adding an action step to an authentic company stance positively impacted both WOM intentions and PI.

The descriptive statistics for the sample including all four of the conditions for perceived authenticity was ($M = 3.42, SD = 1.01$), brand credibility ($M = 3.27, SD = 1.04$), brand trust ($M = 3.20, SD = 1.02$), WOM ($M = 3.19, SD = 1.2$), and PI ($M = 3.28, SD = 1.30$).
CHAPTER FIVE: DISCUSSION, LIMITATIONS AND FUTURE RESEARCH, AND CONCLUSIONS

Discussion

This study expanded on the multidimensional construct authenticity in the context of corporate social advocacy (CSA) and corporate social responsibility (CSR). Further, this study extends existing literature concerning CSA and CSR by shedding light on how highly stakeholders’ value an action step after taking a stance on a social-political issue rather than only taking a stance. With heightened public skepticism towards the altruism of company CSR efforts (Weber Shandwick, 2015; Rim & Kim, 2016), it is imperative for companies to identify and implement authentic actions to prevent stakeholder distrust in a company. Understanding the significant impact that taking an action step after a company stance on a divisive issue has on stakeholder perceptions of authenticity is central to public relations scholarship and professionals.

For a company to maintain legitimacy, it must adapt its’ CSR strategies to any changes in the societal environment they operate within and in turn, changes in stakeholder expectations (Palazzo & Scherer, 2006). RQ1 asked how participants perceived the intent of Nike’s engagement in CSA. The descriptive statistics for corporate intent items (Table 1) revealed that participants were uncertain of the company’s true motives when taking a stance on a social-political issue. Following industry research, public skepticism towards CSR efforts in this research created a legitimacy gap (Weber Shandwick, 2015). However, the results identified the significance of a company implementing an action step on stakeholder perceptions of authenticity. By executing an action step, a company reassures its stakeholders of its core values and evade skepticism. Therefore, the results support previous literature on organizational
legitimacy theory, that to maintain legitimacy, companies must evolve their CSR strategies to changes in stakeholder expectations.

H1a-c demonstrated how approaching multiple components of authenticity (e.g., brand credibility and brand trust) can positively impact stakeholder attitudes. Participant attitudes (perceived authenticity, brand trust, and brand credibility) towards a company increased when applying an action step after taking a stance on a social-political issue. This noteworthy finding addresses the need for further exploration of how alternative CSR methods may influence perceptions of authenticity.

Next, the current research examined how CSA impacted WOM intent and PI and how taking an action step in addition to a company stance may influence these behavioral intentions. H2a-b illustrated that for a company to increase positive behavioral intentions (i.e., WOM and PI), first, they must positively influence consumer attitudes. To positively impact stakeholder attitudes, companies must address multiple components of authenticity through CSA and CSR efforts that will affect their overall attitudes towards the company. Carroll (1991) explained how a company’s financial performance is at the foundation of the pyramid of CSR. In other words, the behavioral intentions of stakeholders is a salient issue for companies. Once a company has supported the necessary financial performance, they can participate in further socially responsible actions such as taking a stance on a divisive social-political issue. Consequently, engaging in CSA can contribute to a company’s financial performance (Dodd & Supa, 2014).

Additionally, this study contributes to existing literature regarding the conceptualization of the multidimensional construct authenticity (Napoli et al., 2014) by measuring and analyzing multiple concepts of authenticity that were found to increase positive WOM intent and PI. Both perceived authenticity and brand trust were significant predictors of WOM intent and PI.
However, brand credibility was not a significant predictor for either behavioral intentions which contradicts previous literature. Future research is needed to understand why this particular dimension of authenticity did not reach significance.

The results indicated that through executing an action step after taking an authentic company stance, increases perceptions of authenticity, thus, increasing positive WOM intent and PI. Although stakeholder groups will not always align with a company’s position due to differences in values, participants in this study perceived taking an action step after a stance as more authentic, even in cases with incongruent values. This implies that stakeholders perceive the action step genuinely and are more likely to purchase from the company and increase positive WOM intent. This finding is critical for public relations practitioners who are combating stakeholder skepticism towards a company’s motives for engaging in CSA as taking stances on social-political issues is becoming unavoidable. Therefore, companies must adapt their SIM approaches to CSR in order to remain legitimate. One strategy identified in this study is to apply an action step following a company stance to increase stakeholder perceptions of authenticity and prevent public skepticism.

The major finding of this study is that through implementing an action step in addition to an authentic company stance on a controversial issue, there is a positive impact on stakeholder attitudes (perceived authenticity, brand credibility, and brand trust) and behavioral intentions (WOM and PI). Specifically, an action step can prevent public skepticism towards a company’s motives for engaging in social-political issues. In the current research, the action step is related to a financial CSR method or “putting your money where your mouth is,” which significantly influenced perceptions of authenticity with a medium effect size. Financial-based CSR methods may include creating funds for communities in need; rebuilding communities and structures;
establishing scholarships for education; donating goods and services, and so forth. Alternatively, companies can execute non-financial CSR methods that may impact perceptions of authenticity. For instance, volunteering time in a community, having ethical labor practices within the company and being environmentally friendly, but more research is necessary.

Even if a company’s intent for CSR is altruistic, stakeholders may not perceive their motives as authentic to advancing societal level outcomes as opposed to corporate level outcomes. Companies that appear overly promotional in their CSR efforts, which may come in the form of advertising their good deeds/actions, may cause the reverse effect regarding perceptions of authenticity. In fact, companies have received significant backlash for executing CSR initiatives to redeem themselves after facing threats to their legitimacy. The fine line between practical CSR efforts and harmful actions for a company’s reputation expresses the need for a more in-depth understanding of socially responsible actions and perceptions of authenticity.

Limitations and future research

There are several limitations to this study. First, condition (1) Authentic company stance-no action, was not always rated by participants as more authentic than condition (3) Inauthentic company stance. This suggests that participants did not perceive the company’s stance as a positive action. However, we can attribute this to public skepticism towards a company’s true motives behind taking a public stance (Weber Shandwick, 2015; Rim & Kim, 2016). Participants also could have perceived the inauthentic company stance as genuine because the company was seemingly straightforward with their intentions behind the public stance. Stakeholders may not agree with some of the motives behind taking a stance on a social-political issue, for instance, financial performance, but if the company is open and honest about their intent, they perceive it as an authentic action. This is an interesting concept that highlights how stakeholders may value
honesty in a company over other advocacy efforts. The current research demonstrated how participants perceived a company stance as more authentic with an added action step, such as initiating a fund that awards grants and scholarships in communities associated with the social-political issue. Additional research could seek to identify what types of actions stakeholders perceive as altruistic and authentic versus self-serving and inauthentic.

Next, one of the main limitations of this research is that the study focused on only one company (Nike) and their actions towards a single controversial social-political issue (racial inequality regarding police brutality against African American communities) which may have influenced how participants responded based on personal bias. Future research is needed to compare other companies and their actions towards various social-political issues to understand if similar results would occur. Moreover, because the corporation Nike is known worldwide, its socially responsible actions may be perceived differently among other cultures. Understanding how cultures outside of the United States perceive authenticity could benefit companies that must adjust their SIM approaches for other markets to earn legitimacy. A company’s financial performance may be affected by their approach to CSA in an effort to remain a legitimate entity making this a worthy area of research.

Brand credibility was not a significant predictor of WOM intentions and PI, although a review of the literature noted brand credibility as one of the primary constructs that predict WOM and PI. This may be a result of the specific sample used in this study. Future research may focus on replicating the current research with a different sample to shed more light. Further, condition (4) Control, had significantly fewer participants than the other three conditions. This was an uncontrollable error due to random exposure using MTurk to collect the sample. Future research could expand the sample size of each condition to prevent this error.
Finally, we should direct future research at the societal level implications with companies engaging in socially responsible actions that may ignite change. Specific social-political issues may become more salient than others due to the attention drawn from company stances that focus on those issues. More so, in the current polarized and politically charged climate, company involvement in social-political issues could threaten their legitimacy if stakeholder perceive stances as inauthentic.

Conclusions

Companies are bound by meeting stakeholder expectations or risk facing threats to their legitimacy. Currently, public skepticism towards the authenticity of company engagement in CSR and CSA is increasing, which illustrates changes in the social environment. By identifying a CSR method that increases perceptions of authenticity towards a company, this study contributes to the further understanding of CSR, CSA, and public relations literature. This finding also highlights how stakeholders do not always perceive companies taking public stances on controversial social-political issues with the intent of progressing societal level outcomes but rather corporate level outcomes which will help companies and practitioners navigate their socially responsible actions in a way that benefits their reputation. In addition, perceived authenticity and brand trust were found to be significant predictors of WOM intent and PI that will assist public relations practitioners in enhancing a company’s financial performance. Finally, by examining perceptions of authenticity in the context of CSR and CSA, this study provides meaningful insights for public relations practitioners and scholars.
APPENDIX A: IRB APPROVAL
EXEMPTION DETERMINATION

April 1, 2019

Dear Eve Heffron:

On 4/1/2019, the IRB determined the following submission to be human subjects research that is exempt from regulation:

<table>
<thead>
<tr>
<th>Type of Review:</th>
<th>Initial Study, Category 3(i)(A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>Nike’s Corporate Social Responsibility (CSR) Practices as Related to Strategic Issues Management (SIM) and Threats to Organizational Legitimacy</td>
</tr>
<tr>
<td>Investigator:</td>
<td>Eve Heffron</td>
</tr>
<tr>
<td>IRB ID:</td>
<td>STUDY00000260</td>
</tr>
<tr>
<td>Funding:</td>
<td>None</td>
</tr>
<tr>
<td>Grant ID:</td>
<td>None</td>
</tr>
</tbody>
</table>

This determination applies only to the activities described in the IRB submission and does not apply should any changes be made. If changes are made, and there are questions about whether these changes affect the exempt status of the human research, please contact the IRB. When you have completed your research, please submit a Study Closure request so that IRB records will be accurate.

If you have any questions, please contact the UCF IRB at 407-823-2901 or irb@ucf.edu. Please include your project title and IRB number in all correspondence with this office.

Sincerely,

Adrienne Showman
Designated Reviewer
APPENDIX B: CONDITIONS
Condition (1) **Authentic company stance-no action**

---

Nike promotes social justice issue

Nike has a history of promoting social justice issues in their advertising campaigns. Nike's social justice-oriented campaigns began when their first "Just Do It" message in 1988, addressing ageism, the bias against people of certain ages by featuring Walt Slack, an 80-year-old man who ran 17 miles a day. Nike has spoken out about other controversial issues, including sexism, LGBTQ+ rights, and female empowerment. Nike recently created a video labeled "Dream Crazy," featuring the NFL player Colin Kaepernick who drew international attention with his kneeling during the national anthem to protest police brutality against African American communities that was seen as a controversial stance.

The advertisement also included athletes who have overcome disabilities or similar hardships playing sports. This was part of the 30th anniversary campaign for the first "Just Do It" video. The "Dream Crazy" advertisement highlighted Kaepernick for his involvement in the Black Lives Matter movement, activism among African Americans, and the difficulties he overcame as a black athlete that brought him to protesting police brutality against African American communities.

Nike CEO Mark Parker stated:

"Nike has a long history of supporting the marginalized and those whose voice is not always heard. In many cases our athletes have eloquently argued for change and to stop the situation. Last night at the ESPYs, we heard athletes like LeBron James, Carmelo Anthony and Chris Paul powerfully speak out about the issues facing society. Others, like Serena Williams, have also made their voices heard.

As a company, I'm proud that Nike takes a stand on issues that impact all of us, our athletes and society as a whole. And I am proud that Nike stands against discrimination in any form. We stand against bigotry. We stand for racial justice.

Although the public views Nike's stance as controversial, Nike continues to promote the Black Lives Matter movement through their advertisement campaigns and mission statements."  -- USA Today
Nike has a history of promoting social justice issues in their advertising campaigns. Nike's social justice-oriented campaigns began when their first "Just Do It" message in 1988, addressing ageism, the bias against people of certain ages by featuring Walt Slack, an 80-year-old man who ran 17 miles a day. Nike has spoken out about other controversial issues, including sexism, LGBTQ+ rights, and female empowerment. Nike recently created a video labeled "Dream Crazy," featuring the NFL player Colin Kaepernick who drew international attention with his kneeling during the national anthem to protest police brutality against African American communities that was seen as a controversial stance. The advertisement also included athletes who have overcome disabilities or similar hardships playing sports. This was part of the 30th anniversary campaign for the first "Just Do It" video. The "Dream Crazy" advertisement highlighted Kaepernick for his involvement in the Black Lives Matter movement, activism among African Americans, and the difficulties he overcame as a black athlete that brought him to protesting police brutality against African American communities.

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As a company, I'm proud that Nike takes a stand on issues that impact all of us, our athletes and society as a whole. And I am proud that Nike stands against discrimination in any form. We stand against bigotry. We stand for racial justice.

Nike supports marginalized communities through the Nike Community Impact Fund which has awarded more than $4.5 million in grants to local community organizations and schools and will continue to support marginalized groups through these initiatives. — USA Today
Condition (3) **Inauthentic company stance**

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As a company, I'm proud that Nike takes a stand on issues that impact all of us. Our athletes and society as a whole. And I am proud that Nike stands against discrimination in any form. We stand against bigotry. We stand for racial justice.

Just hours after the campaign was announced, it generated $43 million in media exposure. Additionally, Nike's profits spiked 31 percent after the ad campaign, according to a study conducted by Edison Trends. Evidently, the spectacle of social justice was good for business. -- USA Today"
Condition (4) Control

Nike promotes social justice issue

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Nike's Corporate Mission Statement states:

Nike Inc.'s corporate mission is "to bring inspiration and innovation to every athlete in the world." The company further states that everybody is an athlete, based on Nike founder Bill Bowerman's statement, "If you have a body, you are an athlete." This mission statement represents the company's strategic goal of reaching out to the global leisure and sports footwear, apparel, and equipment market. The following main components are in Nike's corporate mission statement:

1. Inspiration
2. Innovation
3. Every athlete in the world

As a leading manufacturer of sports shoes, apparel, and equipment, Nike Inc. inspires people to adopt a "winner mindset", which is covered in the "inspiration" component of the mission statement. The company's slogan "Just Do It" represents this inspirational goal.

Although the public views Nike's stance as controversial, Nike continues to promote the Black Lives Matter movement through their advertisement campaigns and mission statements. — USA Today
Demographics

1. In the past year, how often did you buy Nike products?
   - Never
   - Sometimes
   - Frequently

2. Prior to today, were you familiar with Nike's stance on Black Lives Matter?
   - Yes
   - No
   - Unsure

3. Prior to today, did you know who Colin Kaepernick was?
   - Yes
   - No
   - Unsure

4. What is your gender?
   - Female
   - Male
   - Not listed: _______

5. What is your ethnicity?
   - White/Caucasian
   - Black/African American
   - Asian/Pacific-American
   - Hispanic/LatinX
   - Native American/American Indian
Bi- or Multi-Racial

Not listed: ________

6. What is your highest education level?

   Less than high school

   High school graduate

   Some college

   2 year degree

   4 year degree

   Professional degree

   Doctorate

7. What is your income level?

   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
8. What is your political ideology?
   Conservative
   Liberal
   Moderate
   Not listed: ________

9. Which US registered political party do you belong to?
   Democratic Party
   Republic Party
   Libertarian Party
   Green Party
   Constitution Party
   Not registered/ unsure
Survey

Nike's engagement in this issue:

1. Inspired me to value this issue more.
2. Inspired me to value this company more.
3. Motivated me to support this company.
4. Was authentic.
5. Reflected legitimate company traditions.
6. Represented the company well.
7. Represented the beliefs of the company’s leaders.
8. Represented the beliefs of the company’s employees.
9. Demonstrated sincere concern for the issue.
10. Legitimately encouraged attention to the issue.

1 __ 2 __ 3 __ 4 __ 5 __
Strongly Disagree  Disagree  Neither Agree nor Disagree  Agree  Strongly Agree

Please respond with your agreement to the following items regarding Nike:

1. This company is a credible source for information on this issue.
2. This company is trustworthy.
3. I make my own clothes and shoes.
4. This company is a competent source for information on this issue.
5. This company is honest about its stance toward this issue.

1 __ 2 __ 3 __ 4 __ 5 __
Strongly Disagree  Disagree  Neither Agree nor Disagree  Agree  Strongly Agree
Please respond with your agreement to the following items regarding Nike:

1. This company meets my expectations.
2. I feel confidence in this company.
3. This is a company that never disappoints me.
4. This company guarantees satisfaction.
5. This company would be honest and sincere in addressing my concerns.
6. I could rely on this company to solve a problem.

1          2          3          4          5
Strongly Disagree  Disagree  Neither Agree nor Disagree  Agree  Strongly Agree

The reason Nike took a stance on this issue was:

1. To get attention in the media.
2. To positively influence the CEO’s reputation.
3. To positively influence the company’s reputation.
4. To sell more products and services.
5. To be open and honest about how the issue aligns with the company’s values.
6. To be open and honest about how the issue aligns with the CEO’s values.
7. To avoid possible boycotting of the company.
8. To leverage the company’s influence and financial power for good.
9. To do what the company perceives as right for society.
10. To speak up on behalf of the company’s employees.
11. To speak up on behalf of the company’s customers.
12. To hide or correct problems.
13. To be more competitive.

14. To attract and retain the best employees.

1 2 3 4 5

Strongly Disagree  Disagree  Neither Agree nor Disagree  Agree  Strongly Agree

Please respond with your agreement to the following items regarding Nike:

1. I would encourage friends and family to buy products from this company.

2. I would recommend this company's products to someone who asked my advice.

3. I would say positive things about this company and its products to other people.

4. I sometimes get hungry and thirsty.

5. I would encourage others to learn more about this company.

1 2 3 4 5

Strongly Disagree  Disagree  Neither Agree nor Disagree  Agree  Strongly Agree

Please respond with your agreement to the following items regarding Nike:

1. Given the opportunity, I intend to purchase from this company.

2. I am willing to purchase from this company.

3. I am likely to purchase from this company.

4. I do NOT plan to purchase from this company.

5. I intend to purchase from this company over its competitors.

1 2 3 4 5

Strongly Disagree  Disagree  Neither Agree nor Disagree  Agree  Strongly Agree
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https://doi.org/10.1016/j.jbusres.2013.06.001


https://doi.org/10.1016/j.pubrev.2017.05.005


