Crisis Responsibility on CSR Outcomes: The Case of Sportswear Industry

Kwangho Park, Troy University
Packianathan Chelladurai (Advisor), Troy University
Minkil Kim (Advisor), Troy University
Museum Park, Hankuk University of Foreign Studies

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The term “crisis” is defined as a threat that could bring about negative consequences to any operation when an issue has not been addressed properly (Coombs, 2007, p.3). Since 2010, for example, the rate of youth football participation has continued to decline as a result of the NFL-related concussion crisis (Fainaru & Fainaru-Wada, 2013). Further, that leadership likely has continued to hide evidence of concussions and problems that result from concussions, that football players are often charged with domestic violence (e.g., Trent Richardson, a running back for the Indianapolis Colts, was accused of misdemeanor domestic violence; Ray Rice, a running back for the Baltimore Ravens, struck his ex-fiancée with his fist in the elevator of a casino), and that fatal and even non-fatal injuries have ruined the lives of a number of football stars have resulted in crises that have gone unaddressed. These ongoing crises, especially if they remain unaddressed, may cause the league to experience a state of disrepair from which it may not recover no matter the great effort it might put forth or the Corporate Social Responsibility (CSR). An example of this sort of effort is Play 60, a program that encourages kids to engage in football playing for 60 minutes each day. According to Chelladurai’s CSR model (2016), organizations that engage in social responsibilities should rectify their wrongs when inadvertent incidents or harms occur at some point in the organization’s goal-attainment process. However, the NFL example suggests that some organizations, in their lack of appropriate or effective response, have placed their futures at risk through ongoing crises and CSR activities that are thus ineffective. There is another well-known example in the sport industry field that suggests how important crisis management is. For instance, Nike had a critical issue related to a sweatshop that exploited children's labor with very low wages in a poor working environment in the late 1990s. At that time, because Nike responded to the crisis inappropriately and did not engage in CSR, it fatally damaged its brand and caused its revenue to rapidly decline. Unfortunately, though it remains a significant sportswear brand throughout the world, Nike’s reputation still has not been fully recovered from its poor handling of its prior crisis. This example underscores how very important it is for sport product managers or crisis managers or CSR managers to minimize the negative effects of crises by responding appropriately to various crisis situations. Therefore, this study is to focus on the effect of brand/organization reputation and perceived CSR motive on CSR outcomes.

In light of the NFL and Nike examples, Barone, Norman, and Miyazaki (2007) point out that conflicting issues regarding CSR involvement in terms of corporate misfeasance (e.g., environmental disaster, financial scandals, consumer scams, social transgressions) (Skarmeas & Leonidou, 2013) mitigate the effectiveness of organizations’ CSR initiatives and cause the public to assume a more skeptical attitude toward the organizations’ CSR engagement. In addition, it is recognized that CSR is “no longer [merely] an option – it is emphatically and indisputably a must-do” (Cone Communication, 2013, p. 2) because organizations’ CSR behaviors generates many good business outcomes such as improved brand awareness, a counter to negative publicity, and increased sales and re-purchases. However, when situational crises continue and organizations respond to their respective crises both late and with ineptitude, good CSR outcomes are lost and brands’ reputations are soiled (Coombs, 2007), which is more likely to negatively affect organizations’ business activities (e.g., marketing, stock trading, market sharing) and consumers’ behavioral and purchase intentions (Siomkos & Kurzbard, 1994). To protect their tangible and intangible assets (e.g., brand reputation, CSR outcomes, finance) from the crisis, in the context of crisis communication, Coombs (2004) established situational crisis communication theory (SCCT), which suggests that organizations should “adjust their communication to account for possible past crises about which relevant publics are aware” (p. 265). This theory is constructed on the basis of attribution theory, which is typically utilized to rationalize how individuals make causal inferences about the events that they experience (Kelley & Michela, 1980). With regard to CSR, according to attribution theory, consumers’ perceptions of CSR motives (i.e., altruism-based or profit-based motives) can significantly impact their evaluations of an organization and its CSR behaviors (Webb & Mohr, 1988). Moreover, it is...
argued that behavioral intention and attitude toward an organization are affected by consumers’ perceptions of organizational altruism, and this is important because both behavioral intention and attitude are variables of CSR outcomes and are considered indispensable factors for the successful marketing of CSR (Gray, 2012; Uhrich, Koenigstorfer, & Groeppel-Klein, 2014).

Interestingly, there is little research regarding the effect of crisis management strategy on CSR outcomes or consumer behaviors (Zhang, & Borden, 2016; Hegner, Beldad, & Kraesgenberg, 2016) in the field of crisis communication. Further, with the exception of a single book chapter, research related to both this area of study and sports could not be found among the sport management literature (Sato, 2015). Based on theoretical frameworks of previous research about crisis communication, the purpose of this study will develop a model that could examine the effect of brand reputation and perceived CSR motive on CSR outcomes (i.e., behavioral intention, attitude toward a brand) according to different attributions of crisis responsibility for types of crisis in the sportswear industry. The crisis type is how stakeholders interpret crises given specific contexts and how a crisis is framed (Coombs & Holladay, 2002).

To investigate how the effect of the attributions of crisis responsibility for a crisis on CSR outcomes would be changed by past crises and reputation history, distinctiveness and consistency will serve as moderator variables because it is reported that both distinctiveness (prior reputation based on consumer-perception) and consistency (crisis history) directly and indirectly influence the reputational threat caused by the crisis (Coombs, 2004). This study will be conducted by employing an experimental and quantitative research method in the future. In conclusion, this study will be helpful for crisis or CSR managers in the sportswear industry, as it will enable them to engage in better managerial decision-making that is based on scientific evidence using crisis communication.