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Corporate crises in the age of corporate social responsibility

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Abstract   Many companies today believe that corporate social responsibility (CSR) acts as a reservoir of goodwill, insulating the firm from the negative impacts of a crisis. Yet, the impact of CSR on public reaction to corporate crises is more complex. Drawing on research on stakeholder reactions to CSR and—more specifically—corporate crises, we present a contingent framework for understanding the roles of CSR in corporate crises and how to manage it. This framework posits that CSR plays four important roles: it (1) increases stakeholders' attention to crises, (2) affects blame attributions, (3) raises expectations, and (4) changes stakeholders' evaluations of crisis situations. Several factors underlying these roles are also discussed. Overall, this article underscores that while CSR may insulate companies and mitigate stakeholders' negative responses in some cases, in others it may actually lead to the opposite effect, amplifying the negative impact of a crisis. The article ends with a brief discussion of the implications of our framework for effective crisis management strategies in the age of CSR.

1. CSR and corporate crises: A revisit

Corporate social responsibility (CSR), defined broadly as a company's status and activities with regard to its perceived obligations toward society (Brown & Dacin, 1997; Sen & Bhattacharya, 2001), occupies a prominent place today on the global corporate agenda. From disaster relief to the development of socially sensitive business practices, companies around the world devote unprecedented efforts and resources to CSR initiatives in the hope of creating shared value for themselves and the environment and society. A key consequence of CSR engagement is reputation

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enhancement.[1] Not surprisingly, then, many companies believe that their CSR activities may act as a reservoir of goodwill, insulating them from the negative impacts of crises. Academic research (Godfrey, Merrill, & Hansen, 2009; Klein & Dawar, 2004) supports this idea; for example, an analysis by Minor and Morgan (2011) of CSR and product recall event data of all S&P 500 companies over the period 1991—2006 reveals that stock prices declined significantly less following a product recall for companies that engaged in CSR. This is welcome news to companies worldwide, as no firm is immune to crises. Johnson & Johnson's series of medicine recalls, Walmart's bribery of Mexican officials to hasten expansion of the retail giant in that country, General Motors' recall of vehicles with faulty ignition switches that led to multiple deaths, and well-known companies' removal of products from shelves in the midst of the European horse meat scandal: all are relatively recent examples of crises that have notably made headlines.

The role played by CSR in times of crisis may, however, be more complex than research suggests. Consider the case of British Petroleum. BP invested substantially for years in its Beyond Petroleum campaign to portray itself as a socially and environmentally conscious company, yet suffered important market losses following the 2010 Deepwater Horizon disaster (Hargreaves, 2010). BP received heavy public criticism not only for the crisis itself, but also for the way in which it handled the matter. Many observers argue that one of the main reasons for the criticism was the positive CSR image BP had worked to create in years leading up to the spill (Holmes & Sudhaman, 2011). As this example shows, the role of CSR in times of crisis can be multi-faceted and might not always be the insurance policy against crises it is expected or hoped.

Given the unprecedented levels of CSR engagement today, it is essential that companies understand the role CSR plays in the public's reaction to a corporate crisis. More than ever, managers need to be cognizant of how the company CSR record is likely to affect stakeholder responses to crises. This article represents a step in that direction. Drawing on the bodies of research investigating stakeholder reactions to CSR (Bhattacharya, Sen, & Korschun, 2011) and—more specifically—corporate crises, this article provides a comprehensive sense of the ways in which a company's CSR engagement may impact public reaction to a corporate crisis. Based on this, the article also provides guidance regarding how crisis managers can integrate CSR considerations in the design of effective crisis management strategies.

2. What is CSR?

CSR reflects a company's strategic efforts to create shared value, or the creation of "economic value in a way that also creates value for society by addressing its needs and challenges" (Porter & Kramer, 2011, p. 64). Companies' CSR efforts can address a variety of issues (e.g., diversity, education, economic development, the environment, human rights) through initiatives ranging from cause promotion and cause-related marketing to employee volunteering programs and the development of socially responsible business practices (Kotler, Hessekiel, & Lee, 2012). For example, Microsoft's CSR commitment revolves around the company's core mission "to help people and businesses throughout the world realize their full potential" (Microsoft, 2014). In 2013, the company notably donated $795 million worth of software to more than 70,000 nonprofits to help them deliver their services, engage supporters, and raise money faster (Microsoft, 2013). Over the years, companies like Microsoft, Johnson & Johnson, Unilever, and Nestlé have also developed programs and policies to reduce their environmental footprints, establish good workplace environments, and foster responsible sourcing practices throughout their supply chains.

Marketplace polls unequivocally suggest that a wide range of stakeholders—including consumers, employees, and investors—expect such CSR commitment from companies (Cone Communications & Echo Research, 2013). Furthermore, academic research amply demonstrates the positive effects of CSR. For example, CSR has been shown to enhance consumers' company evaluations and purchase intentions (Sen & Bhattacharya, 2001); boost employees' productivity, recruitment, and retention (Greening & Turban, 2000); and increase people's intentions to invest in company stocks (Sen, Bhattacharya, & Korschun, 2006). Beyond generating positive business returns, CSR may also help companies build a strong, positive reputation in the long term (Brammer & Pavelin, 2006). It is on these more intangible assets that this article focuses, aiming to provide a comprehensive understanding of the roles companies' CSR efforts might play when a corporate crisis arises.

3. The roles of CSR in corporate crises

Although corporate crises vary widely, all crisis situations have at least three characteristics in

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[1] See the Reputation Institute's CSR RepTrack study; Smith (2013).

common (Pearson & Clair, 1998; Seeger, Sellnow, & Ulmer, 1998). First, they all represent a serious threat to the company: corporate crises have been reported to have strong negative impacts on sales and market shares, stakeholders' loyalty and advocacy behaviors, and companies' reputations (Coombs & Holladay, 2002; Dawar & Pillutla, 2000; Siomkos & Kuzbard, 1994). Second, crises are unpredictable, non-routine events: they can strike at any time, with little or no warning, and usually take managers by surprise. Finally, they offer very little time for managers to respond; and while decisions to handle them should be made swiftly, crisis responses must be carefully considered (Johar, Birk, & Einwiller, 2010).

When a crisis hits, public perceptions of the crisis and the company's response to it are critical. Thus, for a company with strong CSR associations (i.e., a CSR company), an important issue to assess is how and when its CSR record affects its stakeholders' perceptions and—subsequently—responses in times of crises. We propose that CSR can play four important roles. First, CSR increases the amount of attention stakeholders devote to crises. Second, CSR affects stakeholders' attributions of blame regarding the crisis. Third, CSR raises stakeholders' expectations of how the company should respond. Finally, contingent on these three roles, CSR ultimately changes the company's potential insulation from the fallout of the crisis. These different roles are summarized in Figure 1 and are detailed next.

3.1. CSR increases attention to crises

Companies increasingly communicate about their CSR activities. Results of the Reputation Institute's CSR RepTrack 100 study illustrate that some companies—including, among others, Microsoft, The Walt Disney Company, Google, and BMW—have managed to build a strong reputation for CSR in the public's consciousness (Smith, 2013). Other companies—such as The Body Shop, Ben and Jerry's, Whole Foods Market, and Timberland—have even taken the stance of positioning themselves wholly in terms of CSR, becoming known as 'socially responsible companies' (Du, Bhattacharya, & Sen, 2007).

This public salience of a company's CSR activities has been shown to influence the amount of media coverage a corporate crisis receives. Luo, Meier, and Oberholzer-Gee (2012) found that media are more likely to report crises such as oil spills if they occur at a company with a strong prior CSR record. Relatedly, NGOs often target CSR companies to make an example. For instance, Nestlé was strongly accused by Greenpeace (2010) of contributing to rainforest destruction through its method of acquiring palm oil. This heightened attention that CSR companies receive increases the salience of these crises in the public's mind. Negative news about CSR companies also likely grabs people's attention to a greater extent than crises involving companies with no CSR visibility. Indeed, when a company that faces a corporate crisis has publicly communicated about its CSR, stakeholders confront information with differing valence, triggering perceptions of incongruity. Research suggests that people dislike incongruity and generally attempt to resolve any incongruity they perceive (Heider, 1958). In turn, this need for incongruity resolution has been shown to increase people's cognitive elaboration (Mandler, 1982; Meyers-Levy & Tybout, 1989). In other words, people likely pay closer attention to the details of crises faced by a CSR company.

3.2. CSR affects stakeholders' attributions about the crisis

Attribution refers to the causal reasoning stakeholders engage in when trying to make sense of events or occurrences they encounter, particularly

Figure 1. A framework for understanding the roles of CSR in crisis situations
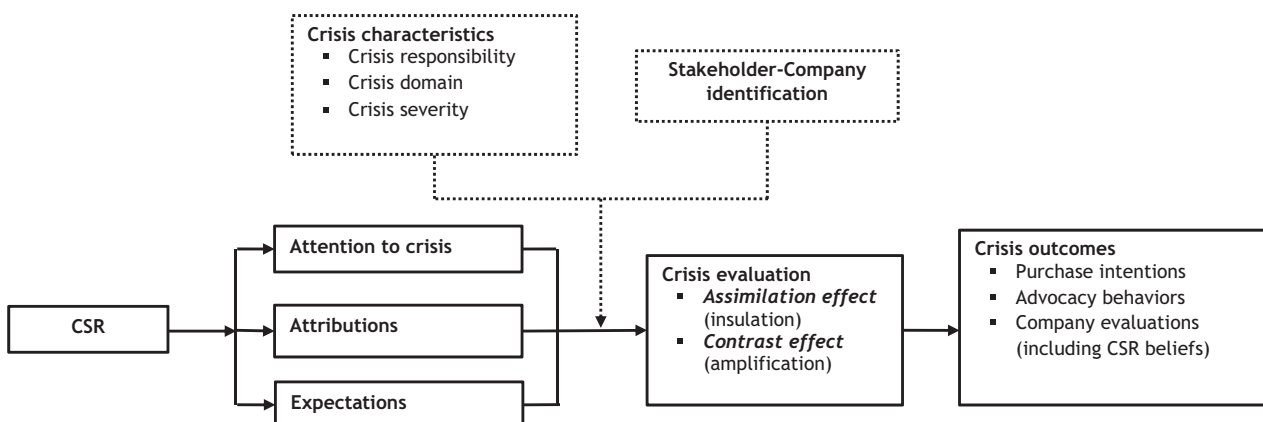
when these events are negative or out of the ordinary (Weiner, 1985). Because corporate crises are unexpected, negative events, they are likely to garner extensive attributional thinking. Drawing on the attribution literature, most of the academic work on corporate crises has provided explanations of stakeholder responses to crises that center on blame attribution, or how much the company is held responsible for the crisis event (Coombs & Holladay, 2002; Laufer & Coombs, 2006). People spontaneously seek to attribute blame when a corporate crisis surfaces, and the more they blame the company for the crisis, the more their reactions toward the company tend to be negative (Coombs & Holladay, 2002).

CSR can affect this attributional process. In their examination of the role played by a company's CSR record during a product-harm crisis, Klein and Dawar (2004) showed that consumers blamed the company more when the crisis involved a company with a negative CSR record as opposed to a company with a positive or no CSR record. While Klein and Dawar found that a neutral image provided as much protection as a positive CSR record in a product-harm crisis, their study nonetheless demonstrates that CSR associations have a strong potential to influence blame attributions. Other scholars suggest that CSR may actually lead stakeholders to give the company the benefit of the doubt and encourage them to make more favorable attributions about crisis responsibility. Godfrey, Merrill, and Hansen (2009) and Minor and Morgan (2011) theorize that when a corporate crisis arises, the event will more likely be attributed to bad luck or maladroitness than to bad management or malevolence if stakeholders believe the company is socially responsible. However, this theorized effect rests on the premise that CSR acts as a signal that the company "is *not* completely self-interested; that its leaders can, do, and will consider impacts on others or the social good in their decisions" (Godfrey et al., p. 428). In other words, the attributions stakeholders make about the company's underlying motives for engaging in CSR are crucial for this positive effect to occur.

Stakeholders' attributions of CSR motives may be of two kinds (Batson, 1998): extrinsic, in which the company is seen as acting out of self-interest to increase its profits; and intrinsic, in which it is viewed as acting out of genuine concern for the CSR issues it addresses. The type of attributions made depend on several factors, including the perceived congruence of the company's CSR activities with its core business, the way the company communicates them to its public, and the extent to which these initiatives are seen as effective in improving the welfare of their target beneficiaries (Bhattacharya et al., 2011; Du, Bhattacharya & Sen, 2010). Perceptions of intrinsic motives lead stakeholders to make positive inferences about the company's CSR stance, and thus react positively toward the company. However, attributions of exclusively—or even predominantly—extrinsic motives increase stakeholders' skepticism and likely trigger perceptions that the company is not truly socially responsible (Du et al., 2007; Forehand & Grier, 2003). Such perceptions might even leave the company with a more negative image than would be the case if stakeholders had no information about its CSR activities (Yoon, Gürhan-Canli, & Schwarz, 2006).

Therefore, if stakeholders attribute intrinsic motives to the company for its CSR activities, more favorable blame attributions likely ensue when a crisis arises, as Godfrey et al. (2009) and Minor and Morgan (2011) suggest. On the other hand, if stakeholders initially attribute more extrinsic than intrinsic CSR motives to the company, stakeholders are unlikely to give the company the benefit of the doubt. Worse, because these attributions may lead to negative perceptions of the company (e.g., "the company uses CSR as a greenwashing strategy and only cares about money"), the company stands exposed to potentially more unfavorable blame attributions, similar to those people would make in the case of a company with a negative CSR record. Thus, while CSR can affect stakeholders' blame attributions when a crisis arises, this effect is likely to hinge critically on the types of attributions stakeholders make about the company's CSR motives.

3.3. CSR raises stakeholders' expectations

A company's CSR efforts communicate to stakeholders that the company is willing to engage in activities that go beyond what is generally expected of corporate actors, legally or even in an ethical sense (Carroll, 2004), to contribute to the welfare of society. Unlike other types of corporate information, such as information related to the company's expertise in producing and delivering its products and services, CSR thus provides information about the values and character of a company as regards important societal issues (Brown & Dacin, 1997; Sen & Bhattacharya, 2001). As such, CSR reveals aspects of a company's ethical identity which are not only fundamental and enduring, but also more distinctive by nature than the identity traits associated with other corporate information (Balmer, Fukukawa, & Gray, 2007; Sen & Bhattacharya, 2001). These identity-revealing characteristics of CSR have important ramifications in terms of stakeholders' expectations.

The schematic model of dispositional attributions developed by Reeder and Brewer (1979) indicates that attributions pertaining to moral traits are influenced by a hierarchically restrictive schema. This schema reflects the fact that people intuitively expect an honest person to exhibit honest behaviors in all situations. A more dishonest person, on the other hand, is expected to exhibit both dishonest and honest behaviors, depending on the situation. On the basis of Reeder and Brewer's account, one can see how CSR companies might be held to higher standards than companies for which stakeholders do not have clear information regarding ethical identity. As stated by Balmer et al. (2007, p. 8), "corporate identity ought to be in evidence throughout all aspects of a corporation's activities, regardless of when and where you 'cut in' to look at it." Thus, the perceived ethical identity of a company becomes a blueprint for how it is expected to react, including in times of crisis; specifically, CSR companies will be expected to uphold their values and standards of behavior. They are likely to be anticipated to go above and beyond what other companies might be expected to do in the same situation.

4. CSR determines the company's potential insulation from the fallout of a crisis

Ultimately, does CSR insulate a company from the negative impacts of a crisis? That will depend on how the different roles we have described come together to affect the public's evaluation of a corporate crisis. This can best be understood in terms of assimilation-contrast theory (Biernat, 2005; Sherif & Hoveland, 1961). The theory underlines that individuals' judgments exist relative to reference points, such as those induced by the context in which the judgment takes place. Such reference points distort individuals' judgment and can produce two opposing effects when new information surfaces: the distance between the contextual information and the new information can appear either smaller than it actually is (assimilation effect) or larger (contrast effect).

When a company is perceived as socially responsible, it creates a more positive context than if it is not, either because it does not engage in CSR or if people are not aware of its CSR activities. The subsequent occurrence of a crisis represents new, negative information that people will evaluate. In line with assimilation-contrast theory, we argue that in comparison to a CSR-free context, the crisis situation will be evaluated less (assimilation effect) or more negatively (contrast effect) because of the positive context created by CSR. If an assimilation effect occurs, stakeholders' purchase intentions, advocacy behaviors (e.g., word-of-mouth), and company evaluations are likely to be affected to a lesser extent than would be the case in the absence of CSR. It is in that particular instance that CSR somewhat insulates the company from a crisis. If, however, a contrast effect occurs, CSR may actually amplify the negative effects of the crisis, leading to more negative stakeholder reactions (e.g., boycott of the company's products).

What determines whether the public's reaction to a crisis assimilates toward or contrasts away from its CSR perceptions of the company? Next, we discuss three key factors that are likely to either insulate CSR companies from the fallout of a crisis or amplify this fallout: (1) the type of crisis, (2) the severity of the crisis, and (3) stakeholders' identification with the company.

4.1. What type of crisis is the company facing?

When assessing the type of crisis a company faces, an important criterion is the extent to which the company is or appears to be responsible for the crisis (Coombs & Holladay, 2002; Marcus & Goodman, 1991). Ambiguity often surrounds the actual cause of a crisis (Laufer & Coombs, 2006), and to attribute blame people thus consider the evidence at hand and on this basis develop commonsense explanations regarding why or how the crisis has occurred (Heider, 1958; Lange & Washburn, 2012). We argue that while CSR may lead stakeholders to attribute less blame to a CSR company for a crisis event, this effect only occurs when stakeholders are confronted with evidence that points to low or moderate responsibility of the company. Indeed, if evidence suggests that the cause of an event was external to the company or unintentional (e.g., bad weather conditions caused a car accident), contention that the company caused the event (e.g., the accident is due to manufacturing fault) can be discounted more easily (Lange & Washburn, 2012). Previous research on contrast and assimilation effects shows that ambiguous targets (presence of alternative explanations) are often assimilated toward expectations whereas unambiguous stimuli (no alternative explanation available) tend to result in contrast (Biernat, 2005). Thus, when plausible alternative explanations are readily available, an assimilation effect might occur, leading stakeholders to attribute less blame to the company than would be the case in the

absence of CSR. However, if the company appears utterly responsible for the event, CSR may actually produce a contrast effect, leading to more negative stakeholder reactions toward the CSR company than would be the case for non-CSR companies or those whose CSR activities the public is not aware of.

Another important dimension is the domain of the crisis. In this regard, two broad types of corporate crises are generally distinguished (Pullig, Netemeyer, & Biswas, 2006): those involving matters of product performance (e.g., product failures, manufacturing faults, product recalls) and those involving social or ethical matters (e.g., workplace discrimination, sweatshop labor). The literature on contrast and assimilation effects has found that when there is a domain match between the contextual information and the new information, contrast effects are enhanced. However, if there is a domain mismatch between the two sets of information, assimilation effects tend to occur (Sherif & Hovland, 1961). Considering that a crisis related to product performance will, ceteris paribus, likely be perceived as less relevant to the company's ethical identity (domain mismatch) than a crisis involving social or ethical issues (domain match), an assimilation effect is more likely to occur in the event of a performance-related crisis. However, if the company faces a crisis involving social or ethical matters, the situation may trigger a strong contrast effect, intensifying rather than mitigating stakeholders' negative reactions. This reasoning is consistent with the findings of Wagner, Lutz, and Weitz (2009), who discovered—in their examination of proactive and defensive CSR communication strategies—that after people learned a company had behaved in a socially irresponsible way (e.g., polluting activities), those exposed to CSR information about the company displayed less positive attitudes toward it than people exposed to only general company information.

4.2. Is the crisis severe?

Crisis severity can be defined as the amount of financial, human, and environmental damage generated by the crisis (Coombs & Holladay, 2002). As such, severity is directly related to the perceived negativity of the situation. Crises of low severity are likely to trigger perceptions of only moderate incongruity with the positive context created by the company's CSR activities. According to the literature on contrast and assimilation effects (Schwarz & Bless, 1992), these situations should result in an assimilation effect. On the other hand, severe situations (e.g., loss of human life) are, by definition, extremely negative. Therefore, the

incongruity between the (negative) crisis and the (positive) CSR context is more salient from the start. The extant literature predicts that in such cases, strong contrast effects are likely to occur.

Crisis severity may also affect stakeholder expectations. Because severe crises entail significant negative social consequences, stakeholders will generally expect greater efforts toward resolving the crisis on the part of the company involved. At the same time, severity increases the challenge brought by the crisis to the company, precisely because more negative social effects need to be contained and addressed. Any indication in the company's crisis response that the company does not fully comprehend the severity of the crisis or does not satisfactorily address the needs of those affected by it will likely violate stakeholders' expectations. Because such violations will be particularly unexpected in the case of a CSR company (Reeder & Brewer, 1979), a contrast effect may ensue. Conversely, if the crisis response aligns with or even exceeds stakeholders' expectations, despite the challenges the company had to face, stakeholders may perceive the company's efforts as further indication that it genuinely cares about its impact on society. In turn, such perceptions are likely to reinforce stakeholders' positive beliefs about the company's ethical identity.

4.3. Do stakeholders identify with the company?

The notion that people can strongly identify with companies has been well documented (Bhattacharya & Sen, 2003; Dutton, Dukerich, & Harquail, 1994). Identification refers to the extent to which stakeholders develop a sense of connection with a company based on how much they think facets of the company's identity overlap with their own. While the bases for such identification comprise the various inferences people make about the company's corporate identity, congruence of values plays a particularly important role (Bhattacharya & Sen, 2003). Thus, CSR represents one of the primary bases of stakeholders' identification with a company (Bhattacharya et al., 2011).

Research on identification (for an overview, see Bhattacharya & Sen, 2003) indicates that identified stakeholders feel psychologically attached to the company they identify with, trust its intentions, and engage in supportive behaviors toward it. For these reasons, ceteris paribus, identified stakeholders tend to be more resilient to negative information; that is, identified stakeholders are likely to engage in defensive reactions and downplay negative information they receive about the company

they identify with (Bhattacharya & Sen, 2003; Einwiller, Fedorikhin, Johnson, & Kamins, 2006). Previous research notably suggests that identified stakeholders are likely to blame the company less than unidentified stakeholders (Bhattacharya & Sen, 2003; Lange & Washburn, 2012). They might also be more disposed to search for plausible alternative explanations that alleviate the culpability of the company (Lange & Washburn, 2012). Finally, they might be inclined to forgive the company more easily if it is found responsible for the event (Bhattacharya & Sen, 2003). Therefore, identification may favor the occurrence of an assimilation effect. According to Johar, Birk, and Einwiller (2010, p. 59), for instance, stakeholder identification represents ''one of the best forms of insurance against the possibly devastating effects a crisis can have for an organization.''

Such resilience likely reaches its limits, however, when the crisis is extremely negative. In their research, Einwiller et al. (2006) found that while identified stakeholders demonstrate resilience to moderately negative information, they tend to evaluate the company as negatively as unidentified individuals when the information is extremely negative. These findings indicate that if some other factor (e.g., crisis severity, crisis domain) increases the perceived negativity of the crisis, identification is unlikely to insulate the company from its impact. Identified stakeholders are likely to react even more strongly than unidentified stakeholders in crisis situations prone to contrast effects. If CSR is the central basis of their identification and the crisis pertains to social or ethical matters, such stronger reactions might be all the more likely to occur since this type of crisis would directly attack their basis for identification (Bhattacharya & Sen, 2003; Einwiller et al., 2006). Identification is, thus, a double-edged sword: while it may encourage assimilation effects, it may also enhance the likelihood that a contrast effect will occur in crises that are of large magnitude or related to the CSR-based identity of the company.

Table 1 summarizes these contingencies. Companies can use this information to understand whether stakeholders will evaluate a crisis situation less negatively (assimilation effect) or more negatively (contrast effect) than would be the case without CSR. Importantly, a contrast effect may not only lead to lower purchase intentions or unfavorable advocacy behaviors, but also may prompt many stakeholders to revise their initial evaluations of the company's CSR motives. Indeed, as an incongruity between two pieces of information becomes more salient, this incongruity can only be resolved through important changes to the individual's pre-existing evaluations (Mandler, 1982; Meyers-Levy & Tybout, 1989); that is, stakeholders may start questioning the company's CSR motives and attribute more extrinsic motives to the company than they had initially. According to Wagner et al. (2009), when facing inconsistent CSR information, people may reason that a company is hypocritical, and this strongly diminishes their beliefs that the company is socially responsible. Corporate crises thus have the potential to severely tarnish the CSR reputation companies spend a great deal of time and effort to build. Clearly, then, carefully evaluating the role of these contingencies is of critical importance.

5. Implications for crisis management in the age of CSR

Corporate crises threaten the most important assets of a company. With increasing and widespread corporate commitment to CSR, understanding whether and how CSR intertwines with corporate crises is an issue of mounting importance. In this article, we offer a contingent framework for understanding the role a company's CSR record may play when a crisis hits (see Figure 1). This framework underscores that companies cannot assume their CSR engagement will automatically protect them against crises. CSR increases stakeholders' attention to crises, affects their attributions of crisis responsibility,

Table 1. Factors predicting stakeholders' crisis evaluation

		Crisis evaluation	
		Assimilation effect CSR role: insulation	Contrast effect CSR role: amplification
Crisis characteristics	*Crisis responsibility*	Low	High
	Crisis domain	Performance matter	Social or ethical matter
	Crisis severity	Low	High
Stakeholder characteristics	*Identification*	Strong	Strong

raises their expectations, and changes their evaluations of the crisis situations they come across. These four roles of CSR influence stakeholder responses to crises, and thus the ultimate outcome of the crisis for the company. To fully understand whether and how their CSR activities might lead to more favorable outcomes, companies must integrate the careful assessment and consideration of these roles and their underlying drivers into crisis management strategy.

Effective crisis management, for companies investing in CSR initiatives, hinges on a clear understanding of where they stand in terms of CSR in the public's opinion. Awareness and attributions of CSR motives are key aspects in need of evaluation, as they represent pivotal drivers of the type of assessment people will make about the company, and the crisis. Managers can use several means of assessing how their company's CSR activities are perceived. For example, they can rely on external sources such as CRO Magazine's 100 Best Corporate Citizens list or the ranking of the Reputation Institute's CSR RepTrack 100 study. For deeper insights, the use of established market research techniques may be more appropriate. Bhattacharya et al. (2011) outline several survey-based measures that companies can track to assess stakeholders' awareness and attribution of CSR activities. Another stakeholder-related factor that plays a crucial role in determining how a crisis situation will be evaluated is identification. Managers therefore need to know exactly the kind of relationship stakeholders have formed with their company. Stakeholder identification may be difficult to capture; however, by engaging in frequent dialogue with stakeholders, managers can identify important aspects of their company's perceived ethical identity and assess the extent to which stakeholders have developed a sense of connection with the company (Bhattacharya et al., 2011).

When a crisis hits, companies must accurately evaluate the nature of the crisis. We highlighted three important aspects of a crisis situation that managers should focus on: the company's responsibility for the crisis, the domain of the crisis, and the severity of the crisis. While the crisis domain may be fairly easy to identify, assessing crisis responsibility and crisis severity can be trickier. Beyond the evident need for the company to assess and acknowledge the extent to which it really is responsible for the crisis event, it is worth noting that regardless of the actual or potential severity of the damages inflicted, crisis responsibility and crisis severity eventually lie in the public's eyes (Johar et al., 2010). As the crisis unfolds, companies thus need to be responsive to the social construction of the

crisis. This implies that they should respond to it quickly, directly, and transparently. While not a novel recommendation, such an approach is critical for CSR companies. As CSR increases the amount of media coverage a crisis receives and subsequently heightens people's attention to crisis details, a strategy of silence or a delayed response may be less feasible for CSR companies than non-CSR firms. Indeed, CSR companies should be proactive throughout all their crisis management and communication efforts, and be extremely vigilant in the types of situations that favor the occurrence of a contrast effect (see Table 1).

In deciding on which crisis response to provide, companies should not overlook stakeholders' elevated expectations. Crisis response strategies have traditionally been organized on a continuum ranging from highly defensive strategies to more accommodative ones (Coombs & Holladay, 2002; Marcus & Goodman, 1991; Siomkos & Kurzbard, 1994). Defensive strategies involve the company denying responsibility or claiming that there is no crisis, whereas accommodative strategies entail the company accepting responsibility, apologizing for the crisis, and/or attending to needs of the crisis victims. In most instances, defensive strategies are unlikely to be effective (Laufer & Coombs, 2006; Siomkos & Kurzbard, 1994). This may be especially true for a CSR company. At a minimum, and for all crisis situations, CSR companies need to show that they care and consider the matter serious. Any slip-up can be costly, especially in situations prone to the occurrence of a contrast effect. For example, when—in the midst of the Deepwater Horizon oil spill fallout— former BP CEO Tony Hayward declared "I just want my life back," his comment was interpreted as a sign by the media and general public that the formerly-entrenched CSR company (BP) cared less for the welfare of the Gulf of Mexico, its wildlife, and nearby inhabitants, than for the company's own interests (Holmes & Sudhaman, 2011). Given stakeholders' higher expectations toward them, CSR companies need to realize that they will need to go above and beyond the established courses of action to resolve crisis situations effectively. Their responses to crises should be an exemplar of, and a demonstration that they live up to, their values. After all, if CSR companies are looking to create shared value (Porter & Kramer, 2011), their crisis responses should be as much about protecting their assets as stepping up for the cause. This may require CSR companies to follow Pearson and Sommer's (2011) recommendation to infuse creativity into their crisis management efforts.

CSR has gained notable importance in today's business environment. By creating shared value through

their CSR efforts, companies can communicate valuable characteristics of corporate identity to stakeholders. They can also make a positive difference to society. However, companies—and, in particular, managers—cannot take for granted that good corporate citizenry will prove an asset when things go wrong. By understanding the various roles CSR plays in times of crisis and the factors that affect them, managers are better equipped to develop sound crisis management strategies. Future research can empirically investigate the roles of CSR highlighted in our framework to further help companies in their crisis management efforts.

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