

# THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING

## Asian Centre for Branding & Marketing Research Seminar



### In Dubious Battle: Issue Salience, Polarization, and Corporate Social Counterpositioning By

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**Date : 28 Mar 2019 (THU)**

**Time : 10:30 am – 12:00 nn**

**Venue : M802**

#### **Abstract**

We develop a theory of how firms that compete in product markets differentiate on social positions. Stakeholder engagement theories suggest that promoting awareness of social issues increases stakeholder preferences for the products of issue-aligned firms, incentivizing firms to support a social issue. While this is generally assumed to lead to more socially responsible practices, we argue that the same dynamics may also prompt firms to take a stand against a social issue. We conceptualize social issues as having two attributes: salience (how much do people care about the issue) and agreement (what proportion of the population holds opinions in support of the issue). We use mathematical modelling to explore the dynamics of social positioning under varying levels of salience, agreement, and product market competition. We find support for some of the traditional wisdom on corporate responsibility (e.g. superior performance for socially responsible firms, and first mover advantage on social issues). However, we also find that, provided there is a constituency that does not support the issue, increasing the salience of a social issue can incentivize some firms to undermine it, and this incentive increases when product market competition intensifies. We also provide illustrative evidence for the phenomenon of social counterpositioning using data on U.S. corporations' stances on LGBTQ issues. Consistent with our theory, corporate policies and position on LGBTQ issues become on average more supportive but also more polarized over time. We discuss the implications of our model for corporate social responsibility, social movements, and political positioning.

*Dr Donal Crilly's* research investigates how corporate executives make sense of the non-market environment, including how they conceive of the purpose of the firm in society. He is particularly interested in the link between the language of executives and their thought processes. His work has been published in journals such as *the Academy of Management Journal*, *the Strategic Management Journal*, *Organization Science*, and *the Journal of International Business Studies*. Currently Associate Professor of Strategy and Entrepreneurship at London Business School, he is Associate Editor at the *Strategic Management Journal*, and an editorial board member of *the Academy of Management Journal*, *the Academy of Management Review*, *Organization Science*, *the Journal of International Business Studies*, and *Strategic Organization*.

**All interested are welcome.**



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