SPRINGER NATURE Link

Log in

Menu

Search

Cart

Exploring the Financial Value of a Reputation for Corporate Social Responsibility During a Crisis

Paper | Published: 01 January 2005

Volume 7, pages 327–345, (2005) Cite this article

Corporate Reputation Review

Aims and scope →

Submit manuscript →

Karen E Schnietz[1] & Marc J Epstein[2]

1410 Accesses 426 Citations 3 Altmetric Explore all metrics →

Abstract

Is there financial value in a reputation for corporate social responsibility during a crisis? The existing empirical evidence for a corporate social–financial performance link has been mixed, but perhaps this is, in part, due to most studies' emphasis on a reputation's impact on positive news. What of the opposite case — whether a reputation for social responsibility acts as a ‘reservoir of goodwill’ during corporate crises? This paper draws on literature from the fields of reputation, strategy, risk and social responsibility to outline the reasons why there might be financial value in a reputation for corporate social responsibility during a crisis and then tests them by examining investor reaction to the 1999 Seattle World Trade Organization (WTO) failure, caused by disagreement among member nations on labor and environmental standards and public protests over the same.

Seattle represented apparent heightened demand for corporate social responsibility and an increased risk of stricter, future regulation. It was found that a reputation for social responsibility protected firms from stock declines associated with this crisis, even when controlling for possible trade and industry effects.

This is a preview of subscription content, log in via an institution to check access.

Access this article

Log in via an institution

Subscribe and save

Springer+ from €37.37 /Month

- Starting from 10 chapters or articles per month
- Access and download chapters and articles from more than 300k books and 2,500 journals
- Cancel anytime

View plans

Buy Now

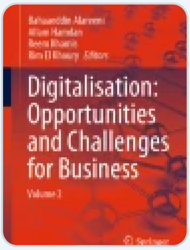
Buy article PDF 39,95 €

Price includes VAT (Poland)

Instant access to the full article PDF.

Institutional subscriptions

Similar content being viewed by others



[Social Responsibility and Corporate Financial Performance: Theoretical](#)

Chapter | © 2023

[Corporate Social Responsibility and Stock Prices After the Financial](#)

Article | 15 September 2021

[Changes in Corporate Social Responsibility and Stock Performance](#)

Article | 26 February 2021

Explore related subjects

Discover the latest articles, books and news in related subjects, suggested using machine learning.

- Business Ethics
- Corporate History
- Corporate Social Responsibility
- Faith, Spirituality and Business
- Financial Crises
- Sociology of the Financial Market

Author information

Authors and Affiliations

Graziadio School of Business and Management, Pepperdine University, Los Angeles, CA

Karen E Schnietz

Jones Graduate School of Management, Rice University, Houston, TX

Marc J Epstein

Rights and permissions

Reprints and permissions

About this article

Cite this article

Schnietz, K., Epstein, M. Exploring the Financial Value of a Reputation for Corporate Social Responsibility During a Crisis. *Corp Reputation Rev* **7**, 327–345 (2005). https://doi.org/10.1057/palgrave.crr.1540230

Published
01 January 2005

Issue date
01 January 2005

DOI
https://doi.org/10.1057/palgrave.crr.1540230

Keywords

reputation
image
identity
brand
stakeholder
communications
intangibles
philanthropy
advertising
positioning
corporate branding
e-communication

Search

Search by keyword or author

Navigation

Find a journal

Publish with us

Track your research