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**The Trust Paradox: Examining the Relationship
Between Public Trust and Consumers' Perception
of MNCs' Corporate Social Advocacy**

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ABSTRACT:

Recently, companies have started to face increasing pressure from consumers and their employees to address controversial social and political issues. Thus, corporate social advocacy (CSA) has become a prominent strategy in many companies, and with these activities, companies are extending their efforts beyond the traditional social responsibility initiatives by advocating for issues that are not related to the core business of the company. At the same time, public trust in governments is deteriorating and companies are also experiencing decreasing levels of trust. This has led to the paradoxical situation in which consumers trust businesses more than other institutions to advocate for these issues, an activity previously only reserved for governments and politicians.

The purpose of this study was to examine how public trust in government and multinational companies (MNC) relates to consumers' perception of MNCs' corporate social advocacy. Particular attention was paid to MNCs' corporate social advocacy and trustworthiness since they may find these findings beneficial for their local CSA strategies. The theoretical framework of this study covers the theories of corporate social responsibility, corporate social advocacy, and public trust. The aim was to provide theoretical implications to the currently understudied CSA literature and managerial implications for MNCs to help them create strategies which are better suited to their business environments. The study was conducted as quantitative research and the data for the empirical analysis was collected in November and December 2023 through an online questionnaire distributed to consumers from different European countries. The sample consisted of 202 respondents. The data was analysed in IBM SPSS Statistics software using four hierarchical regression models.

The findings of this study suggest that public trust in government and multinational companies does not relate to consumers' perception that MNCs should work to better society or that they should advocate for social and political issues. According to the results, consumers' lower trust in government does not relate to their perception that MNCs should advocate for controversial social and political issues. This specifically indicates that European consumers do not consider MNCs as alternative advocates for controversial social and political issues when the government is perceived as distrustful. Furthermore, higher trust in MNCs does not relate to consumers' perception that MNCs should work to better society or that they should advocate for social and political issues. This suggests that MNCs advocating for social and political issues may not be wanted by European consumers even when MNCs are trusted.

KEYWORDS: consumer, corporate social advocacy, multinational company, public trust

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TIIVISTELMÄ:

Viime aikoina yritykset ovat kokeneet lisääntyvää painetta niin kuluttajilta kuin työntekijöiltäänkin ottaa kantaa kiistanalaisiin yhteiskunnallisiin ja poliittisiin kysymyksiin. Yritysaktivismista on tullut merkittävä strategia monissa yrityksissä. Yritysaktivismia harjoittamalla yritykset laajentavat tehtäviään perinteisen yhteiskuntavastuun ulkopuolelle ajaakseen sellaisten asioiden etua, jotka eivät liity yrityksen ydinliiketoimintaan. Samaan aikaan kansallinen luottamus perinteisiin instituutioihin on romahtanut ja myös luottamus yrityksiin on laskussa. Tämä on johtanut paradokseihin tilanteeseen, jossa kuluttajat luottavat yrityksiin enemmän kuin muihin instituutioihin yhteiskunnallisten ja poliittisten kysymysten edun ajamisessa, vaikka aiemmin tätä on pidetty vain hallitusten ja poliittisten päättäjien tehtävänä.

Tämän tutkimuksen tarkoituksena oli tutkia miten kansallinen luottamus hallitukseen ja monikansallisiin yrityksiin liittyy kuluttajien näkemykseen monikansallisten yritysten yritysaktivismista. Erityistä huomiota kiinnitettiin monikansallisten yritysten yritysaktivismiin ja niihin kohdistuvaan luottamuksen tasoon, koska tutkimuksen löydökset voivat olla hyödyllisiä juuri monikansallisten yritysten aktivismistrategioille. Tutkimuksen teoriaosuus käsittelee niin yritys vastuuta, yritysaktivismia kuin kansallista luottamustakin. Tutkimus toteutettiin kvantitatiivisena tutkimuksena, ja data empiiristä analyysiä varten kerättiin eri Euroopan maissa asuville kuluttajille jaetulla nettikyselyllä marras- ja joulukuussa 2023. Otokseen kuului 202 vastaajaa. Data analysoitiin IBM SPSS Statistics -ohjelmalla neljän eri hierarkkisen regressiomallin avulla.

Tutkimuksen tulokset osoittavat, että kansallisella luottamuksella hallitukseen tai monikansallisiin yrityksiin ei ole yhteyttä kuluttajien näkemykseen siitä, että monikansallisten yritysten pitäisi toimia parantaakseen yhteiskuntaa tai siihen, että heidän pitäisi ajaa yhteiskunnallisten ja poliittisten asioiden etua. Tulokset näyttävät, että kuluttajien alhainen luottamus hallitukseen ei ole yhteydessä heidän näkemykseensä siitä, että monikansallisten yritysten täytyisi ajaa yhteiskunnallisia ja poliittisia asioita. Tämä osoittaa erityisesti sen, että eurooppalaiset kuluttajat eivät pidä monikansallisia yrityksiä vaihtoehtoisena puolestapuhujana yhteiskunnallisille asioille silloin, kun hallitusta pidetään epäluotettavana. Tämän lisäksi korkeampi luottamus monikansallisiin yrityksiin ei liity kuluttajien näkemykseen siitä, että näiden yritysten pitäisi olla vastuullisia tai että heidän pitäisi ajaa kiistanalaisia yhteiskunnallisia ja poliittisia asioita. Tästä voidaan päätellä, että monikansallisten yritysten ei välttämättä haluta puuttuvan yhteiskunnallisiin tai poliittisiin asioihin edes silloin, kun nämä yritykset ovat luotettuja.

AVAINSANAT: kuluttaja, yritysaktivismi, monikansallinen yritys, luottamus

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1 Introduction

Around the world, consumers increasingly expect companies to make a positive impact on the communities and societies in which they operate (Hayes et al., 2022, p. 210). Corporate Social Responsibility (CSR) is a part of nearly every company's agenda nowadays and it has long been used as an explicit framework to understand the relationship between business and society (Carroll, 2015, p. 90). The European Commission defines CSR as "the responsibility of enterprises for their impact on society" (The European Commission, 2022). Today, consumers, employees, and the public consider CSR as the activities companies engage in which are not required by the law (Carroll, 2015, pp. 87-90). Carroll (2015, p. 90) argues that laws are essential but not enough as society expects businesses to be ethical and philanthropic beyond what is codified into the law. Over the decades, CSR has developed into a global issue (Rim & Dong, 2018, p. 1) and academics have long understood how the level of being perceived as socially responsible differs across cultures (Halkos & Skouloudis, 2017, p. 596).

More recently, Corporate Social Advocacy (CSA) has become an eminent business strategy as an increasing number of companies are extending their efforts beyond traditional social responsibility initiatives by publicly advocating for controversial social and political issues (Kim et al., 2023, p. 452). Traditionally, companies have remained neutral by not taking a stance on controversial or polarising social and political issues to avoid the negative effects of doing so (Villagra et al., 2021, p. 2). However, corporate leaders have started to face increasing pressure from the consuming public as well as from their employees to address social issues even though previously this behaviour was seen as distracting from the primary purpose of the company (Weinzimmer & Esken, 2016, p. 332). When companies make a public statement or take a public stance on social and political issues, it is referred to as corporate social advocacy and in these activities, companies advocate for a controversial cause or a movement that is not related to the products or services they sell (Dodd & Supa, 2014, p. 5). In academic literature, CSA is often considered a subpart of CSR (e.g. Dodd & Supa, 2014) which is referred to as the umbrella term of CSA (Park, 2022, p. 823).

Previous studies have found support for companies advocating for social issues and for their efforts to improve society indicating that CSA activities are desired (i.e., Austin et al., 2019; Parcha, 2022). In addition, Dodd and Supa (2014, p. 5) state that CSA is an area worthy of specific analysis within the existing academic literature for three fundamental reasons. Firstly, the social-political issues addressed by companies are separate from the issues which are truly relevant to the company. Secondly, addressing social and political issues is controversial and may potentially drive away some organisational stakeholders and third, CSA activities have a financial outcome for the organisation. When companies take part in CSA activities, it may have enduring effects on their reputation, and they may lose the support of those customer groups who do not agree with the issue stance taken. Companies still engage in CSA knowing it may not be perceived well by all stakeholders (Austin et al., 2019, p. 4). Contrarily, some customers become more involved and motivated when they are dealing with a company that has taken a stance on a social issue which they find important (Xu et al., 2021, p. 17).

The examples of how companies address social and political issues are numerous but essentially, these activities are about taking a public stance for or against an issue such as same-sex marriage rights (Dodd & Supa, 2014, p. 5). Same-sex marriage is a salient example because of the media attention it draws, and many companies choose to take part in public discussion when issues become as influential and widespread as same-sex marriage rights (Weinzimmer & Esken, 2016, p. 332). Dodd and Supa (2015, p. 288) find that CSA and CSR activities differ in the issues they address: for a company making products from wood, it would be natural for them to engage in reforestation efforts as a part of their CSR strategy, but it would be considered as CSA if they took part in the public discussion for women's rights. By taking a stance on social and political issues, business leaders bring their companies into the news as well as into potential political debate (Weinzimmer & Esken, 2016, p. 332). The American company Kraft Foods experienced this when they posted an advertisement of the Oreo cookie with rainbow-coloured layers and the text "Proudly support love" which quickly became the topic of discussion in the media and caused a boycott campaign against the company (Fiorella, 2013).

1.1 Background of the study

Governments globally are worried about low public trust (Rim & Dong, 2018, p. 5) as public trust in traditional institutions is deteriorating (Dodd, 2018, p. 230). Public trust is the willingness of the public or society to have trust in institutions such as businesses and thereby, granting legitimacy to these institutions (Pirson et al., 2019, p. 133). Interestingly, Parcha (2022, p. 933) finds that corporate legitimacy, which is achieved through the company having public trust, is of crucial importance for the success of CSA communication. Furthermore, Rim and Dong (2018, p. 2) find that when a government has low public trust, businesses are granted more rights to solve social problems the government is incapable of solving. The low trustworthiness of institutions is even considered to be one of the principal reasons why companies' sociopolitical advocacy has emerged in the past years (Villagra et al., 2022; Korschun et al., 2020).

Businesses are also experiencing decreasing levels of trust, but they are still more trusted than governments showing that a trust gap exists between businesses and governments (Edelman, 2023a). This has led to the paradoxical situation where businesses, while still not completely trusted, are perhaps trusted over other institutions to advocate for controversial social and political issues, an activity which previously was reserved for politicians only (Parcha, 2022, p. 933). Significant differences in the average level of generalized trust have been found to exist across countries (Ferrin & Gillespie, 2010, p. 55), and hence, MNCs operating in various markets may find it valuable to understand how public trust relates to consumers' perceptions of their CSA activities. Moreover, CSA perceptions are highly likely to vary, not only due to public trust but also because consumers' different backgrounds and experiences cause them to assign different meanings to the same stimulus (Qiong, 2017, p. 19).

A multinational company (MNC) is any company that engages in business operations outside of its home market (Parboteeah & Cullen, 2018, p. 5). For MNCs, strategies which have not been tailored to their environment are one of the main reasons leading to liability of foreignness which refers to the additional costs occurring from doing business

abroad (Sethi & Guisinger, 2002, p. 226). Therefore, it is of crucial importance for MNCs to understand the location of their stakeholders because it influences what issues are important to them and the suitable activities for presenting their stance (Lucea & Doh, 2012, p. 6). MNCs' social and political strategies are fundamentally relevant to their competitive advantage and value creation but responding to social issues presents a substantial challenge for MNCs (Husted & Allen, 2010, pp. 240-248). Notably, Zhang and Jiang (2021, p. 9) find successful CSR strategies to reduce the liability of foreignness highlighting the importance of social responsibilities for MNCs.

1.2 Research question

More than ever, companies are now facing pressure to comment on debated issues (Gaither et al., 2018, p. 177) and paradoxically, they are more trusted to advocate for public interest than other institutions increasing their role in public discussion (Parcha, 2022, p. 933; Austin et al., 2019, p. 23). Companies that stay silent on debated issues but still claim to be led by their core values will be deemed as hypocritical by consumers (Korschun, 2017). Thus, it is increasingly valuable for companies to understand how CSA activities are expected and evaluated by consumers during this era of politicised social issues (Xu et al., 2021, p. 2), but the conflicting views of the public make it difficult for companies to manage these expectations (Gaither et al., 2018, p. 178). Moreover, awareness of consumers' CSA perceptions helps academics and business leaders understand the ever-growing role of companies in society and to understand the extent to which consumers want companies to communicate their issue stance on debated social and political issues (Parcha, 2022, pp. 916-917).

The purpose of this thesis is to examine how public trust relates to customers' perceptions of corporate social advocacy. Specific emphasis is given to the CSA activities of MNCs and their level of trustworthiness due to their presence in various countries. Hence, this study will add novel implications to the currently understudied CSA literature and provide managerial implications to MNCs. Data is collected through a questionnaire

distributed to consumers from different European countries to have a comprehensive representation of different levels of public trust in government and MNCs. This study used artificial intelligence, specifically ChatGPT and Grammarly, as writing support to enhance the quality of the text. The research question for this thesis is formulated as follows:

RQ: How does the level of public trust in government and multinational companies relate to consumers' perceptions of MNCs' corporate social advocacy?

Even though CSR is widely studied in academic literature, its focus on businesses taking a stand is still limited to some extent (Weinzimmer & Esken, 2016, p. 333). While studies on CSA from different viewpoints have been published increasingly in the past years, the literature and research on the topic is still at its early stages compared to the vast amount of research on CSR which has been used to make generalised implications about CSA (Wang & Bouroncle, 2023, p. 16). Recent studies on CSA perceptions have been carried out mainly in a single country, most often in the United States (i.e. Austin et al., 2019; Parcha, 2022) where there is greater tradition and development of the phenomena (Villagra et al., 2022, p. 12). In addition, these studies have not considered different factors which may relate to consumers' CSA perceptions. Due to the interrelatedness of public trust, business responsibilities, and consumers' perceptions, understanding the extent to which public trust in the government and multinational companies relates to consumers' perceptions of CSA is noteworthy and relevant in today's global and polarized environment.

1.3 Structure of the study

This study is divided into five main chapters. The first chapter provides an overview of the theoretical framework of this study and presents the background of the study. More importantly, the research question that this study aims to answer is presented in this chapter. The second chapter presents the theoretical framework of this study and

introduces the theories of corporate social responsibility, corporate social advocacy, and public trust by covering relevant literature on these theories. The chapter concludes by forming the hypothesis of this study based on the presented theory. The third chapter introduces the methodology of this study by presenting the research approach and method, data collection method, data sampling and data analysis method. In addition, the validity and reliability of this study is assessed in the end of the chapter. The empirical analysis of this study is presented in chapter four by first presenting the correlation matrix followed by the results of the four hierarchical regression models. Finally, this study concludes in chapter five where the key findings of this study are discussed along with the theoretical implications, limitations of the study and future research suggestions.

2 Theoretical background

This chapter will introduce the theoretical framework of this study by covering the theories of corporate social responsibility, corporate social advocacy, and public trust. First, an overview of corporate social responsibility literature is presented to establish a comprehensive background on CSA and business responsibilities in general. Secondly, literature on corporate social advocacy is introduced with subchapters on other CSA related theories, different CSA activities, CSA perceptions, and CSA criticism. Lastly, the relevant literature on public trust is presented. The chapter concludes by presenting the theoretical framework and by developing the hypotheses of the study based on the theory.

2.1 Corporate Social Responsibility

Around the world, consumers increasingly expect companies to make a positive impact on the communities and societies in which they operate (Hayes et al., 2022, p. 210). Corporate Social Responsibility is a part of nearly every company's agenda nowadays and it has long been used as an explicit framework to explain the relationship between business and society (Carroll, 2015, p. 90). Fyke et al. (2016, p. 224) note that CSR is based on the understanding that corporations depend on government regulations and customers' purchasing power and thus, they are a part of society and must obey its norms while still going after their economic goals. The roots of CSR can be identified hundreds of years back, but the modern version of CSR was first introduced after World War II. According to Carroll (2015, pp. 87-90), in the 1950s, corporate social responsibility was used as a general term for companies and managers who considered their impacts on society but today, CSR is more often seen by consumers, employees, and the public as the activities companies engage in that are not required by the law. While laws are essential, they are not enough as society expects businesses to be ethical and philanthropic beyond of what is codified into the law.

According to Friedman (1970), who began the discussion on companies' social responsibility, businesses have only one type of social responsibility which is to use their resources and only engage in profit-increasing activities following the rules defined (Kok et al., 2001, p. 287). Over time, the focus shifted away from questioning if CSR should be practised towards how it should be practised, and even capitalists began to understand that CSR was acceptable when it promoted the company's economic interests (Dodd, 2018, p. 224). Friedman's (1970) perspective received criticism claiming that businesses exist also to serve society and others gain benefits from the company's operations (Snider et al., 2003, p. 176). Therefore, the definition of CSR according to Kok et al. (2001) is as follows:

the obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, taking into account the society at large, and improving the welfare of society at large independently of direct gains of the company (p. 287)

The core belief of CSR, which has remained over time, is that businesses have other responsibilities extending beyond the shareholders in the organisation including "obligations to consumers, employees, governments, the environment, and the public, as a whole" (Fyke et al., 2016, p. 224). CSR actions are important to achieve the organisation's objectives and benefits but also to satisfy the requirements of its stakeholders and the new societal demands of which organisations are increasingly aware (González-Rodríguez et al., 2019, p. 94). When new regulations are not desired or are impractical, CSR policies provide an attractive alternative to hard-law regulations (Steurer, 2010, p. 50). According to González-Rodríguez et al. (2019, pp. 94-95), society is fundamentally changing, and the new generations are becoming more concerned, aware, and critical of the CSR actions achieved by organisations. The existing social demand for developing effective and sufficient CSR actions is a vital part of the main strategic actions of companies. Thus, organisations are increasingly becoming more "consistent with their environmental, economic and social responsibilities by adapting their managerial practices to these CSR goals" (González-Rodríguez et al., 2019, p. 95).

Fyke et al. (2016, p. 224) argue that engaging in CSR activities is typically assumed to improve the image and reputation of businesses which consecutively improves their legitimacy. CSR activities may include for example corporate philanthropy, volunteerism, cause-related marketing, and community-based initiatives which focus on the social, economic, and political needs of the society. The aim of CSR activities is to gain or maintain legitimacy since the survival of businesses is dependent on their reputation and social standing (Fyke et al., 2016, p. 225). Responsible companies are most likely to be perceived as honest which successively contributes to how trustworthy consumers perceive these companies and thus, CSR is effective in building trust between companies and their customers (Martínez & Rodríguez del Bosque, 2013, p. 97). By investing in socially responsible activities, stakeholders' support for organisations and the legitimacy of organisations will be maximised (Fyke et al., 2016, p. 225). Moreover, CSR is directly connected to trust, as customers' trust grows when they perceive the company to be more socially responsible (Hong & Rim, 2010, p. 391).

The CSR discussion by scholars and practitioners normalizes the idea that businesses should also provide for the public good and that societal needs should also be considered as business goals (Fyke et al., 2016, p. 227). Likewise, Dodd (2018, p. 223) states there is very little argument over the fact that businesses have a responsibility to society. Furthermore, CSR actions contribute to the public good "by fulfilling social responsibilities businesses have to the communities in which they operate, either through mitigating negative business impacts or by providing benefits to a community" (Austin et al., 2019, p. 6). In some fields, the lines for the role of business in society have become blurred and businesses may step in where public services are falling short (Albareda et al., 2009, p. 140). However, it is often seen as necessary for CSR activities to bring profits and CSR is often regarded as successful by the business community when it gives back to society but also improves the profits of the company and legitimatises corporate practices (Fyke et al., 2016, p. 227). Thus, the argument is more about what the responsibilities of businesses include, and this varies across fields of study, theory, and practice (Dodd, 2018, p. 223).

Corporate Social Responsibility has developed into a global issue over the decades and international CSR practices advocate for issues such as environmental interests, human rights, and diversity concerns (Rim & Dong, 2018, p. 5). Scholars in CSR literature have long understood how the level of being perceived as socially responsible differs across countries (Halkos & Skouloudis, 2017, p. 596). CSR takes different forms and has different functions in different situations at different times (Kang & Moon, 2012, p. 100), and thus, CSR strategies and policies differ considerably among national business frameworks (Halkos & Skouloudis, 2017, p. 596). Maignan and Ralston (2002) find in their study that companies from different countries have very different perspectives on: “(1) how important it is to be publicly perceived as socially responsible and (2) which CSR issues are more important to emphasize” (Maignan & Ralston, 2002, p. 509). Similarly, a more recent study exploring perceptions of CSR in a cross-cultural context by Rim and Dong (2018, p. 12) finds that public perception of CSR varies substantially across countries.

Commonly, multinational companies have centralized their social issues management limiting or completely enabling the power of their local market entities to observe and respond efficiently to social issues (Husted & Allen, 2010, p. 238). A multinational company (MNC) is any company doing business outside of its home market (Parboteeah & Cullen, 2018, p. 5). However, entering new markets with products and advertising which have been successful in the home market but have not been adequately adapted to the local culture and its values is the leading cause of failure in social issues management (Husted & Allen, 2010, p. 238). The location of MNC’s stakeholders is of crucial importance to MNC’s social and political strategy because it influences what issues are important to stakeholders, how they present their stance and what methods they consider legitimate and efficient (Lucea & Doh, 2012, p. 6). Thus, Halkos and Skouloudis (2017, p. 605) find that CSR strategies may fail if they lack awareness of cultural differences across countries. Companies must know when culture matters to CSR and use this knowledge to minimize any cross-culturally unethical or irresponsible behaviour to avoid organisational behaviour that may be considered inappropriate in the host country and thus, avoid conflicts with local stakeholders.

Understanding how and where culture and corporate responsibility are related is highly useful information for top management and CSR executives in deciding the most effective CSR strategy between a global and local one (Halkos & Skouloudis, p. 605). Social strategies are fundamentally relevant to the competitive advantage and value creation of multinational companies, but they face an immense challenge in responding to local social issues (Husted & Allen, 2010, pp. 240-248). Lucea and Doh (2012) characterise the nature of MNCs' interaction with social and political actors as "increasingly complex, interwoven, diverse and globally networked" (Lucea & Doh, 2012, p. 2). CSR differs across countries also due to the institutional context in which it exists (Halkos & Skouloudis, 2017, p. 604) and governments have an important role in guiding the CSR agenda of their countries (Dentchev et al., 2017, p. 530). Governments have their own interest in businesses' social responsibility initiatives as they can substitute and complement government efforts and legitimize government policies (Moon, 2002, p. 399).

According to Sethi and Guisinger (2002, pp. 227-228), the failure of MNC's strategies, such as CSR, might even result in liability of foreignness due to the strategy's lack of fit with its environment. Liability of foreignness refers to any additional expenses arising from the operations of the company in its international business environment. Liability of foreignness is most often the cause of unsuitable strategies or general weakness of new companies. Sethi and Guisinger (2002, p. 230) argue that the primary source of liability of foreignness for MNCs is the interaction with their international business environment highlighting the importance of correctly reading their business environment. However, it is not enough to interpret the environment accurately as a suitable strategy must also be formulated and implemented for optimal performance. MNCs that accurately interpret their business environment reduce their liability of foreignness and benefit from competitive advantage over competing MNCs. Zhang and Jiang (2021, p. 10) even find active fulfilment of CSR to reduce the liability of foreignness in subsidiaries. Efficient participation in social responsibilities can also indirectly affect the subsidiary's liability of foreignness when the parent company courageously fulfils social

responsibilities accumulating a positive reputation among its stakeholders and creating a competitive advantage.

Lucea and Doh (2012, p. 11) advise that a more detailed and diversified understanding of the company's social and political environment will create successful CSR strategies. Establishing CSR in a new country is essentially a proactive, multi-level process comprising micro-, meso-, and macro-level actors which involves everything from companies to the country environment and its contextual factors (Halkos & Skouloudis, 2017, p. 606). For scholars in CSA literature, there are still unanswered questions about the changing cultural norms and values, the effect of power balances and what issues are the most significant for the public interest (Austin et al., 2019, p. 26). As presented in this sub-chapter, significantly more research has been done on CSR in multinational companies compared to CSA, a relevantly new area of research which is considered to have emerged from CSR. Similarly to CSR activities, consumers' value expectations of CSA are affected by different factors which change with time and between situations (Yim, 2021, p. 70). Thus, Yim (2021, p. 70) advises companies to be extremely sensitive to cultural changes and to continuously evaluate the ways they can include customers in their CSA activities, "thus co-creating value together with their public" (Yim, 2021, p. 70)

2.2 Defining Corporate Social Advocacy

Corporate social advocacy has become a popular business strategy as more and more companies are taking a public stance on different social and political issues such as same-sex marriage, women's empowerment, and voting rights (Kim et al, 2023, p. 452). The public increasingly expects companies to consider societal interests more extensively alongside their traditional business activities (Korschun et al., 2020, p. 381). Additionally, as social media is nowadays serving as a platform for corporations to participate in the discussion of different social issues, consumers' expectations for Corporate Social Responsibility and involvement in social issues have increased (Gaither et al., 2018, p. 177). According to Gaither et al. (2018, p. 178), companies are facing expanding pressure to

comment on polarizing political issues but managing these expectations is challenging due to the polarizing views of the public on many of the social issues. As the political climate around the world is increasingly polemical, research in CSA is ever more relevant (Xu et al., 2021, p. 2).

Dodd (2018, p. 233) argues that the traditional understanding of the business-government-society dynamic has changed due to the emergence of CSA in which corporations increasingly spend resources and take public stances on controversial issues that go beyond the core interests of the organisation. Traditionally, the public has targeted the government to legislate business but contrarily, today, the public targets businesses to influence the government. The Edelman Trust Barometer of 2019 finds 53 percent of their respondents to agree that every brand has a responsibility to advocate for at least one social issue outside of their common business (Edelman, 2019). Thus, it has become important to explore why and when corporations engage with stakeholders on sociopolitical issues and understand what the reaction of consumers to these activities is (Gaither et al., 2018, p. 177). Moreover, the findings of Austin et al. (2019, p. 23) reveal that societal expectations are shifting more towards supporting the role of businesses in promoting public interest and their increased role in public discussion. Thus, all signs indicate that CSA is not just a passing trend but a crucial one, necessary for the survival of corporations (Dodd, 2018, pp. 233-234).

Corporate social advocacy (CSA) is defined by Dodd and Supa (2014, p. 5) as organisations or their executive leaders “making a public statement or taking a public stance on social-political issues” (Dodd & Supa, 2014, p. 5). These public declarations regarding different social and political issues may be proactive as a part of the organisation’s communication plan or reactive communication when unintentionally stated by leaders of the organisation. The definition of Dodd and Supa (2014, p. 5) implies that CSA is the result of both organisations and/or their CEOs taking a stance on a social and political issues, but it is important to note that CSA and CEO activism have conceptual differences (Kim et al., 2023, p. 452). CEO activism focuses on the behaviour of corporate leaders

and is more attached to CEOs individually (Kim et al., 2023, p. 452; Hambrick & Wowak, 2021, p. 34). A CEO may advocate for an issue independently without it being a statement of the company and therefore, it may not lead immediately to CSA and likewise, CSA does not have to include a CEO making a statement (Kim et al., 2023, pp. 452-453).

According to London (2008, p. 313), advocacy itself is defined as “the act of supporting an idea, need, person, or group” (London, 2008, p. 313) performed by social advocates taking public action to generate fair treatment or to support the cause of underprivileged people who cannot do so themselves. The aim of advocacy may be to promote social welfare overall and/or to better the situation of individuals or groups where the role of advocates is to speak out and act to achieve change despite the resistance they may face. The outcomes may be immediate and visible, such as providing shelter for the homeless, or indirect and long-term, such as raising money for medical research. Advocacy is a common process in corporations taking place all the time by leaders advocating for ideas and issues to promote profitability, quality, and performance in the organisation. Browning et al. (2020, p. 1028) find the definition of advocacy by London (2008, p. 313) to have an altruistic tenor and its focus on social justice by taking a stand to fix deep-rooted, systemic problems makes criticism possible and invites controversy. While London’s (2008, p. 313) definition of advocacy focuses on individual advocates, the term has also been expanded to the organisational level by other scholars (Browning et al., 2020, p. 1028).

Dodd and Supa (2014), who were among the first to provide a conceptualization of CSA (Kim et al., 2023, p. 452), consider CSA to have emerged from two important academic study fields which are strategic issues management and corporate social responsibility (Dodd & Supa, 2015, p. 288). While other academics discuss CSA solely as a subgroup of corporate social responsibility (i.e. Austin et al., 2019), Park (2022, p. 822) argues that categorizing CSA under CSR is still debatable because “CSA may pass deliberate processes to justify their activities and persuade stakeholders who have an opposite stance on the social issue” (Park, 2022, p. 822). According to Park (2022, p. 822), CSA should be

considered as a new form of CSR in response to the public's increased expectations towards corporations' engagement in social issues to make a real difference in society (Gaither et al., 2018, p. 178). However, it is evident that CSA statements have made a shift from traditional CSR creating a new category of corporate movement (Austin et al., 2019, p. 7).

There are three primary reasons defined by Dodd and Supa (2014, p. 5) which make it relevant to analyse CSA specifically within the existing academic literature. Firstly, the social and political issues which organisations address as a part of their CSA communication are separate from the issues truly relevant to the organisation. Secondly, it is controversial for organisations to take a stance on social and political issues and thus, it may isolate some stakeholders but attract activist groups at the same time. Thirdly, the financial outcomes of CSA are necessary to consider. In their study, Dodd and Supa (2015, p. 292) find that customers' purchase intentions are greatest when their beliefs are matching with the organisation's stance and vice versa. Thus, this finding is particularly important for leaders of organisations and stakeholder groups as they aim to comprehend what is the impact of their perceived values and activities on stakeholder groups since often their ultimate goal is to boost financial performance (Dodd & Supa, 2014, p. 14).

Wettstein and Bauer (2016, p. 209) argue that companies consistently factor in the impact of any activity on the bottom line, corporate advocacy being no exception. When it comes to consumers' purchase intention, corporations should recognise the importance of CSA as an indicator of potential financial success (Dodd & Supa, 2015, p. 292). Dodd and Supa argue (2014, p. 14) that the leaders of organisations may perceive that engagement in CSA is generally good because of their own perception and values and thus, they believe it leads to the betterment of society. However, CSA engagement also impacts the organisations' financial objectives and depending on the stakeholder group, this impact may either be positive or negative. In some cases, the impact may "offsets itself leaving the ability to advocate freely" (Dodd & Supa, 2014, p. 14). Moreover, Dodd and Supa (2014, p. 15) remark that purchase intention is rather used as a measurement in

marketing or advertising whereas they use it to indicate how failing to connect with stakeholders affects financially.

Afego and Alagidede (2021, p. 61) find in their study that the market reacts positively to boycott participation announcements by corporations because the stock price of a company gains an abnormal return immediately after the announcement. Likewise, the findings of Browning et al. (2020, p. 1046) indicate that meaningful engagement in sociopolitical issues will increase profits more than staying away from controversies. This is especially accurate when stakeholders' level of involvement in the issue is high, and consumers are driven by ethical beliefs. Therefore, while CSA is a risky strategy which investors react cautiously to, it can be advantageous for companies (Bhagwat et al., 2020, p. 16). On average, investors react negatively to CSA when "it deviates from the values of key stakeholders and signals the firm's resource-intensive commitment to activism" (Bhagwat et al., 2020, p. 16). However, Bhagwat et al. (2020, p. 16) find that when CSA closely aligns with stakeholders, investors reward it but also customers reward CSA when it appeals to their personal values. Thus, it is effective for organisations to appeal to their target markets through advocacy.

2.2.1 Corporate Political Advocacy and Corporate Activism

The theory of corporate social advocacy is comparable to CPA which stands for Corporate political advocacy (Bhagwat et al., 2020, p. 2). Wettstein and Baur (2016, p. 200) define CPA as "voicing or showing explicit and public support for certain individuals, groups, or ideals and values with the aim of convincing and persuading others to do the same" (Wettstein & Baur, 2016, p. 200). Wettstein and Baur (2016, pp. 200-201) find that, similarly to CSA, CPA also involves political involvement which goes beyond the economic interests of the company. The values and ideals promoted and supported by CPA activities are disconnected from the core business of the organisation. Moreover, CPA is always a public activity and, even though it is political in nature, it takes place outside political channels directed to the larger public instead of political institutions and agents.

Thus, CPA is different from lobbying which happens out of the public visibility lacking the public element of advocacy. The act of lobbying has also different motivations as it is more driven by the financial interests of companies implying that the advocated subjects are closely related to the company's core business.

Another similar term in academic literature related to Corporate Social Advocacy is Corporate Activism (CA). Eilert and Nappier Cherup (2020) define corporate activism as "a company's willingness to take a stand on social, political, economic, and environmental issues to create societal change by influencing the attitudes and behaviours of actors in its institutional environment" (Eilert & Nappier Cherup, 2020, p. 463). Likewise, to CSA, corporate activism includes taking a clear, public stance on an issue and defending it even when facing criticism. Moreover, Eilert and Nappier Cherup (2020, p. 462) also derive the definition of corporate activism from CSR but differentiate the two by the controversial nature of the issues corporate activism stands for and the riskiness of the activities. Villagra et al. (2022, p. 2) state that companies employ corporate activism activities when they defend controversial issues and, in their study, they argue that CSA and CPA are the antecedents of corporate activism.

Zhang and Borden (2022, p. 3) state that corporate social advocacy would sometimes be termed as corporate political advocacy and the terms CSA and CPA appear to be used simultaneously in popular media to refer to the same corporate actions (Gaither et al., 2018, p. 179). However, more subtle distinctions between CSA and CPA have been made recently by scholars (Gaither et al. (2018, p. 179), and as the term CPA only includes taking a stance on political issues, it does not serve the purposes of this thesis and will not be used. Moreover, one difference between the definitions of CSA and corporate activism can be observed: the definition of corporate activism includes taking a stance also on economic and environmental issues (Eilert & Nappier Cherup, 2020, p. 463) whereas the definition of CSA only mentions social and political issues (Dodd & Supa, 2014, p. 5). However, literature regarding corporate activism uses articles about CSA as sources implying the interrelatedness of the two terms (i.e. Blanco et al., 2023; Villagra

et al., 2022). Thus, due to the very similar definitions and the interrelation of the two terms, relevant academic articles about corporate activism will be used in this study, but for clarity, the term will be referred to as corporate social advocacy and not “corporate activism”.

2.2.2 CSA activities and issue stance

Most businesses engage in socially responsible activities which are non-controversial such as environmental protection, ethical business practices, and philanthropy (Dodd, 2018, p. 223). On the contrary, the common characteristics of CSA activities repeatedly mentioned by scholars across CSA literature are the controversiality of the sociopolitical issues addressed, and that they are not related to the main activities of the organisation (i.e. Dodd & Supa, 2014). Thus, scholars have identified CSA engagement in debated sociopolitical issues to have the potential to push off certain stakeholders by taking a public stance against the values regarded highly by their stakeholders (Dodd & Supa, 2014, p. 5; Wettstein & Baur, 2016, p. 208). For example, by taking a stance supporting same-sex marriage rights, a company risks losing those customers who believe marriage is meant between men and women only (Wettstein & Baur, 2016, p. 209). Nevertheless, organisations engage in CSA acknowledging the possibility of facing criticism from some stakeholders (Austin et al., 2019, p. 4). However, when a company does not communicate how they are addressing a social issue, 62% percent of Gen Z consumers assume it is because they are not doing anything, or they are hiding something (Edelman, 2023b).

Corporate communication is not limited to issues which are relevant to the core business of the company anymore (Parcha, 2022, p. 933) and the issues CSA activities address have been identified to be outside of the organisation’s usual CSR activities (Dodd & Supa, 2015, p. 288). Thus, it would be normal for a company making products out of wood to engage in reforestation efforts in their CSR strategy, but it would be considered as CSA if they engaged in women’s rights (Dodd & Supa, 2015, p. 288). For example, Dodd and Supa (2014, p. 5) suggest that as a CSR initiative, it would be typical for Starbucks to

engage in forest conservation since it relates to their business operations. Engagement in topics related to the core business of the company is not controversial and does not infuriate stakeholders of the company or cause boycotts. Thus, CSR often aims for more universal support which advocacy intentionally does not do (Browning et al., 2020, p. 1029). CSA initiatives, on the contrary, would be related to topics such as LGBTQ rights and immigration issues which are not related to the business activities of the corporation (Parcha, 2022, p. 916).

Austin et al. (2019, p. 4) find that due to the controversial nature of CSA activities, they are supported by some stakeholders while some may disagree with the organisations' stance. Hence, CSA activities are possibly perceived very differently from the organisation's CSR activities. Contrary to CSR initiatives, which are often the most beneficial when they address generalizable issues, CSA activities typically address polarizing issues which only pursue the social good of certain stakeholder groups. Therefore, it may be increasingly more difficult for corporations to connect issues with a generalisable interest, especially with the current divided political climate. According to Browning et al. (2020, p. 1029), CSA practices must embrace the controversy that risks separating some stakeholders while reassuring others by demonstrating shared value. By their very nature, companies are driven by the values they have chosen which only appeal to some and thus, they cannot even aim to be liked by everyone (Wettstein & Baur, 2016, p. 209). Even though CSA issues may not be directly relevant to the core business objectives of the organisation, Browning et al. (2020, p. 1044) find in their study that advocacy eventually results in positive consumer behaviour towards the organisation.

Parcha (2022, p. 931) mentions four issues that should be considered when companies engage in CSA: the CSA issue advocated, the channel used for it, the sector the CSA is communicated from and the company's reputation. Moreover, the CSA activities should attempt to persuade the organisation's stakeholders to support the same issue stance (Park, 2022, p. 823). Park (2022, p. 934) argues that "the ultimate goal of corporate social engagement is to build quality relationships with the publics" (Park, 2022, p. 834).

Regarding the CSA issues addressed, Parcha's (2022, p. 931) study shows that the desirability of corporate involvement in debated social issues is dependent on the issue addressed by the corporation. Thus, from a managerial perspective, it should be noted that not all CSA issues are equally desired by stakeholders meaning that it is important to find out from the company's stakeholders which issues they should take a stand on.

Similarly to Parcha's (2022) study, Browning et al. (2020, p. 1046) find that the nature of the issues, especially how biased they are, affects the stakeholders' expectations of corporations to act on the matter. Thus, all sociopolitical issues are not equal as the expectations for corporations to act are higher when there is more widespread agreement on an issue. Browning et al. (2020, p. 1046) argue that this also clarifies why being silent on nonbiased issues is damaging for corporations as they are alone in their refusal to act. On the contrary, on more biased issues, the expectations for companies to act and how they should act are more scattered. Thus, when other organisations act in agreement, it weakens the controversial and biased nature of the advocacy action making advocacy more acceptable for those who otherwise viewed it as an overreach. Hence, many companies take a stance on widespread and influential issues such as marriage equality (Weinzimmer & Esken, 2016, p. 332). However, by its very character, CSA is likely to involve polarizing issues making it difficult to address only generalizable issues (Austin et al. 2019, p. 24). Korschun et al. (2020, p. 381) point out that the most politically debated issues are also often the most important social issues.

According to Hoppner and Vadakkepatt (2019, p. 421), taking a stance on a sociopolitical issue is a crucial decision for the company because it implies the company's participation in the conversation regarding the issue in question. Potentially, the action brings the company into the news and political discussion (Weinzimmer & Esken, 2016, p. 332). Hoppner and Vadakkepatt (2019, p. 421) state that after deciding on the action, the question becomes *how* the company is going to take a stance which will determine their level of commitment to the issue. The company can merely make a weak statement agreeing or disagreeing with the issue or respond with a definite statement and invest their

resources in the issue stance. How the company takes a stance will impact the amount of publicity the stance will receive and how many stakeholders it might attract and/or alienate. Thus, Weinzimmer and Esken (2016, p. 334) argue that *how* the stand is taken is as important as *what* the company's stand on the issue is. Focusing on how the stand is taken instead of what the stand is, helps companies create deliberate strategies to address societal issues.

2.2.3 Perceptions of CSA

It is of crucial importance for corporate leaders to understand how CSA activities are expected and evaluated by consumers in this age of politicised social issues (Xu et al., 2021, p. 2). Dodd and Supa (2014, p. 13) state that engagement in CSA affects stakeholders' perceptions of the corporation's social responsibility. Stakeholders may not consider CSA activities as an obligation or as an expectation but rather as a voluntary activity, the purpose of which is to better the society-at-large influencing their perceptions of the company's level of social responsibility. Moreover, consumers are more likely to support a socially responsible company over one that strictly focuses on their operations, and this support may show as increased purchasing behaviour and positive overall perception (Weinzimmer & Esken, 2016, p. 336). Indeed, Murugan (2019, p. 20) finds customer perception to be crucial for companies' ability to gain new customers and maintain their existing customers. Companies can impact many of the aspects which form the perception an individual has of the company or the brand.

Perception itself is defined as the "process by which people select, organize, and interpret sensations" (Kapoor & Madichie, 2012, p. 153). The three stages of the perception process are selection, organisation, and interpretation (Qiong, 2017, p. 18). According to Kapoor and Madichie (2012, p. 154), interpretation is the meaning given to the sensory stimuli which in turn is something that activates the sensory receptor. For example, a consumer receives stimuli, also known as information inputs, when they see an advertisement or touch a product. Due to the large number of stimuli from the outside world,

some stimuli are neglected in the process. The stimuli perceived as well as the meanings given to them differ among people since the individuals assign a different schema, a set of beliefs, to a stimulus. Thus, individual observers will interpret social responsibility differently and their perceptions of it will vary (Jose et al., 2018, p. 616). For companies, it is important to identify and stimulate the correct schema in consumers because it determines how they will evaluate the product, package, or message (Kapoor & Madichie, 2012, p. 154).

Qiong (2017, p. 19) argues that the different experiences and backgrounds people have will affect the meaning they give to the same stimuli creating perception diversity. People from cultures close to each other are likely to have similar perceptions meaning that they will assign similar meaning to the same stimulus because of their similar past experiences and knowledge. The way people perceive the outside world is primarily the result of the culture around them as culture influences the perception process so extensively. Thus, Qiong (2017, p. 22) argues that culture is the most influential factor in creating perception diversity. Perception of the world and the behaviour and communication of the members within a culture is also influenced by how culture has organised itself and its institutions. Thus, governments and other social organisations are factors influencing how people perceive the world and respond to it. Indeed, Villagra et al. (2022, p. 12) suggest future CSA research to focus on the possible differences among countries and cultures specifically because of the differences caused by the roles of public institutions.

A study on CSA and corporations' role in society by Austin et al. (2019, p. 23) finds overall support for the efforts of corporations to improve society and advocate for social issues. In their study, the statement that companies should work to better society received the most support whereas statements about businesses advocating for social issues received slightly less support. Support for corporate involvement in social issues is higher among liberal and younger respondents who may support CSA even when it addresses pressing social issues without a clear social consensus. On the contrary, conservative, and older respondents were more prone to supporting the idea that businesses should only

advocate for issues related to their products and services. Higher levels of education significantly raised the level of support for advocating for debated social and political issues which are not related to the products or services of the company. In addition, Austin et al. (2019, p. 25) find more support for possibly controversial social issues from the male participants of their study. While there are differences caused by respondents' political viewpoints, age, income, education, and gender, they do not affect the overall level of support towards companies' engagement in social issues indicating that CSA is more than just a disappearing trend in corporate communication.

Similarly, a recent study by Parcha (2022) exploring the desirability of CSA and to what extent corporations should communicate on debated social issues finds a generally positive perception towards companies advocating for debated social issues. The participants of the study not only desire corporations to engage in debated social issues but they want them to communicate about them in fairly high amounts and they want them to be leaders in shaping society's beliefs. In addition, the participants find engagement helpful in solving these issues. As previously mentioned, consumers do not consider any specific debated issue relevant for the corporation to take a stand on and thus, there are limits to corporate involvement in certain debated social and political issues. From a managerial perspective, it is important to understand that while CSA is desired overall not all CSA stances are equally desired by customers. As a conclusion, Parcha (2022, p. 931) draws that CSA might not be as risky for corporations to engage in as previously considered because research indicates customers find it desirable.

According to Gaither et al. (2018, p. 195), stakeholders expect CSA stances on sociopolitical issues from companies that they already consider to be values-oriented meaning that they are known to make decisions based on their values. On the contrary, when the public perception of company values is unknown or unclear, CSA engagement is likely to position the company as being driven by its values. Furthermore, Wettstein and Baur (2016, p. 211) find that advocacy campaigns are only considered credible when they are ingrained as a part of the company's long-term strategy to advocate for specific values

or causes. Managers of companies must evaluate whether advocacy is suitable or even justified in terms of company values assuming they are aware of their company values to begin with. In addition, Park (2022, p. 834) states that engaging in socially responsible activities supports the company's identity as a sincere social activist regardless of the side the company has chosen on the issue. When consumers perceive that a company has similar values as them and shares their identity, they may develop an emotional attachment to the company.

The legitimacy of advocacy is the result of its consistency with the fundamental values of the company (Wettstein & Baur, 2016, p. 211). Definitions for legitimacy vary but a widely used definition by Suchman (1995) defines legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definition" (Suchman, 1995, p. 574). The notion of "license to operate" refers to companies needing implicit or explicit permission to do business, also known as legitimacy, from governments, societies, and other stakeholders (Ellerup Nielsen & Thomsen, 2018, pp. 493-494). Indeed, Dodd (2018, p. 223) finds corporations to meet or exceed the societal expectations of responsibility when "they are legitimized by the stakeholders who allow them to exist" (Dodd, 2018, p. 223). Yim (2021, p. 71) states that sometimes the issue stance of a company may significantly deviate from the current prevalent values of society but still, they maintain their legitimacy because the advocacy happens at the right time and at least some stakeholders consider it moving in the right direction. Moreover, the legitimacy of advocacy must always be evaluated together with other corporate activities and with the organisational culture and character of the company.

According to the findings of Villagra et al. (2022, p. 11), authenticity and corporate credibility positively affect the perspectives of consumers towards the CSA activities of large companies. Hence, CSA activities will be considered more acceptable coming from a company which has credibility. Similarly, the findings of Parcha (2022, p. 933) suggest that corporations need more than organisational legitimacy to engage in CSA because

they also need to have good reputations before they can engage in CSA. Hence, corporate legitimacy, which is the antecedent of reputation, is found to be essential for the success of CSA messaging. Consumers consider reputation to be a crucial characteristic for the success of CSA activities indicating that corporations with bad reputations should not engage in CSA to avoid failing with their initiatives. However, corporations in controversial business sectors can still have a good reputation and thus, they can engage in CSA but to be efficient, they must ensure that they have legitimacy. Participants of Parcha's (2022, p. 932) study also considered that companies with bad reputations would be motivated to engage in CSA to polish their image and to reduce customer's scepticism of their company.

2.2.4 Criticism of Corporate Social Advocacy

Stakeholders of companies and activist organisations have criticized CSR campaigns regarding the authenticity of corporate motivations and, likewise, recent CSA has faced similar accusations of being woke washing and merely an attempt to make profit by appearing socially conscious (Austin et al., 2019, p. 4). The Edelman Trust Barometer of 2019 reveals that 56 percent of their respondents agree with the statement that "too many brands use societal issues as a marketing ploy to sell more of their product" (Edelman, 2019). Similarly, Parcha (2022, p. 933) finds that consumers do not fully trust the moral compass of corporations, contradictory to their main which indicates that participants desire corporations to be involved in CSA. What could explain this controversial finding is that consumers may trust corporations more than other institutions such as the government and thus, they opt for the less unfavourable option and prefer corporations to be involved in CSA over any other institution. Truly, the 2023 Edelman Trust Barometer (Edelman, 2023a) reports that globally businesses are more trusted than NGOs or governments and a trust gap exists between business and government.

Companies must identify and correct any contradictions between what they are saying and what they are doing for their social advocacy activities to be seen as authentic and

legitimate (Yim, 2021, p. 70). Some companies engage in trending social issues without sincere commitment which can cause these CSA activities to be perceived as passive engagement by customers (Park, 2022, p. 835). CSA activities, which are perceived as hypocritical or just trying to follow a popular trend, will most likely fail at accumulating public support (Yim, 2021, p. 70) and at obtaining positive reactions from the public (Park, 2022, p. 835). Taking a stand for the sake of taking a stand can have very damaging consequences (Weinzimmer & Esken, 2016, p. 334). Likewise, if a company's engagement is perceived as merely an attempt to financially benefit from engaging with the issue, this may negatively affect the company's reputation and legitimacy because customers consider that the company is only interested in the issue for its own benefit (Parcha, 2022, p. 932). Park (2022, p. 834) finds that customers will trust the company and be loyal to them when they are sure that the company is genuine in their social advocacy engagement. The public's scepticism about CSA activities is reduced when companies take a clear, definite stance on a social issue signalling their active commitment, and this will also increase consumers' level of trust and identification with the company. Thus, Park (2022, p. 835) highlights the significance of the strength of the CSA message.

Yim (2021, p. 70) warns companies of excessive use of CSA as taking stances on multiple public issues will likely result in a communication overload and a mix of conflicting values which will hinder the company's ability to deliver the intended public message. Consumers will quickly notice that the company cannot properly advocate for a particular value in their policies, products, and/or services. Moreover, while CSA might not be as risky for companies as previously thought, Parcha (2022, p. 933) remarks that CSA might still create issues for society. Whereas controversial sociopolitical issues used to be reserved only for elected politicians to debate and solve, companies are infiltrating the discussion as their communication is not limited to the issues related to their core business. Companies admittedly have influence, but it might give them too much power in society when they can communicate about social and political issues. Parcha (2022, p. 933) goes as far as to argue that maybe advocating for sociopolitical issues should be resisted since companies are not elected officials, but they have influence in society.

An example of failed advocacy is Pepsi's 2017 "Unity and Harmony" campaign video supporting racial justice which was widely condemned for suggesting "that severe social conflicts might be resolved by sitting down to a can of Pepsi" (Yim, 2021, p. 65). In the advertisement, the protestors are together joyfully smiling, laughing, and hugging and the advertisement culminates in a scene where model Kendall Jenner hands a can of Pepsi to a police officer and receives loud praises from the protestors (Victor, 2017). The company was highly criticized for downplaying the seriousness of the Black Lives Matter movement and for showing a faulty image of its protests by minimizing the brutality and frustration the protestors faced (Yim, 2021, p. 65; Victor, 2017). According to Yim (2021, p. 66), how customers evaluate the company's CSA actions and stances depends on their different social, cultural, and political backgrounds which need to be respected by companies. When companies take a stance on a very current and popular issue, such as Black Lives Matter at the time, the public will closely inspect the action and evaluate if it is genuine advocacy or self-interest in disguise.

2.3 Public trust in government and businesses

Globally, governments are worried about low public trust (Rim & Dong, 2018, p. 5). Public trust in traditional institutions, such as government and media, is deteriorating and thus, the power and legitimacy of these institutions to operate has similarly eroded (Dodd, 2018, p. 230). Likewise, levels of public trust in business are at a remarkably low level and corporations themselves are further eroding public trust with a variety of scandals (Pirson et al., 2019, p. 133). Business trust is still higher than trust in government as the 2023 Edelman Trust Barometer (Edelman, 2023a) reveals businesses to be the only trusted institution globally. Still, Pirson et al. (2019, pp. 133-134) find that managers and scholars have become interested in finding ways for organisations to restore and maintain public trust in business to have legitimacy which would secure the long-term survival of the organisation. Decreasing levels of trust in business will cause a legitimacy crisis for businesses having low public as well as low stakeholder trust. Additionally, trust has a very evident role in the efficiency of government institutions and the operation of

societies according to the Organization for Economic Co-operation and Development (OECD, 2021).

Trust is described as a complicated construct (Hon & Grunig, 1999, p. 19) and one commonly agreed-upon definition of trust does not exist (Pirson et al., 2019, p. 132). In organisational science, trust is considered “the willingness of parties to be vulnerable to one another” (Pirson et al., 2019, p. 132). Thus, public trust is defined as “the willingness by the public or society at large to be vulnerable toward institutions such as businesses legitimizes these institutions” (Pirson et al., 2019, p. 133). The public here refers to the society at large. Previous research has primarily focused on trust between individuals and organisations, giving relatively little consideration to generalized trust in business as an institution (Janani et al., 2022, p. 14). Moreover, Hon and Grunig (1999, p. 19) identify three underlying dimensions of trust in their “Guidelines for Measuring Relationships in Public Relations” which are integrity, dependability, and competence. Integrity is achieved through the “belief that an organisation is fair and just” (Hon & Grunig, 1999, p. 19). Dependability refers to having confidence that the organisation will fulfil its commitments as promised and competence is believing that the organisation has the ability to do so (Hon & Grunig, 1999, p. 19).

Trust must be earned and deserved in businesses (Pirson et al., 2019, p. 133) and, based on what the public knows about the business and based on their personal experience with them, they develop trust in the entity (Rim & Dong, 2018, p. 4). In business relationships, Kacperska and Lukaszewicz (2021, pp. 41-43) find trust to be enormously important, and it affects all organisational activities. Importantly, trust is the primary factor determining the establishment of stable relationships as satisfied customers will return and possibly persuade others bringing new customers for the company and thus, increase profits. Thus, the success of companies relies on the positive feedback of customers. The 2023 Edelman Trust Barometer (Edelman, 2023b) finds that 71% percent of respondents find it more important to trust the brands they buy or use today than in the past, and trust remains in the top three factors affecting buying consideration. Hence,

organisations have recognised the importance of being a trustworthy partner for their customers and practising socially responsible policies which will win over their trust and loyalty (Kacperska & Lukasiewicz, 2021, p. 41).

The public assumes limited or non-existent corruption, criminality, or authoritarian behaviours when they trust the government (Rim & Dong, 2018, p. 5). On the contrary, negative government performance and public corruption cases impact public trust negatively (Cheema, 2010, p. 14). According to Cheema (2010, p. 4), trust in government refers to the citizens' expectations of the ideal government, how it should operate and interact with other institutions and citizens and how they expect political leaders, civil servants, and other citizens to behave. Citizens generally have higher expectations towards the government and politicians, and because these expectations are not so easily met, it often leads to a decline in confidence. In comparison, it is easier to maintain trust when expectations for a particular institution are lower. Repairing damaged trust in government is difficult and time-consuming and likewise, for businesses, trust is a gradual process which requires time, it may be built fast but lost at least as quickly. The effectiveness of different factors that either increase or decrease trust in government depends on the global, regional, and country context (Cheema, 2010, p. 6) and, for organisations, it is challenging to work on the value of being trustworthy in a country where the level of trust is low (Kacperska & Lukasiewicz, 2021, p. 41).

An extensive study by Thanetsunthorn and Wuthisatian (2019, p. 302) on the effect of culture on trust finds the creation of trust to be highly influenced by an individual's cultural environment. Truly, the characterizing cultural values in a country are the fundamental determinants of trust. Ferrin and Gillespie (2010, pp. 55-65) also find significant differences in the average level of generalized trust across countries and identify some determinants of trust to be culturally specific. Still, not all countries have significantly different levels of trust, and some determinants of trust are universal. Thanetsunthorn and Wuthisatian (2019, p. 302) find that around the world, trust is considered strategically crucial for the survival and success of businesses in their international business

environment. Without properly understanding how culture is relevant to trust, businesses can experience low levels of trust and cooperation which may even lead to business failure. Thus, building trust in the international business environment may be a cultural challenge for companies (Thanetsunthorn & Wuthisatian, 2019, p. 302) but a necessary one for the legitimacy of the company and for the success of CSA (Parcha, 2022, p. 933).

According to Rim and Dong (2018, p. 2), the public's views of business responsibilities differ by culture and, in addition, by their state of trust as a social phenomenon. Businesses and governments have different roles in each country which "can influence public awareness, expectation, and concerns about CSR, which are connected with public trust in the two important social players" (Rim & Dong, 2018, p. 4). Moreover, the public's definition of business responsibilities can be shaped by the extent to which businesses are trusted as stakeholders and the ways they are operated in. Their findings suggest that a connection exists between how the public sees the role of businesses and government and it is influenced by their level of trust in them. However, a country may suffer from low levels of trust in both business and government as the relationship between business and government is not connected or complementary. Rim and Dong (2018, p. 14) advise public relations professionals to evaluate the level of trust in their organisation and take it into consideration in their CSR communication. Operating in complex environments requires taking active initiatives from both domestic and multinational companies.

While the study of Rim & Dong (2018) explores the public's perceptions of CSR specifically and how public trust in government and businesses shapes it, they make several important notions about the effect of public trust on business responsibilities in general. Public trust in the government is important for businesses because it "would define their perceptions of business responsibility in society and the boundaries of the private sector's involvement in social services" (Rim & Dong, 2018, p. 5). When government trust in a certain country is high, the public expects businesses to concentrate more on their

economic responsibilities over their philanthropic ones. However, when the government is perceived as less capable and confident, the public gives more rights to businesses in solving social problems. When companies themselves experience higher levels of public trust, the public is more likely to expect them to focus on their primary obligations which, according to Rim and Dong's (2018, p. 13) findings, is particularly true in a capitalism-dominant market economy. Moreover, public trust in government will cause the government to strengthen the legal rules for how businesses operate which will eventually influence the support of the public for businesses doing their main duty of improving their economic performance and thus, benefitting the society.

Villagra et al. (2022, p. 11) find that when there is low credibility of public institutions, consumers are more likely to have a positive perspective of large companies getting involved in and taking a stance on social and political issues, even when they are controversial in nature. These findings are similar to the findings of Rim and Dong (2018) regarding CSR. Indeed, academics consider that low credibility in institutions is one of the reasons why sociopolitical advocacy of companies has developed in recent years (Villagra et al., 2022; Korschun et al., 2020). Villagra et al. (2022, p. 3) define trust as one of the dimensions of credibility, alongside of institution's competence and goodwill. These dimensions apply to their definition of corporate credibility as well. Contrarily to Rim and Dong's (2018) findings, Villagra et al. (2022, p. 8) find a higher level of corporate credibility in large companies to indicate a more positive perception towards their sociopolitical advocacy and advise companies to consider corporate credibility as an antecedent to the positive perception of CSA activities.

2.4 Theoretical framework and hypotheses

This thesis attempts to answer the following research question "How does the level of public trust in government and multinational companies relate to consumers' perceptions of MNCs' corporate social advocacy?" The second chapter of this study covers the theoretical framework by introducing relevant literature on CSR, CSA, and public trust.

Importantly, the chapter covers the emergence of corporate social advocacy, a relevantly new subtheory in CSR literature, and its relevance to businesses in today's politicized climate. In essence, the business-government-society dynamic has changed fundamentally (Dodd, 2018, p. 233). The public has begun to target businesses to influence the government (Dodd, 2018, p. 223) and the expectations of society have paradoxically shifted towards supporting the role of businesses in advocating for public interest and in their increased role in public discussion (Austin et al., 2019, p. 23). Thus, businesses have increasingly begun to take public stances on different debated social and political issues such as same-sex marriage rights and racial equality making research in CSA ever more relevant (Xu et al., 2021, p. 2).

Trust in government has a very apparent role in the efficiency of governments and the operation of societies (OECD, 2021) and currently, trust in traditional institutions is deteriorating (Dodd, 2018, p. 230). Rim & Dong (2018., pp. 2-5) argue that public trust in government relates to how consumers perceive business responsibilities within society and specifically, low public trust in government increases consumers' perception that businesses should step up and advocate for important issues. For businesses, trust is the primary factor in creating stable relationships (Kacperska & Lukasiewicz, 2021, pp. 41-43), but they are also experiencing remarkably low levels of trust which may ultimately lead to a legitimacy crisis (Pirson et al., 2019, pp. 133-134). The interconnectedness of public trust and consumers' perceptions of companies' social responsibilities is evident but how these matters are connected in the context of CSA specifically in MNCs has not been research yet. Four hypotheses are formed based on the literature review: two regarding public trust in the government and two regarding public trust in MNCs. The theoretical framework is illustrated below.

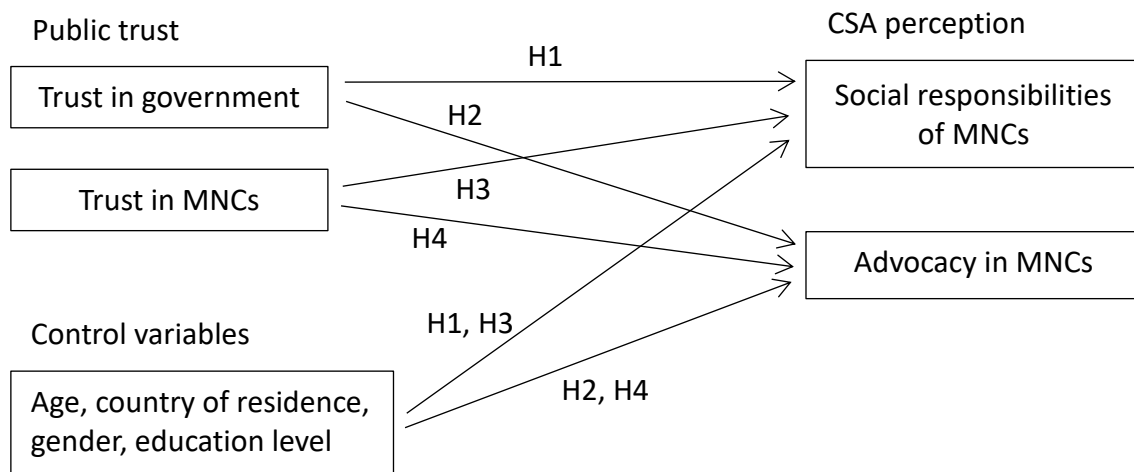


Figure 1. Theoretical framework.

CSA is often discussed as a subtheory of CSR, a well-established theory in academic literature which refers to the corporate activities that fulfil social responsibilities businesses have to the society in which they operate (Austin et al., 2019, p. 6). Previous research finds slightly less support for companies advocating for controversial issues while there is overall support for the involvement of businesses in improving society (Austin et al., 2019, p. 14; Parcha, 2022). Thus, respondents' perceptions may substantially differ, ranging from the belief that MNCs have a responsibility to society to the belief that they should extend this responsibility to advocating for social and political issues. Lower public trust in government is found to have an increasing effect on the expectations of consumers for companies to act on their social responsibilities (Rim & Dong, 2018, p. 2). Thus, two separate hypotheses are formed to see how public trust in government relates to MNCs' social responsibilities as a whole and specifically to their advocacy behaviour. Based on the theory, the first hypothesis of the study is formulated as follows:

H1. The lower the public trust in government, the higher the perception that multinational companies should work to better society.

As previously stated, when the government is seen as incapable and lacking confidence, the public gives more rights to businesses in solving social problems (Rim & Dong, 2018,

p. 2) but current academic literature still lacks information specifically on how low public trust in government relates to consumers' CSA perceptions. Parcha (2022, p. 933) state that consumers may prefer companies to advocate for social and political issues over other less-trusted institutions while still not fully trusting the moral compass of companies. Moreover, Villagra et al. (2022, p. 11) find that consumers may have a more positive perception of large companies taking a stance on controversial social and political issues when public institutions have low credibility. Their definition of credibility in institutions entails trust as a dimension and thus, may indicate how public trust in government could also affect consumers' CSA support. Based on the previous theory, the second hypothesis is as follows:

H2. The lower the public trust in government, the higher the perception that multinational companies should advocate for controversial social and political issues.

Trust is crucial for business relationships, and it affects all organisational activities (Kacperska & Lukasiewicz, 2021, p. 43) but previous studies have somewhat contradictory findings on how public trust in businesses might predict support for MNCs' social responsibilities. Rim and Dong (2018, p. 13) find higher levels of public trust in businesses to indicate that the public expects businesses to focus on their primary obligation. However, CSR has been identified as an effective way to create trust between the company and its customers (Martínez & Rodríguez del Bosque, 2013, p. 97) and trust has a close connection to CSR because the more socially responsible consumers perceive the company to be, the more they trust the company (Hong & Rim, 2010, p. 391). Due to the positive relationship between trust and social responsibilities, the third hypothesis of this study is as follows:

H3. The higher the public trust in multinational companies, the higher the perception that multinational companies should work to better society.

As previously identified, public trust in business institutions is crucial for their legitimacy (Pirson et al., 2019, p. 134) which is also found to be important for the success of CSA activities (Parcha, 2022, p. 933). Thus, without public trust, businesses do not have legitimacy and may fail with their CSA activities as with any other organisational activity. Moreover, Villagra et al. (2022, p. 11) find that involvement in social and political issues is more positively perceived when large companies have corporate credibility, a construct which entails trust as a dimension. Due to the importance of public trust for business activities and due to the connection between public trust and legitimacy, the final hypothesis is as follows:

H4. The higher the public trust in multinational companies, the higher the perception that multinational companies should advocate for controversial social and political issues.

3 Methodology of the study

The following chapter presents the methodology of the study. Firstly, the research approach and method of the study are introduced. Subsequently, the chosen data collection method is introduced along with reasonings for its election as a data collection method. This is followed by an introduction of the data sampling method after which the chosen data analysis method and the variables are presented. Finally, the chapter concludes by assessing the validity and reliability of this study.

3.1 Research approach and method

This thesis examined how the level of public trust in the government and multinational companies relates to consumers' perceptions of corporate social advocacy. Therefore, this study can be defined as an explanatory study because it explores a phenomenon with the aim of explaining a relationship between variables (Saunders et al., 2023, p. 181). Furthermore, the research approach of this study is defined as deductive which is common for explanatory research. According to Saunders et al. (2023, p. 155), in deductive research, one or more hypotheses are made to test a theory developed by using existing academic literature. Then, an appropriate research strategy is conducted to test the theory. An important characteristic of the deductive research approach is "the search to explain causal relationships between concepts and variables" (Saunders et al., 2023, p. 156). Current theory implies that a relationship exists between public trust and consumers' perceptions of CSA. Thus, this study aimed to test this theory by creating hypotheses based on existing academic literature and testing them with data collected through a questionnaire.

Considering the aim of the study, which was to examine if a relationship exists between public trust and consumers' perceptions of CSA, the chosen research method for this study was quantitative research. Saunders et al. (2023, p. 183) state that quantitative research method often refers to any data collection or analysis technique generating or

using numerical data. Quantitative research is used to examine “relationships between variables, which are collected in a standard manner, measured numerically and analysed using a range of statistical and graphical techniques” (Saunders et al., 2023, p. 184). Saunders et al. (2023, p. 183) find that the chosen research method is often related to the deductive approach as it uses data to test a theory developed from previous research which is also the case in this study. This study can be further defined as a cross-sectional study as it explored a phenomenon, in this case, consumers’ perceptions of CSA, at a given point in time (Saunders et al., 2023, p. 212). The methodological choices are illustrated in the research onion below which is adapted from the original version by Saunders et al. (2023, p. 176)

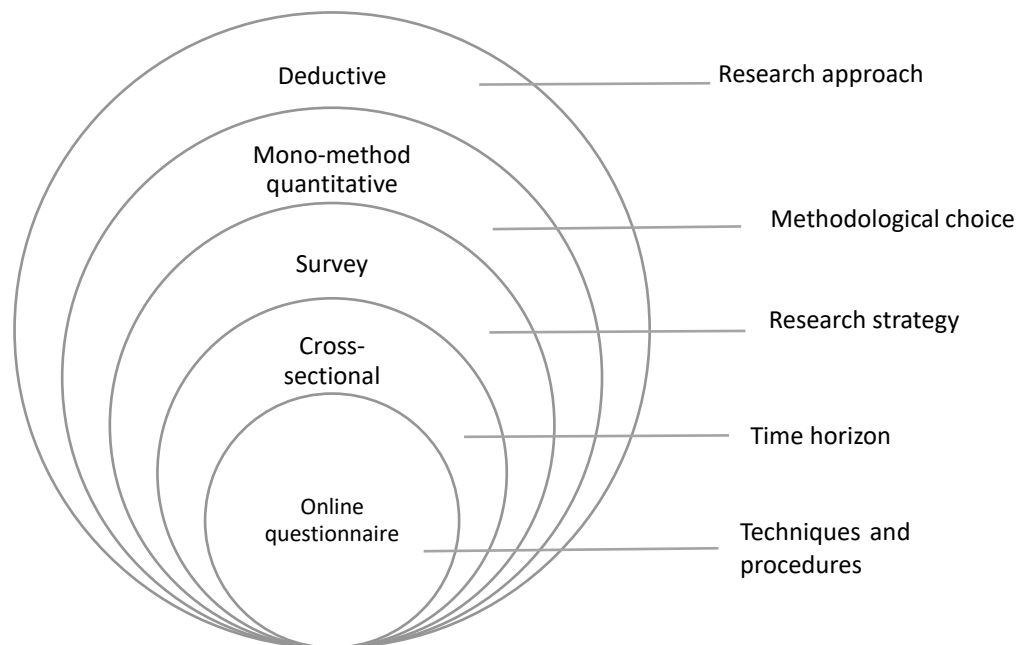


Figure 2. The research onion adapted from Saunders et al. (2023, p. 176).

3.2 Data collection method

The data collection method for this study was a structured questionnaire. This study used a self-completed questionnaire meaning the respondents completed it by themselves and these are commonly referred to as surveys (Saunders et al., 2023, p. 509). Questionnaires are common in the deductive research approach and quantitative

research as they collect the necessary data for quantitative analysis (Saunders et al., 2023, p. 195). In addition, the data that questionnaires collect is often used for explanatory purposes which was also the purpose of this study. The questionnaire was created using Webropol, an online survey and reporting tool, and it was distributed online where the respondents could access it using a hyperlink leading to the questionnaire. The data was collected in November and December of 2023. The questionnaire was in English since the respondents were from countries with different native languages. Furthermore, the low cost of conducting an online questionnaire and the ability to reach a large mass of respondents are some of the major advantages of online questionnaires (Saunders et al., 2023). Importantly, the sample can be geographically dispersed.

Using a questionnaire does not come without its downsides as collecting the necessary data for the study is completely dependent on the willingness of the respondents to fill out the questionnaire (Saunders et al., 2023, p. 510). Ensuring a good response rate is crucial for the reliability of the study, a concept which will be covered later in this chapter. According to Saunders et al. (2023, p. 549), a range of factors must be taken into consideration to improve the response rate but mostly maximising the response rate depends on how the questionnaire is distributed. Regardless of the disadvantages, considering the nature of this study and the respondents being in different countries, a questionnaire was the most suitable approach for data collection. This study did not use multiple data collection methods and was therefore a mono method quantitative study (Saunders et al., 2023, p. 183).

The questionnaire used a Likert scale which is a research instrument that includes one or more statements or questions with a variety of response options (South et al., 2022, p. 45). Thus, the type of the questions was closed questions since they provided multiple alternatives from which the respondents chose the most suitable one for them (Saunders et al., 2023, p. 524). This questionnaire used a Likert-style rating with a six-point rating scale with 1 being strongly disagree and 6 strongly agree: *strongly disagree*, *disagree*, *somewhat disagree*, *somewhat agree*, *agree*, and *strongly agree*. This type of Likert

scale without a *Neutral* or *Neither Agree nor Disagree* choice as a midpoint is referred to as a *forced-choice scale* where respondents are not able to express a neutral opinion. Moreover, a Likert item refers to each separate item in the questionnaire whereas the Likert scale is the term for all the Likert items in the questionnaire (South et al., 2022, p. 45). Likert-style rating is a frequently used type of rating scale questions which are generally used to collect opinion data (Saunders et al., 2023, p. 529). When qualitative methods are not suitable enough for subjective evaluation, Likert scales enable the collection of quantitative estimates of subjective qualities, generating numeric data which can be summarized and visualized like other evaluation-collected quantitative data (South et al., 2022, p. 43). Thus, the Likert scale was suitable for the aim of this study.

The Likert scale used in this questionnaire did not include a midpoint in the scale for a couple of reasons. According to Chyung et al. (2017, pp. 16-19), a midpoint, often worded as *Neutral* or *Neither Agree nor Disagree*, is commonly included in the Likert scale to allow the expression of a neutral opinion. However, the use of a midpoint entails the risk that it is not used nor interpreted accordingly as it might be selected even when the respondents do not feel neutral about the statement. For example, when the survey items are unfamiliar or unclear to the respondents, they might use the midpoint as an easy option. In addition, the midpoint might be used to avoid choosing a negative option on the scale which some respondents might perceive as socially undesirable behaviour. While the statements in the questionnaire of this study were clearly defined, the topic might not have been familiar to all respondents, and they were not expected to have formed an opinion on it yet. Therefore, a midpoint was not included in the Likert scale of the questionnaire to minimize its misuse as an easy option. The aim was to collect opinion data which the questionnaire could not have accurately done if too many respondents had chosen the midpoint.

The questionnaire had a total of 29 questions and statements for the respondents to answer: four background questions, six questions concerning respondents' beliefs about MNCs' social responsibilities, seven concerning their beliefs about MNCs' advocacy, six

questions about trust in government and six questions about trust in MNCs. As background information, the respondents were required to fill in their country of residence, age, gender, and education level and these were used as control variables in the statistical analysis. The remaining questions were designed to address the key interests of the study and to provide the needed data to answer the research question. Firstly, the respondents were asked to assess their beliefs about MNCs' social responsibilities and advocacy using a six-point Likert-scale. These statements were modified from previous studies by Austin et al. (2019), and Villagra et al. (2022) but also created to consider the essential characteristics of CSR and CSA identified in the theoretical framework of this study. Next, the respondents had to evaluate how trustworthy they perceive the government and MNCs by using the same six-point Likert-scale. The statements regarding trust in government and trust in MNCs were adapted from the trust measurement scale of Hon and Grunig (1999, pp. 28-29) and the study of Villagra et al. (2022).

3.3 Data sampling

This study focuses on the perceptions of European consumers, but it is evident that data cannot be collected and analysed from the whole population due to its extremely large size (Saunders et al., 2023, p. 291). Thus, a representative sample must be chosen from the population to reduce the amount of data that is needed to collect. This study used non-probability sampling in which, according to Saunders et al. (2023, p. 295), the likelihood of each case being selected from the target population is unknown. Non-probability sampling is used when a researcher does not have a sampling frame which is a list of all the cases in the target population or probability sampling is not suitable. The technique is better suited for answering research questions where the aim is to gain insights and understanding rather than making statistical inferences about the population. After deciding to implement non-probability sampling, two matters must be considered: the suitable sample size which is reviewed while data is collected and an appropriate sampling procedure and the sample. The sample size depends on the research question and

the objectives of the study. Prior to sending out the survey, the ideal number of respondents was agreed at 150 to be able to conduct reliable statistical analysis.

The sampling procedures used to select cases for the study were snowball sampling and self-selection sampling, which Saunders et al. (2023, p. 323) define as volunteer sampling procedures. In snowball sampling, the researcher makes initial contact with a few cases and asks them to contact more cases and so on until the ideal sample size is reached. This is common, especially in studies where the members of the population are difficult to identify which was the case in this study as the researcher had a limited number of contacts residing outside of Finland. Thus, those contacts outside of Finland who took part in the study were also asked to identify further cases to have a more representative sample in terms of country of residence. However, self-selection sampling was mostly used in which the survey is made public by advertising it in appropriate media or by directly contacting the cases and asking them to take part. The survey was advertised on social media, posted on several discussion groups, and shared directly with friends. Volunteer sampling procedures were used due to their effectiveness, but the downside of these sampling procedures is the low likelihood of the sample being representative.

3.4 Data analysis method

After collecting the needed data, the hypotheses of the study were tested by analysing the data with the aim of answering the initial research question “How does the level of public trust in government and multinational companies relate to consumers’ perceptions of MNCs’ corporate social advocacy?” To understand the relationship between public trust and consumers’ perceptions of social responsibilities and MNCs’ advocacy, statistical analysis was conducted in the IBM SPSS Statistics software. The following sub-chapters introduce the chosen statistical model for analysing the data and the variables used in the analysis.

3.4.1 Statistical analysis

The hypotheses were tested using multiple regression analysis as a statistical analysis method. Before conducting the multiple regression analysis, Pearson's correlation coefficient was used to measure the strength of the linear relationship between two numerical variables and to assess multicollinearity (Saunders et al., 2023, p. 626). Saunders et al. (2023, p. 626) state that Pearson's correlation coefficient can take any value between +1 and -1 where +1 represents a perfect positive correlation and -1 a perfect negative correlation both indicating that the variables are related. In contrast, a value of 0 represents perfect independence of the measured variables. Pearson's correlation coefficient assumes that the sample of the study is randomly selected, and the data is normally distributed. Variables with ranked data cannot be used in Pearson's correlation coefficient. It is important to note that while correlation indicates that a change in one variable is associated with a change in another variable, it does not imply a causal relationship between the variables in which the change is caused by the independent variable.

The hypotheses of this study were tested with regression analysis as a statistical tool as it allows testing of how one variable is related to another variable (Wilson et al., 2015, p. 11). In this study, multiple regression analysis was conducted as there is more than one independent (X) variable which can predict changes in the dependent (Y) variable (Wilson et al, 2015, p. 76). Specifically, hierarchical regression model, in which new and known predictors are entered in the regression model in the order specified by the researcher, was used in the multiple regression analysis (Martin & Bridgmon, 2012, p. 404). In general, known predictors from previous research should be entered into the model first in the order of their importance and after this, new predictors can be added to the model (Field, 2017, p. 398). Thus, each variable "is assessed in terms of what it adds to the equation when it is added to the model" (Martin & Bridgmon, 2012, p. 404). According to Martin and Bridgmon (2012, p. 404), the hierarchical regression model is useful for identifying the portion of variance associated with certain variables while holding others constant.

The hierarchical regression model was chosen as this study aimed to understand how public trust in the government and multinational companies relates to consumers' CSA perception while controlling for country of residence, age, gender, and education level. The chosen statistical analysis method has been used by previous researchers in similar studies (i.e. Kalyar et al., 2012). The dependent variables for the regression models were the perception of MNC's social responsibilities and the perception of MNC's advocacy. The independent variables were public trust in government and public trust in multinational companies. The control variables were also considered independent variables in the multiple regression analysis and held constant throughout the regression analysis using the hierarchical regression model. The variables and their measures are presented in the table below and introduced more specifically in the following subchapters.

Table 1. Variables and their measures.

Variable name	Description	Measures
Country	Control variable: Respondent's country of residence	Continuous: Italy = 1, Finland = 2, Germany = 3, France = 4, The Netherlands = 5, The UK = 6, Other = 7
Age	Control variable: Age of the respondent	Continuous numerical variable
Gender	Control variable: Gender of the respondent	Continuous: Female = 1, Male = 2, Prefer to self-describe = 3
Education	Control variable: Education level of the respondent	Continuous: Less than a high school degree = 1, High school diploma = 2, Bachelor's degree = 3, Master's degree = 4, PhD = 5, Other = 6
Social responsibility	Dependent variable: Consumers' perception of MNCs' social responsibilities	Continuous: 1 Strongly disagree – 6 Strongly agree
Advocacy	Dependent variable: Consumers' perception of MNCs' advocacy	Continuous: 1 Strongly disagree – 6 Strongly agree
Govtrust	Independent variable: Respondent's trust in government	Continuous: 1 Strongly disagree - 6 Strongly agree

Variable name	Description	Measures
MNCtrust	Independent variable: Respondent's trust in MNCs	Continuous: 1 Strongly disagree – 6 Strongly agree

The multiple regression model has several assumptions which must be met in the analysis (Saunders et al., 2023, p. 632). The regression model assumes the relationship between the dependent variable and independent variables to be linear which refers to “the degree of which the change in the dependent variable is related to the change in the independent variables” (Saunders et al., 2023, p. 632). Secondly, Saunders et al. (2023, p. 632) mention the assumption of equal variances (homoscedasticity) which is the extent of equal variances in the data values of dependent and independent variables. The regression model also assumes that there is no correlation between the independent variables (multicollinearity) which would make it challenging to determine the individual effect of independent variables. In addition, the model assumes a normal distribution of the errors (residuals) for the independent variables which refers to the differences between each predicted value for the dependent variable and the related observed value for the dependent variable. Moreover, the dependent variable in the linear regression model must be quantitative, continuous, and unbounded while the independent variables must be quantitative or categorical (Field, 2017, p. 388).

According to Chyung et al. (2017, pp. 16-17), there is a persistent debate among researchers about whether the Likert scale should be treated as an ordinal scale or as an interval scale. Treating the Likert scale exclusively as an ordinal scale prevents the use of parametric analysis methods which can be used when the data is normally distributed, most likely collected with interval or ratio scales. Carificio and Perla (2008, p. 1151) argue that it is perfectly appropriate to summarise the Likert scale responses using means and standard deviations. They further argue that it is suitable to parametrically analyse data from Likert scales for example by calculating Pearson’s correlation coefficients to use as the basis for multiple regression analysis to obtain stronger and more nuanced analyses of the data. The advocates of using the Likert scale as an interval scale argue that it is a universal practice to use a group of several items measured with the Likert scale (Chyung

et al., 2017, p. 17). Moreover, in this study, the use of regression analysis with variables obtained by grouping and averaging the results of the Likert scale items is supported by numerous studies using the same method for example Austin et al. (2019), Rivera et al. (2016) and Yadav et al. (2018).

3.4.2 Dependent and independent variables

A dependent variable is a variable which may change due to changes or manipulations in the independent variables of the study (Saunders et al., 2023, p. 515). This study had two dependent variables which are the perception of multinational companies' social responsibilities and the perception of multinational companies' advocacy, and the aim of this study was to understand how the level of public trust in the government and multinational companies affects them. The first dependent variable, the perception of multinational companies' social responsibilities, was named social responsibility in the regression analysis and it was measured with six statements. The second dependent variable, perception of multinational companies' advocacy, was named advocacy and it was measured with seven statements in the questionnaire. The variables were created by averaging the responses to these statements and as presented earlier, all statements were assessed with a six-point Likert scale, ranging from "Strongly disagree" to "Strongly agree".

In statistical analysis, an independent variable is a variable that "when changed or manipulated, may cause changes in dependent variables" (Saunders et al., 2023, p. 515). The independent variables used in the statistical analysis of this study were public trust in government and public trust in multinational companies since the aim was to understand how these variables may affect consumers' perceptions of CSA. These variables were named govtrust and MNCtrust. Both independent variables were measured with six different statements concerning the trustworthiness of the government and multinational companies which the respondents assessed with a six-point Likert scale. The

variables were created by averaging the respondents' responses to these statements. The variables and their measures are presented in the table 2 below.

Table 2. Independent and dependent variables and their measures.

Variable	Measures
Dependent variable: social responsibility	<ul style="list-style-type: none"> • Multinational companies should work to better society. • Alongside the government, multinational companies should participate in solving society's problems. • Multinational companies should communicate about issues which are relevant to the society as a whole. • Multinational companies should consider their impacts on the society in which they operate in. • Multinational companies should invest their time and resources to give back to the society. • Multinational companies have influence in society which they should use to contribute to positive social change.
Dependent variable: advocacy	<ul style="list-style-type: none"> • Multinational companies should take public action and advocate for social and political issues. • Multinational companies should not remain neutral when it comes to addressing social and political issues. • Multinational companies should advocate for social and political issues no matter how controversial the issues might be. • Multinational companies should advocate for social and political issues even when they are not related to their core products or services. • Multinational companies should get involved in political discussion by advocating for social and political issues. • Multinational companies should actively advocate for their chosen social and political issues and with substantial commitment. • Multinational companies are helping to solve social and political issues by advocating for them.
Independent variable: govtrust	<ul style="list-style-type: none"> • Multinational companies are trustworthy. • The actions of multinational companies are transparent and honest. • Multinational companies act in alignment with what they have promised. • Multinational companies have the ability to accomplish what they have promised. • Multinational companies operate in compliance with the law. • Multinational companies are ethical and act with moral principles.

Variable	Measures
Independent variable: MNCtrust	<ul style="list-style-type: none"> • Multinational companies are trustworthy. • The actions of multinational companies are transparent and honest. • Multinational companies act in alignment with what they have promised • Multinational companies have the ability to accomplish what they have promised. • Multinational companies operate in compliance with the law. • Multinational companies are ethical and act with moral principles.

3.4.3 Control variables

In statistical analysis, a control variable is a variable which must be kept constant to prevent it from influencing the effect of the independent variable on the dependent variable (Saunders et al., 2023, p. 515). This study used the respondents' country of residence, age, gender, and education level as control variables because previous research has found these demographic factors to influence consumers' CSA perception (i.e. Austin et al., 2019; Kim et al., 2023). This information was collected from the respondents and consequently used as control variables in the regression models. As this study only aimed to understand the effect of public trust on the dependent variables, control variables were included in the regression model to avoid them influencing the relationship between the independent and dependent variables. Moreover, the control variables were included in the correlation matrix to assess multicollinearity. Since variables with ranked data cannot be used with Pearson's correlation coefficient, the control variables were coded with numerical values and treated as continuous for the purposes of this study.

3.5 Validity and reliability

Validity and reliability are both fundamental constructs for assessing the quality of quantitative research but neither of them is sufficient on their own to ensure high-quality research (Saunders et al., 2023, p. 214). The validity and reliability of the data collected

for this study mainly depended on the design of the questionnaire, its questions and structure and the rigour of the questionnaire's pilot testing (Saunders et al., 2023, p. 520). Pilot testing was done to ensure the respondents would not have any problems completing the questionnaire, to assess the questions' validity and to ensure that recording the data goes without problems. Pilot testing was conducted by the supervisor of the thesis after which necessary adjustments were made by the researcher. The development of the questionnaire and data analysis also controlled for participant error, participant bias, researcher error and researcher bias which are covered later in this subchapter.

Saunders et al. (2023, p. 520) explain that a valid questionnaire will allow the collection of data that accurately measures the concepts of interest to the study while reliability refers to the consistency of data collection. Validity is further defined into internal and external validity of which internal validity refers to the questionnaire's ability to measure what it is intended to measure. Therefore, a questionnaire has internal validity when it represents the reality of what is measured and thus, conclusions are legitimate and other explanations are excluded. This study has internal validity to the extent to which the questionnaire was able to truly measure consumers' perceptions of CSA activities and their trust in the government and MNCs. In addition, the questions of a valid questionnaire sufficiently cover the content they should in relation to the variable. Thus, the questions for the questionnaire of this study were chosen with thorough research of the literature, with careful consideration of what is intended to be measured, and with prior discussion with the supervisors of this thesis.

External validity, also known as generalizability, is the extent to which the findings are generalizable to other contexts (Saunders et al., 2023, p. 216). Generalizable findings allow the recognition of connections between other concepts and phenomena but also across time and space (Parker & Nothcott, 2016, p. 1101). Moreover, generalisation is an important characteristic of the deductive approach and thus, the sample needs to be chosen carefully and must be of sufficient size for the findings to be generalisable

(Saunders et al., 2023, p. 156). The sample size of this study was 202 cases. Reliability is defined as “the extent a data collection procedure yields consistent findings” (Saunders et al., 2023, p. 215). Reliable research can be replicated by another researcher, and it still achieves the same findings. This research is not only applicable in Europe nor tied to a specific time frame and can, therefore, be repeated in other countries at a different time increasing the reliability of this study.

Guaranteeing reliable research is difficult due to multiple threats. Saunders et al. (2023, p. 215) identify four possible threats to reliability which are: participant error, participant bias, researcher error and researcher bias. Participant error refers to factors which unfavourably affect the way respondents answer such as limited time which would cause the respondents to answer in a hurry. To minimize participant error, the respondents were informed about the estimated time required to complete the questionnaire in the introduction, enabling them to manage their time effectively. In addition, only questions essential to the purposes of this study were included to prevent making the questionnaire unnecessarily long which could pose a risk to ensuring a good response rate. However, reliability might still be compromised for example if respondents misunderstood the questions since English is not their native language or did not understand them in the same way as the researcher had intended.

Participant bias refers to any factors that could cause the respondent to provide a false response (Saunders et al., 2023, p. 215). This questionnaire was anonymous to minimize the respondents' fear of being recognised from the answers which could have caused them to answer how they see as favourable. Moreover, the mid-point of the Likert-scale was not included to avoid its misuse in the case the respondents had not yet formed an opinion and did not know what to answer. In addition, the definition of CSA was included in the introduction of the questionnaire to increase the respondents' understanding of the construct being studied. Still, respondents may have provided an incorrect answer on purpose or by accident. Researcher error refers to any factor which could alter the interpretation of the researcher whereas researcher bias is any factor which could lead

to bias in recording or interpreting the responses of the respondents (Saunders et al., 2023, p. 215). Thus, thorough, and careful analysis and interpretation of the data as well as detailed notes of every step were done to minimize any researcher error or bias, but some mistakes may have occurred in the process.

Heale and Twycross (2015, p. 66) state that it is impossible to give an exact calculation of reliability, but an estimation is possible to attain through different measures. Cronbach's alpha is a frequently used method for this, and it measures the consistency of responses to a subset of questions which make up a scale measuring a specific construct (Saunders et al., 2023, p. 523). The result of Cronbach's alpha is a value between 0 and 1 of which values of 0,7 and above are acceptable scores suggesting internal consistency. This study used Cronbach's alpha to assess the internal consistency of the four variables which were combined from their specific Likert scale items. Any Likert scale items did not need to be left out of the variables as the value of Cronbach's alpha was above 0,7 for all variables proving their internal consistency. A table of the variables and their Cronbach's alpha values is presented below.

Table 3. Cronbach's alpha values for the variables.

Variable	N. of Items	Cronbach's alpha
Social responsibility	6	0,849
Advocacy	7	0,919
Govtrust	6	0,868
MNCtrust	6	0,873

4 Empirical research and results

This chapter presents the results and analysis of the data. First, descriptive statistics are presented to gain an understanding of the respondents' backgrounds and how the sample is divided between countries, genders, education levels and ages. Next, the results of the statistical analysis are presented by first covering Pearson's correlation coefficient values. Lastly, the regression analysis results are presented in pairs of two by first covering the effect of public trust in government on CSA perception and then the effect of public trust in MNCs on CSA perception.

4.1 Descriptive statistics

The sample size of this study was 202 cases meaning the survey received all together 202 responses from around Europe. By far, the largest group of respondents were those who lived in Finland as 109 (54%) out of 202 respondents stated Finland as their country of residence. The second most answers were received from Germany with 31 (15%) respondents. The Netherlands was named as the country of residence by 15 (7%) respondents, The UK by 13 (6%) respondents and Italy by 11 (5%) respondents. Five (3%) respondents were living in France. Countries with less than five respondents were categorized together in the country variable under "Other". These countries were Portugal, Lithuania, and Denmark which were each stated as the country of residence by three respondents (2% each). Slovenia and Sweden were both named as the country of residence by two respondents (1% each). Moreover, Belgium, The Czech Republic, Greece, Ireland, and Poland were each mentioned as the country of residence by one respondent. The respondents represented a total of 16 different European countries in terms of country of residence but only six countries which had more than five respondents had their own category while the rest were combined under one category.

Regarding the gender of the respondents, most of them identified as female, 128 (63,4%) of the 202 respondents, while 72 (35,6%) identified as male and two (1%) respondents

preferred to self-describe their gender. The respondents were relatively well educated as only six (2,9%) respondents had obtained less than a high school degree and 35 (17,3%) respondents reported a high school diploma as their highest obtained degree. Thus, most of the respondents had obtained higher education qualifications as 85 (42,1%) respondents had obtained a bachelor's degree and 65 (32,2%) had a master's degree. In addition, six (3,0%) respondents had obtained a PhD and five (2,5%) respondents opted for the "other" option. The sample characteristics are in the table below.

Table 4. Sample characteristics.

Variable	Characteristics	N	% of N
Country of residence	Finland	109	54 %
	Germany	31	15 %
	The Netherlands	15	7 %
	The UK	13	6 %
	Italy	11	5 %
	France	5	3 %
	Other	18	9 %
Age		202	100 %
Gender	Female	128	63,4 %
	Male	72	35,6 %
	Prefer to self-describe	2	1 %
Education	Less than a high school	6	3,0 %
	High-school diploma	35	17,3 %
	Bachelor's degree	85	42,1 %
	Master's degree	65	32,2 %
	PhD	6	3,0 %
	Other	5	2,5 %

While there was some variation in the respondents' ages, most of them were young adults as the mean of the respondents' age was 28,58 and the median 25. The youngest respondent was 18 years old and the oldest was 75 years old. The standard deviation, which measures the dispersion of quantitative data around the mean, was 9,93. This indicates that respondents' ages deviate by 9,93 years, on average, from the mean

(Antonius, 2013, p. 67). These descriptive statistics of the variables are presented in the table 5 below. The means of the advocacy, govtrust and mnctrust variables were all between 3 and 4 which on the Likert scale were responses “Somewhat disagree” and “Somewhat agree” indicating that the respondents’ had rather neutral stances on these constructs. Only the variable social responsibility had a much higher mean of 4,93 indicating that respondents perceived that MNCs should work to better society more than they should advocate for controversial social and political issues. The standard deviations of the dependent and independent variables were between 0,73-1,00.

Table 5. Descriptive statistics.

	N = 202					
	Mean	Std. Dev	Min	Max	Skewness	Kurtosis
Country	3,074	1,759	1,00	7,00	1,193	0,053
Age	28,584	9,929	18,00	75,00	2,239	5,41
Gender	1,376	0,506	1,00	3,00	0,747	-0,901
Education	3,223	0,954	1,00	6,00	0,234	0,703
Social responsibility	4,935	0,729	2,33	6,00	-0,589	0,333
Advocacy	3,784	0,990	1,00	6,00	-0,115	-0,114
Govtrust	3,528	1,003	1,00	5,83	-0,131	-0,443
MNCtrust	3,224	0,863	1,00	5,33	-0,185	-0,209

4.2 Correlations between variables

Prior to the multiple regression analysis, Pearson’s correlation coefficient was used to measure the strength of the linear relationship between the variables and to assess multicollinearity. The correlation matrix is in table 6 below. As previously stated, a coefficient correlation value of +1 indicates a perfect positive relationship and -1 is a perfect negative relationship while the value of 0 stands for perfect independence. The significance level used in this study was 0,05 which is a commonly used significance level. Statistical significance is the probability that the observed pattern could have occurred by chance alone when there was no real difference in the population of the sample (Saunders et al., 2023, p. 834). For example, a p-value of 0,05 indicates that there is a 5% chance that

the event occurred by chance alone. In the correlation and regression analysis results, one asterisk (*) symbols that the result is statistically significant at the 5% level, two asterisks that the result is statistically significant at the 1% level and three asterisks (***) symbol that the result is statistically significant at the 0,1% level.

Table 6. Correlation matrix.

	Advocacy	Govtrust	MNCtrust	Country	Age	Gender	Education
Social responsibility	0,557**	-0,085	-0,115	0,043	-0,143*	-0,268**	-0,054
Advocacy	1	-0,104	-0,054	0,128	-0,165*	-0,260**	-0,062
Govtrust		1	0,281**	-0,140*	0,140*	0,149*	-0,002
MNCtrust			1	-0,009	0,008	-0,002	0,075
Country				1	-0,253**	-0,143*	-0,043
Age					1	0,142*	0,206**
Gender						1	0,063
Education							1

**Correlation is significant at the 0.01 level (2-tailed)

*Correlation is significant at the 0.05 level (2-tailed)

The first hypothesis predicted a negative relationship between government trust and consumers' perception of MNC's social responsibilities and the minus sign of Pearson's correlation coefficient value showed that there was a negative relationship between the two variables measuring these constructs. However, Pearson's correlation coefficient was -0,085 and values smaller than 0,10 can be considered to have very little value (Elliot & Woodward, 2020, p. 129). There was no statistically significant correlation between these two variables. The second hypothesis suggested a negative relationship between trust in government and consumers' perception of MNCs' advocacy. Again, Pearson's correlation test proved that there was a negative relationship between the two variables measuring these constructs, but the effect size, which is the strength of the relationship, was small as the correlation coefficient was -0,104 (Elliot and Woodward, 2020, p. 129). Correlation values between 0,1 and 0,3 are generally interpreted as having a small effect

size (Elliot & Woodward, 2020, p. 129). There was no statistically significant correlation between these two variables.

The third hypothesis predicted a positive relationship between trust in MNCs and consumers' perception of MNCs' social responsibilities. On the contrary, the sign of Pearson's correlation coefficient for the variables measuring these constructs indicated a negative relationship as the correlation coefficient was -0,115. However, this value only indicated a small effect size, and the result was not statistically significant. Hypothesis four predicted a positive relationship between trust in MNCs and consumers' perception of MNCs' advocacy. The variables measuring these constructs indicated a negative relationship but as Pearson's correlation coefficient value was -0,054, it had very little value and it was also not statistically significant. The correlation coefficient value was close to 0 which indicates perfect independence (Saunders et al., 2023, p. 626).

The multiple linear regression model assumes that the independent variables are not highly correlated with each other which is referred to as multicollinearity (Saunders et al., 2023, p. 632). One of the means to assess multicollinearity is with Pearson's correlation coefficient which should not have an absolute value over 0,7 or else multicollinearity could be an issue in the regression model (Wilson et al., 2015, p. 88-89). The independent variables of the regression models were govtrust, mnctrust, country, age, gender, and education and some of them correlated with one another which can be noticed from the correlation matrix. However, those correlation coefficient values which were statistically significant either at the 0,01 or 0,05 level were all well below 0,7. The highest correlation coefficient value was between govtrust and mnctrust at 0,281** but these two independent variables were not used in the same regression model as their influence on the dependent variables was analysed separately. Thus, on behalf of Pearson's correlation coefficient, multicollinearity did not pose a risk for the regression analysis. In addition, multicollinearity was later assessed with the VIF and tolerance values from the regression models.

4.3 The effect of public trust in government on CSA perception

The first two hypotheses focused on how public trust in government relates to consumers' CSA perception. The first hypothesis suggested that lower public trust in government would lead to a higher perception in perceiving that multinational companies should work to better society. This hypothesis was tested with hierarchical multiple regression analysis to separate the effect of the independent variable govtrust on the dependent variable social responsibility while holding the control variables, country, age, gender, and education, constant. First, the control variables were added into the regression model as independent variables and then the independent variable govtrust was added. The variables and their measurements as well as the statistical analysis method have been introduced earlier in this study.

The results of the regression model are presented in table 7 below. The first model is the regression model with only the control variables while the second model has the four control variables and the independent variable govtrust, the results of which are presented on a separate row. The explanatory power of the regression model's results is interpreted with the adjusted R^2 which is "the percentage of the variation in the dependent variable (Y) that is explained by the regression model" (Wilson et al., 2015, p. 85). According to Wilson et al. (2015, pp. 84-85), the adjusted R^2 is used with multiple regression analysis rather than the unadjusted R^2 which is used when the linear regression model has only one independent variable. This is because the adjusted R^2 does not necessarily increase when a new independent variable is added to the model whereas the value of the unadjusted R^2 will always increase after a new variable is added even when the variable is not relevant. The adjusted R^2 ranges from 0 to 1,0 where 0 indicates no linear relationship and 1 a perfect linear relationship. The F-test in regression evaluates whether "the model is a significant fit to the data overall" (Field, 2017, p. 413).

Table 7. The results of the first hierarchical regression model.

	B	Std. Error	t	p	R ²	Adjusted R ²	F
Model 1 ^a					0,084	0,065	4,503**
Constant	5,738	0,273	20,980	<0,001			
Model 2 ^b					0,085	0,062	3,644**
Constant	5,823	0,318	18,296	<0,001			
Govtrust	-0,027	0,051	-0,523	0,601			

** p < 0,01

Model 1^a predictors = country, education, gender, age

Model 2^b predictors = country, education, gender, age, govtrust

The explanatory power of the regression analysis was weak, and it slightly decreased as the independent variable govtrust was added. According to the adjusted R² of the second model, the combination of the control variables and the independent variable govtrust explained 6,2% of the variance in the dependent variable. The results of the second model were statistically significant (F=3,644, p<0,01). To determine the effect of govtrust on the dependent variable, the impact of the specific variable on the overall model must be taken into review. The value of B indicates how much the independent variable is expected to change when the dependent variable increases by one unit while all other variables are held constant (Myers et al., 2010, p. 507). The sign of the B value -0,027 indicated a negative relationship between the independent variable govtrust and the dependent variable social responsibility, but the p-value (0,601) showed that this result was not statistically significant. Therefore, the first hypothesis of the study was not supported.

The second hypothesis assumed that the lower the public trust in government, the higher the perception that multinational companies should advocate for controversial social and political issues. This was also tested with hierarchical multiple regression analysis using the same control and independent variables as the first hypothesis, but this time advocacy was used as the dependent variable. The results of the second regression analysis are in table 8 below. Again, the results showed that the explanatory power of the regression model was weak, and it decreased as the independent variable govtrust was added. The results of the second regression model were statistically significant

($F=3,904$, $p < 0,01$). The sign of the B value $-0,46$ indicated that the independent variable govtrust was negatively related to the dependent variable advocacy, but the p-value ($0,503$) showed that the result was not statistically significant. Thus, the second hypothesis was not supported.

Table 8. The results of the second hierarchical regression model.

	B	Std. Error	t	p	R ²	Adjusted R ²	F
Model 1 ^a					0,88	0,070	4,782***
Constant	4,684	0,370	12,654	<0,001			
Model 2 ^b					0,091	0,067	3,904**
Constant	4,831	0,431	11,221	<0,001			
Govtrust	-0,46	0,069	-0,670	0,503			

*** $p < 0,001$ ** $p < 0,01$

Model 1^a predictors = country, education, gender, age

Model 2^b predictors = country, education, gender, age, govtrust

In addition to Pearson's correlation coefficient, multicollinearity in regression analysis can be further assessed with the variance inflation factor (VIF), which shows whether the independent variable has a strong relationship with the other independent variables, and with tolerance, its reciprocal (Field, 2017, p. 402). VIF values of over 10 and tolerance values below 0,1 are commonly considered to signify multicollinearity (Senaviratna & Cooray, 2019, p. 3). The first two models used the same predictor variables and thus, their multicollinearity was assessed with the same tolerance and VIF results. The VIF or tolerance values, which can be seen in table 9 below, did not indicate serious multicollinearity issues in the first and second regression models.

Table 9. Tolerance and VIF values of the first and second regression model.

Variable	Tolerance	VIF
Country	0,915	1,092
Education	0,955	1,047
Gender	0,952	1,051
Age	0,879	1,137
Govtrust	0,953	1,049

4.4 The effect of public trust in MNCs on CSA perception

The third and fourth hypotheses revolved around how public trust in multinational companies relates to consumers' CSA perception. The third hypothesis particularly assumed that the higher the public trust in multinational companies, the higher the perception that multinational companies should work to better society. This hypothesis was also tested with hierarchical multiple regression analysis with *mnctrust* as the independent variable and social responsibility as the dependent variable. The control variables country, age, gender, and education were held constant throughout the analysis by entering them first in the regression model after which the independent variable was entered. The assumption of multicollinearity was again assessed with the VIF and tolerance values which did not exceed the desired limit and thus, they did not cause concerns of multicollinearity. Table 10 presenting the VIF, and tolerance values is below.

Table 10. Tolerance and VIF values of the third and fourth regression models.

Variable	Tolerance	VIF
Country	0,924	1,083
Education	0,951	1,052
Gender	0,966	1,035
Age	0,888	1,126
Mnctrust	0,994	1,006

The results of the third regression analysis are in table 11 below. Compared to the previous regression models, the explanatory power of the regression model increased as the independent variable *mnctrust* was added which can be noticed from the increased adjusted R^2 . The second model was statistically significant ($F=4,200$, $p < 0,001$). The third hypothesis predicted that an increase in *mnctrust* would lead to an increase in consumers' perception that MNCs should work to better society but, on the contrary, the value of B indicated that there was a negative relationship between these two variables. However, the p -value (0,095) did not reach the required level of statistical significance even though the p -value was much smaller than in the previous regression models. Thus, the third hypothesis was not supported.

Table 11. The results of the third hierarchical regression model.

	B	Std. Error	t	p	R ²	Adjusted R ²	F
Model 1 ^a					0,084	0,065	4,503**
Constant	5,738	0,273	20,980	<0,001			
Model 2 ^b					0,097	0,074	4,200***
Constant	6,034	0,324	18,603	<0,001			
Mnctrust	-0,097	0,058	-1,679	0,095			

** p < 0,01 *** p < 0,001

Model 1^a predictors = country, education, gender, age

Model 2^b predictors = country, education, gender, age, mnctrust

The fourth and final hypothesis of this study suggested that higher public trust in multinational companies would lead to a higher perception that multinational companies should advocate for controversial social and political issues. This hypothesis was tested once again with hierarchical multiple regression analysis using the same independent and control variables as in the previous regression analysis, but this time advocacy was used as the dependent variable. The results of the final regression analysis are in table 12 below. This time the explanatory power of the regression model slightly decreased as the independent variable was added to the model. The hypothesis predicted an increase in the perception that MNCs should advocate for controversial social and political issues when public trust in MNCs increases but the negative B-value (-0,027) suggested a negative relationship. However, this result was not statistically significant as the p-value is 0,601. Therefore, the fourth and final hypothesis was also not supported.

Table 12. The results of the fourth hierarchical regression model.

	B	Std. Error	t	p	R ²	Adjusted R ²	F
Model 1 ^a					0,088	0,070	4,782***
Constant	4,684	0,370	12,654	<0,001			
Model 2 ^b					0,091	0,068	3,932**
Constant	4,866	0,442	11,021	<0,001			
Mnctrust	-0,059	0,078	-0,757	0,450			

*** p < 0,001 ** p < 0,01

Model 1^a predictors = country, education, gender, age

Model 2^b predictors = country, education, gender, age, mnctrust

5 Conclusions

This chapter will conclude the study by first discussing the key findings of the empirical analysis in connection to the theoretical framework. The aim of the discussion is to provide an answer to the research question set at the beginning of this study. Additionally, this chapter will discuss the practical implications of the findings along with the limitations of the study, and finally, provide future research suggestions.

5.1 Discussion of the key findings

This study focused on examining how the level of public trust in government and MNCs relates to consumers' perception of corporate social advocacy particularly when implemented by MNCs. The aim of this subchapter is to answer the research question of the study "How does the level of public trust in government and multinational companies relate to consumers' perceptions of MNCs' corporate social advocacy?" which will be done by discussing the findings of the empirical analysis. The theoretical framework of the study showed that corporate social advocacy (CSA) has become a popular business strategy as companies have begun to extend their social responsibility efforts beyond the traditional CSR initiatives and now publicly advocate for controversial social and political issues (Kim et al., 2023, p. 452). Companies have traditionally remained neutral on these matters to avoid any negative effects arising from interfering with social and political matters (Villagra et al., 2021, p. 2) but now they have started to face increasing pressure from consumers and employees to address these issues (Weinzimmer & Esken, 2016, p. 332).

Despite its importance for companies in today's politicized climate, CSA remains an understudied area lacking important research from various viewpoints. On the contrary, CSR is a popular and widely researched area in academic literature, and as the umbrella term of CSA (Park, 2022, p. 823), it has been used to make generalised implications about CSA (Wang & Bouroncle, 2023, p. 16). In their cross-cultural study regarding consumers'

CSR perceptions, Rim and Dong (2018, p. 5) find that public trust particularly has a critical role in shaping consumers' perception of business responsibilities within society. When trust in government is low, more rights are given to businesses in solving society's problems. Moreover, public trust in the business itself is crucial for the legitimacy of the company which successively is essential for the success of CSA communication (Parcha, 2022, p. 933).

The empirical analysis of this study did not find that lower public trust in government relates to consumers' perception that MNCs should work to better society or that they should advocate for controversial social and political issues. Parcha (2022, p. 933) suggests that consumers may trust companies more than other institutions to advocate for controversial social and political issues even though they do not fully trust the moral compass of companies. The findings of this study suggest differently, and perhaps European consumers perceive that advocating for controversial social and political issues is still only reserved for the government and politicians. Hence, lower trust in government does not relate to their CSA perceptions since they do not consider that MNCs should step in as the alternative advocate for social and political issues when the government is perceived as distrustful. Moreover, as the theory suggests, consumers may perceive that advocating for controversial social and political issues gives companies, especially MNCs, too much power in society because while they have influence in society, they are not elected officials (Parcha, 2022, p. 933).

Throughout the study, it is exhibited that trust is of substantial importance in business relationships and affects all organizational activities (Kacperska & Lukasiewicz, 2021, pp. 41-43). Trust is also important for the success of CSA through legitimacy but, paradoxically, the analysis of this study did not find that even higher trust in MNCs would relate to consumers' perception that MNCs' should work to better society or that they should advocate for social and political issues. In the beginning, this study finds that paradoxically, consumers trust businesses more than other institutions to advocate for these issues while this activity has previously been reserved for politicians only. However, the

results of this study indicate somewhat differently. Thus, as Parcha (2022, p. 933) implied, consumers may not trust the moral compass of MNCs enough to allow them to advocate for controversial social and political issues instead of other institutions. European consumers may perceive that companies engage in these issues merely for their own financial benefit or because they are following the example of other companies (Austin et al, 2019, p. 4). Thus, these activities may be perceived as woke washing or greenwashing and are not seen as authentic even when MNCs are trusted.

The findings of this study indicate the same as Rim and Dong's (2018, p. 13) suggesting that consumers expect companies to focus on their core business when they are trusted by the public. The 2023 Edelman Trust Barometer (Edelman, 2023a) found that businesses were the only trusted institution globally but based on the average level of trust found in this study, public trust in MNCs was rather low and even slightly lower than public trust in government. This study specifically asked the respondents to evaluate their trust in MNCs and not in businesses in general. This could have led to a difference in the perceived levels of trust for example due to liability of foreignness which foreign companies might experience outside of their home markets or public scandals which could have eroded public trust specifically in MNCs. Without public trust, MNCs cannot gain corporate legitimacy which consequently would also lead to the failure of CSA strategies. Due to the importance of trust for all business functions (Kacperska & Lukasiewicz, 2021, pp. 41-43), low public trust in MNCs may indicate a far more substantial problem for MNCs than merely not having support for their CSA activities. This may also be the root cause for consumers' lack of support for MNCs' CSA activities if MNCs are currently advocating for social and political issues when they are not even trusted by the public to begin with.

To conclude and answer the research question, this study did not find public trust in government nor in MNCs to relate to European consumers' CSA perception. More specifically, lower public trust in government or higher public trust in MNCs does not relate consumers' perceptions that MNCs should work to better society or that they should

advocate for controversial issues. The rejection of all four hypotheses still sends a strong message on the eminent need for deeper understanding of MNCs' CSA activities. Previous studies which have found support for CSA (i.e. Parcha, 2022; Austin et al., 2019) have been conducted in the United States where the phenomenon has greater tradition (Villagra et al., 2022, p. 12). Based on the findings of this study, MNCs advocating for controversial social and political issues might still be a substantial reach for European consumers while they do believe that MNCs should participate in working to better society. However, this was not influenced by their level of trust in government or MNCs. European consumers may still hold a more traditional view of business responsibilities in which they believe that advocating for controversial and social issues is out of the responsibilities of MNCs.

5.2 Practical implications of the findings

This study contributes to the currently understudied CSA literature by offering views on how the level of public trust relates to consumers' CSA perceptions, particularly in the case of MNCs. This area was understudied in current CSA literature and thus, the contribution of this study, while on a small scale, can be considered substantial. Due to the importance of creating effective CSR strategies, this study makes several important implications for managers of MNCs, especially in Europe, to help avoid liability of foreignness stemming from strategies which have not been tailored to their environment. Successful CSR strategies have even been found to reduce liability of foreignness (Zhang & Jiang, 2021, p. 10) highlighting the importance of understanding the international business environment. This study also adds to European CSA literature since previous studies on consumers' CSA perceptions have been conducted mostly in the United States (i.e. Parcha, 2022; Austin et al, 2019) where the phenomenon is better established.

The aim of this study was to provide implications for MNCs regarding how the level of public trust relates to consumers' CSA perceptions which would benefit them in creating strategies which are a better fit to their international environment. While the study did

not find support for any of the hypotheses, that itself is an implication of how the level of public trust relates to consumers' CSA perceptions in a European context. Therefore, perhaps managers of multinational companies should not primarily focus on how the level of public trust, whether in the government or MNCs themselves, relates to consumers' CSA perceptions, but rather on these matters separately. As the phenomenon is relatively new, MNCs should focus on understanding whether their stances on these matters are desired by consumers and how these activities are perceived. It is possible that the CSA activities result in something that is positively perceived and financially successful for the company, or it may be seen as fake and woke washing. Moreover, multinational companies should closely inspect the level of public trust in them and if needed, focus on regaining the lost trust to maintain legitimacy.

It is important to note that this study aimed to evaluate how public trust relates to consumers' perception of CSA activities in general. While the mean of the variable measuring consumers' belief that MNCs should advocate for controversial social and political issues was relatively low, managers of MNCs should understand that the company's stances on some issues may still be desired and required by consumers. When a company remains silent on non-biased issues, it can have damaging consequences because they are alone in their refusal to act (Browning et al., 2020, p. 1046). Moreover, according to the Edelman Trust Barometer (Edelman, 2023b), 63% of Gen Z consumers assume that companies are not doing anything, or they are hiding something when they do not communicate their stance on a social issue. Hence, generalising that MNCs should not participate in CSA at all even when are trusted by the public must be done with caution and careful assessment of consumers' true expectations towards MNCs' advocacy.

5.3 Limitations and future research suggestions

Some limitations must be acknowledged in this study. The sample size of this study, 202 respondents, was rather small compared to the whole population of which it aims to represent. The sample itself had more female respondents (63,4%) than male

respondents and the average age of the respondents was relatively young and hence, other age groups were underrepresented in the sample. Moreover, approximately half of the respondents were living in Finland, a country characterized by its high level of trust in both individuals and institutions (OECD, 2021). This may have skewed the level of trust higher than a more representative sample in terms of country of residence would have done. Considering these limitations, generalising these findings, and stating that public trust does not relate to consumers' CSA perceptions in Europe, must be done with caution. These findings may differ with larger populations and in other contexts and thus, future research could be conducted with a larger sample size and with a more representative sample in terms of demographics.

Future research could explore consumers' CSA perceptions with a comprehensive qualitative study dwelling into consumers' opinions of CSA to understand whether multinational companies should communicate their stance on controversial social and political issues. This may also reveal the factors which increase consumers' support of MNCs' CSA activities. Furthermore, this study only focused on MNCs' CSA activities. Hence, it would be interesting to repeat this study by focusing on consumers' perceptions of CSA when it is implemented for example by smaller or domestic companies. In addition, the findings may also differ if the level of trust in smaller companies or businesses in general was measured. As previously mentioned, this thesis only focused on consumers' perception of CSA in general and not on any specific issue. Therefore, different findings could have been obtained if the advocated issue was specified because consumers' level of support for CSA is highly dependent on the issue it addresses.

Paradoxically, while not on a statistically significant level, the results suggested a negative relationship between public trust in MNCs and consumers' perception that MNCs should work to better society and between their perception that MNCs' should advocate for controversial social and political issues. Only speculations based on previous literature can be made about the underlying reasons for the findings of this study because further explanations from the respondents for their choices were not asked. Hence, the

findings open numerous questions for future research to explore which could also help in understanding the findings of this study. Nonetheless, whether the factors which relate to consumers' CSA perceptions in Europe are solely demographic or something else, MNCs would substantially benefit from this information to create more deliberate CSA strategies which are a better fit for their environment. What this study has proven through its findings is that generalisations cannot be made from CSR literature or from studies conducted in other markets as the findings may significantly differ and thus, they be misleading to managers and academics. These findings align with the initial motives of this study: there should be more research specifically on CSA.

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Appendix. Questionnaire

Hi! I am a master's student at the University of Vaasa and University of Pavia and this survey is conducted to collect data for my master's thesis. I am studying the effect of public trust on customers' perceptions of Corporate Social Advocacy, a term which refers to companies taking a public stance on controversial social and political issues such as LGBTQ+ rights, racial equality, and gender issues. This study focuses on the perceptions of European consumers. Please complete this survey only if you are residing in Europe or are a citizen of a country in Europe.

Completing this survey will take approximately 5 minutes, and please note that the answers cannot be edited after submitting the form. The responses are anonymous and will be used for research purposes only. Thank you for your time!

1. Country of residence:

- Italy
- Finland
- Germany
- France
- The Netherlands
- Spain
- Other _____

2. Age: [enter here]

3. Gender

- Female
- Male
- Prefer to self-describe [write here]

4. Education

- Less than a high school degree
- High school diploma
- Bachelor's degree

- Master's degree
- PhD
- Other

Evaluate with 1 = Strongly disagree, 2 = Disagree, 3 = Somewhat disagree, 4 = Somewhat agree, 5 = Agree, 6 = Strongly agree

Social responsibilities of multinational companies

5. I believe that multinational companies...

- should work to better society
- should participate in solving society's problems
- should communicate about issues which are relevant to the society as a whole
- should consider their impacts on the society in which they operate in
- should invest their time and resources to give back to the society
- have influence in society which they should use for positive social change

Advocacy in multinational companies

6. I believe that multinational companies...

- should take public action and advocate for social and political issues
- should not remain neutral when it comes to addressing social and political issues
- should advocate for social and political issues no matter how controversial the issues might be
- should advocate for social and political issues even when they are not related to their core products or services
- should get involved in political discussions by advocating for social and political issues
- should actively advocate for social and political issues and with substantial commitment
- are helping to solve social and political issues by advocating for them

The following questions measure your trust in the government and in multinational companies. Government trust measures your trust in the government of the European country in which you currently reside. A multinational company is a company operating in two or more countries, such as Amazon, Apple, and H&M.

Evaluate with 1 = Strongly disagree, 2 = Disagree, 3 = Somewhat disagree, 4 = Somewhat agree, 5 = Agree, 6 = Strongly agree

7. Trust in government

- The government is trustworthy
- The actions of the government are transparent and honest
- The government acts in alignment with what they have promised
- The government has the ability to accomplish what they have promised
- The government is not engaging in corruption or other criminality
- The government is ethical and acts with moral principles

8. Trust in multinational companies

- Multinational companies are trustworthy
- The actions of multinational companies are transparent and honest
- Multinational companies act in alignment with what they have promised
- Multinational companies have the ability to accomplish what they have promised
- Multinational companies operate in compliance with the law
- Multinational companies are ethical and act with moral principles