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Stakeholder satisfaction with corporate conflict engagement actions: Exploring the effects of goodwill, trust, and value alignment

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Abstract In the last decade, businesses have played an increasingly significant role in promoting stability, democracy, and human rights, particularly concerning the United Nations Sustainable Development Goals, which emphasize peace, justice, and strong institutions. Consequently, there has been a greater focus on corporate social responsibility and corporate citizenship. Research has explored business motivations and actions in conflict mitigation. Nevertheless, less attention has been given to the impact of conflict engagement actions on stakeholders' perceptions and behavioral intentions. This study aims to fill this gap by testing the effects of types of corporate conflict engagement actions (CCEAs) on stakeholders' satisfaction with business choices and overall corporate goodwill. This study employs an experimental design in which respondents are exposed to CCEAs in scenarios related to the Russia—Ukraine conflict. The findings of this study are particularly relevant to business firms and their quest for whether to engage in regions undergoing conflict. The results illuminate the key factors of CCEAs that shape stakeholder satisfaction and corporate goodwill perceptions in today's complex geopolitical landscape.

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1. Business engagement with conflict mitigation

Over the past decade, rising stakeholder expectations have demanded that businesses assume responsibility for a sustainable and democratic future (Edelman, 2022). The United Nations Sustainable Development Goals emphasize the challenge of achieving peace, justice, and strong institutions, a key objective for firms involved in corporate social responsibility (CSR) and corporate citizenship (CC) initiatives. The latter broadly defines corporate social engagement with global issues. Businesses are now expected to actively promote peace, to prevent conflict, and to mitigate their consequences (Forrer & Katsos, 2022). Hence, CC and CSR initiatives have gained prominence in professional discussions, emphasizing actions that surpass conventional environmental, ethical, philanthropic, and economic responsibilities.

This study empirically tests the effects of different corporate conflict engagement actions (CCEAs) on stakeholders' perceptions of a firm's goodwill and their satisfaction with the firm's response to a conflict. In addition, this study explores the key factors that impact the relationship between stakeholder satisfaction with CCEAs and corporate goodwill. CCEAs cover various types of CC actions taken by businesses to address conflicts. These actions vary from no direct conflict engagement, when the business continues its operations as usual, to comprehensive involvement, such as creating job opportunities, generating wealth, making social investments, forming partnerships, and participating in policy dialogues (Fort & Schipani, 2007; Idemudia, 2017). Firms can help reduce conflict and promote peace, especially when CCEAs aim to reduce conflicts and their societal impact through dialogue, mediation, and support for affected communities (Forrer & Katsos, 2022).

Undertaking CCEAs can bring several benefits to businesses; however, there are potential pitfalls. Perceived inappropriate actions could lead to adverse outcomes, such as exacerbated stakeholder polarization (Weber et al., 2023), consumer skepticism (Becker-Olsen et al., 2006; Lim & Lee, 2022; Rifon et al., 2004), and market distrust (Tosun & Eshraghi, 2022). Because CCEAs encompass a wide range of actions, it is important for businesses to carefully choose CC initiatives that align with stakeholder expectations.

In investigating the impact of CCEAs on stakeholders' perceptions, this study addresses a gap in the literature. The extant literature in business,

peacebuilding, and development studies has targeted motives, actions, and factors that influence firms' engagement in conflict-reduction efforts (Jamali & Mirshak, 2010; Oetzel & Getz, 2012; Wolf et al., 2007) and has only briefly discussed the effects of business decisions on stakeholders. Thus, this study contributes to the literature by shifting the research focus from firms to stakeholders, highlighting the importance of stakeholders' support of business engagement in conflict situations. This work employs an experimental design in which Finnish respondents were exposed to CCEA scenarios related to the Russia—Ukraine conflict. Within the limits of focusing on a specific situation and country, the study's findings offer preliminary insights into stakeholder perceptions of businesses engaged in initiatives concerning peace, justice, and strong institutions. This information can help businesses make informed decisions on how to direct their resources and efforts toward conflict mitigation. In the following, we outline the main conceptual and theoretical premises used to study stakeholders' perceptions before explaining our conceptual framework and methodological choices. Subsequently, we present the results and discuss the main implications and key lessons for business managers.

2. Literature review

2.1. Corporate citizenship, global issues, and conflict mitigation

When discussing the roles of business in society, it is important to clarify the basic premises of corporate responsibility and its relationship to the field of CC, which investigates how a firm interacts with society in ways that extend beyond merely attending to the needs of customers and investors (Altman & Vidaver-Cohen, 2000). This research is extensive, with many perspectives, often presenting diverse ideas on what CC involves (Matten & Crane, 2005). At its core, CC constitutes businesses' voluntary efforts to connect with communities devoid of specific legislative mandates (Whitehouse, 2016). It can manifest as a demonstration of a firm's good community involvement through philanthropic endeavors. But it can also broadly intersect with CSR, including aspects such as engaging in sustainable and ethical economic practices, fulfilling legal obligations, addressing ethical standards, and contributing to charitable acts (Matten & Crane, 2005). Concerning global issues, CC initiatives have been connected with

global corporate activities (Moon et al., 2005) and with businesses tackling big problems affecting our world, such as climate change, water shortages, infectious diseases, wars, and terrorism (Schwab, 2008).

Conflict engagement actions can be considered global CC actions, since the negative outcomes of conflicts external to the firm are rarely confined to a community; they can affect businesses directly or indirectly, and they can produce global repercussions in other markets or areas. Nowadays, with societies facing more instability, a lack of strong leadership, natural disasters, and health crises, firms are more at risk of getting caught in social conflicts. This phenomenon is not confined to nations characterized by violence or upheaval; rather, it is manifesting in regions with democratic governance structures wherein political disagreements and divisions are on the rise (Banfield et al., 2005; Burgess et al., 2022). Wars, revolutions, riots, community disputes, or even ongoing violence and terrorism are a few examples of conflictual situations (Oetzel & Getz, 2012). Such conflicts can significantly impact the international business landscape, making it crucial for firms to think carefully about how they respond as part of their overall strategy and responsibility (Bader et al., 2015; Miklian et al., 2022).

2.2. Influencing factors and business responses to conflicts

Firms operating in conflict areas have various ways of responding, ranging from low involvement to high engagement (Jamali & Mirshak, 2010). They can avoid conflict by not getting involved, by sharing the responsibility of dealing with the conflict, or by actively attempting to control the situation (Idemudia, 2017). Business responses to conflict are categorized as reactive or proactive (Maignan & Ferrell, 2001). In reactive responses, firms reject the responsibilities assigned by their stakeholders to address conflicts and adapt to the situation as it unfolds. In proactive responses, they actively seek to meet stakeholder expectations by, for example, taking steps to lessen the impact of conflicts. Overall, the literature contains four forms of corporate behaviors: (1) *business-as-usual behavior*, when a firm simply complies with local regulatory stipulations; (2) *take-advantage behavior*, where the firm exploits the conflict to expand its business and opportunities; (3) *withdrawal behavior*, when a firm completely disengages its business operations and activities from a

conflict zone; or (4) *proactive behavior*, when it intentionally contributes to public security with concrete actions (Wolf et al., 2007).

Multiple factors heavily influence a business's choice of response. Important factors include stakeholders' roles in and proximity to the conflict (Meyer & Thein, 2014), spatiotemporal aspects of the conflict and its intensity (Oh & Oetzel, 2017; Witte et al., 2017; Xiaopeng & Pheng, 2013), the firm's resilience and risk tolerance (Dai et al., 2013; Darendeli et al., 2021; Gonchar & Greve, 2022; Lee & Chung, 2022), the firm's size, age, industry sector, and investment structure, and the significance of risks (Calvano, 2008; Driffield et al., 2013; Jamali & Mirshak, 2010; Oetzel & Getz, 2012). Of these, stakeholder pressure (Calvano, 2008) is notable for choosing the business's response.

2.3. Effects of corporate citizenship initiatives

Choosing the right CCEAs is also a question of deciding whether and how to meet stakeholders' expectations of the business's responsibility to global issues, considering each action has effects. Early work has indicated that when people think positively about a firm's CC efforts, its image improves, and the firm is perceived as more appealing. These efforts also strengthen the firm's brand and customer loyalty (Barnett & Salomon, 2012; Kim, 2019; Lin, 2012). Positive effects are also found on stakeholders' perceptions of corporate goodwill (Cherner & Blair, 2015), which correlates strongly with a sense of caring for others (McCroskey & Teven, 1999) and which stakeholders may expect when businesses mitigate conflicts. Corporate goodwill is an intangible asset acquired over time and relates to a positive reputation, trust, and positive evaluations by key stakeholders (Rodell et al., 2020). Its positive impact extends beyond daily operational functions; it eases critical situations, acting as a safeguard during adversities and affording the firm some leniency in challenging circumstances, even when stakeholders are uncertain about the rationales for the firm's actions (Dawar, 2004; Godfrey, 2005; Hess et al., 2002; Uzzi, 1997).

Furthermore, corporate goodwill is not just an outcome of stakeholders' approval of business actions; it can also be considered a social performance indicator (Ananzeh, 2024). When businesses score highly in corporate goodwill, stakeholders are more willing to speak positively and proactively about the firm to others (Dang et al., 2020;

Overton et al., 2021). Indeed, stakeholders are even willing to pay more for firms' products and services and to support these firms' investments in initiatives (Xu et al., 2020). Given the important effects of goodwill on businesses' social license and performance, we investigate whether stakeholders' satisfaction with CCEAs affects corporate goodwill, as the latter can produce high social value for businesses (Chauvin & Hirschey, 1994). Early CC studies indicate a positive relationship between stakeholder satisfaction—also known as *public approval*—and corporate goodwill. Therefore, we hypothesized the following:

- H1: Stakeholders' satisfaction with a CCEA positively influences their perceptions of corporate goodwill.

2.4. Perceived authenticity of CCEAs

Stakeholders' satisfaction with a business's CC actions depends largely on whether these actions are perceived as authentic. Authenticity affects stakeholders' judgments of CSR programs and, by extension, CC initiatives, and stakeholders' perceptions of corporate goodwill are highly influenced by the authenticity of corporate actions (Joo et al., 2019). In recent years, authenticity has emerged as an important indicator of business success, leading firms to rethink how they can adopt more authentic behaviors and communications (Fritz et al., 2017; Lim & Young, 2021). The emphasis on authenticity is driven by increased awareness of the role of business in societies and the fact that stakeholders have become savvier and more critical of business actions that seem constructed, fake, or pretend (Gilmore & Pine, 2007; Mazutis & Slawinski, 2014).

Authenticity is often characterized by frankness, candor, and moral courage (Jin et al., 2023). Yet authenticity is not a tangible, objectively definable concept; instead, it is a socially constructed phenomenon (Fritz et al., 2017) intertwined with stakeholder expectations (Carroll & Wheaton, 2009). Therefore, authenticity is considered a stakeholder's perception of firms' being genuine or real and should represent an organization's identity (Hahl, 2016). It often entails congruence between corporate external expressions and internal values and beliefs (Lehman et al., 2019). According to Lehman et al., three macro perspectives define authenticity. Authenticity is "(1) *consistency* between an entity's internal values and its external expressions, (2) *conformity* of an entity to the norms of its social category, and (3) *connection* between an entity

and a person, place, or time as claimed" (Lehman et al., 2019, p. 1).

Authenticity may play an important role in stakeholders' evaluation and satisfaction with a business's choices of actions in conflict zones. From early CSR studies, we know that CSR initiatives with a high cause fit can augment corporate authenticity and brand attitude (Kim & Lee, 2019) and that high CSR authenticity can reduce boycotting intentions and improve brand loyalty and purchase intentions (Alhouti et al., 2016). The effects are the opposite if stakeholders sense the organization lacks true commitment to a cause or if initiatives are perceived as insincere (Wagner et al., 2009). Low perceived authenticity can harm stakeholders' perceptions of these initiatives' impact, fit, and reparation (Alhouti et al., 2016). Accordingly, CC initiatives with a high cause fit should be preferred because these may be considered more authentic, plausible, and consistent, (Wettstein & Baur, 2016) and they may enhance stakeholders' perceptions of firms' corporate goodwill. Correspondingly, in the context of conflicts and corporate engagement, we hypothesize the following:

- H2: The effect of stakeholders' satisfaction with a CCEA on perceptions of corporate goodwill is positively mediated by stakeholders' perceived authenticity of a firm's action.

2.5. Stakeholders' trust in corporate citizenship initiatives

Besides authenticity, the literature indicates that corporate trust is another important factor influencing stakeholders' perceptions of CC initiatives' efficacy, importance, and business capacity to address a social cause (Hoeffler et al., 2010). Trust is "the expectation of ethically justifiable behavior" (Hosmer, 1995, p. 379) and concerns the trustee's level of competencies, honesty, and goodwill (Rotter, 1971). Trust is a core element through which businesses build strong bonds with stakeholders (Rasheed & Abadi, 2014) and contribute to long-lasting relationships and customer loyalty (Islam et al., 2021; Keh & Xie, 2009). A stakeholder's perception of a corporation's ethical operations is crucial to building a trusting relationship (Swaen & Chumpitaz, 2008). To demonstrate their commitment to society and to further gain stakeholders' trust, firms must engage in ethical and socially responsible activities (Öberseder et al., 2014). They also must display this commitment through their actions and

communication (Swaen & Chumpitaz, 2008). But stakeholders' trust in corporations could be shattered by discrepancies between firms' actions and communications (Kim, 2019). It takes time to build trustworthy relationships, but when trust is created, it can enhance stakeholders' perceptions of an organization's credibility and authenticity (Castro-González et al., 2021) as well as its reputation and goodwill (van der Merwe & Puth, 2014). Consequently, we expect the following:

- H3a: Stakeholders' trust in a firm moderates the relationships between stakeholders' satisfaction with a CCEA and perceived authenticity, so that high trust in a firm strengthens the relationship and low trust in the firm weakens it.

- H3b: Stakeholders' trust in a firm moderates the relationships of stakeholders' satisfaction with a CCEA and corporate goodwill, so that high trust in a firm strengthens the relationship and low trust in the firm weakens it.

2.6. Salient value similarities and corporate citizenship perceptions

When businesses engage in CC initiatives, they demonstrate support for a cause and the values associated with it (Hoeffler et al., 2010; Maignan & Ferrell, 2001). Stakeholders judge business choices for social causes by comparing their values, objectives, and goals for the social cause with those of the organization (Vaske et al., 2007). Stakeholders have more positive perceptions of businesses when value similarities are high, and they assess businesses' CC initiatives as more salient (Hoeffler et al., 2010). Thus, businesses would benefit more from investing in CC initiatives when these are value-aligned actions (Joireman et al., 2015) that match stakeholders' values (e.g., Golob et al., 2008; Siltaoja, 2006). Values are "laden beliefs that refer to a person's desirable goals and guide the selection or evaluation of actions, policies, people, and events" (Schwartz, 2003, p. 297). Salient value similarities between stakeholders and the corporate entity are pivotal for effective CSR (e.g., Rangan et al., 2015; Tobey & Yasanthi Perera, 2012). Salient value similarities raise stakeholders' expectations for firms' engagement in CSR (Lorne & Dilling, 2012) and affect how they may assess its corporate goodwill. When stakeholders value CC objectives as similar to theirs, their trust in the business increases (Siegriest et al., 2000). So does

their satisfaction with the initiative (Winter & Cvetkovich, 2004). Firms should align their values with current societal values (Lindorff et al., 2012) to enhance value alignment with stakeholders and to demonstrate authenticity. Initiatives that resonate with stakeholders' values are likelier to boost their perceptions of corporate goodwill. Hence, we hypothesize the following:

- H4a: Salient value similarity moderates the relationship between stakeholders' satisfaction with a CCEA and perceived authenticity, so that high salient value similarity strengthens the relationship and low salient value similarity weakens it.

- H4b: Salient value similarity moderates the relationship between stakeholders' satisfaction with a CCEA and corporate goodwill, so that high salient value similarity strengthens the relationship and low salient value similarity weakens it.

3. Conceptual framework

Based on this study's purpose of measuring stakeholders' satisfaction with various CCEAs and the effects of such satisfaction on corporate goodwill outlined in our hypotheses, we propose the following conceptual model describing the relationships between stakeholders' satisfaction with a firm's CCEA (independent variable) and their perceived corporate goodwill (dependent variable; see Figure 1). Given the voluntary nature of firms' decisions to engage in conflict mitigation via specific actions, we expect that a firm's choice to engage or not depends on its existing corporate values and CC stewardship. The chosen CCEA is aligned with its corporate values and is perceived as authentic. But authenticity is a perceptual characteristic held by a stakeholder over an organization/entity, not an intrinsic characteristic of the latter (Shen & Kim, 2012). In other words, stakeholders define how authentic an organization is, not vice versa. Hence, we expect that stakeholders' perceived authenticity of a firm's CCEA mediates between people's satisfaction with the CCEA and their overall view of the firm's corporate goodwill. Furthermore, we anticipate that stakeholders' trust in the firm and stakeholders' perceived saliency of shared values moderate both the relationship between stakeholder satisfaction and corporate goodwill, as well as the relationship between stakeholder satisfaction and perceived

Figure 1. Conceptual model of CCEAs' effects
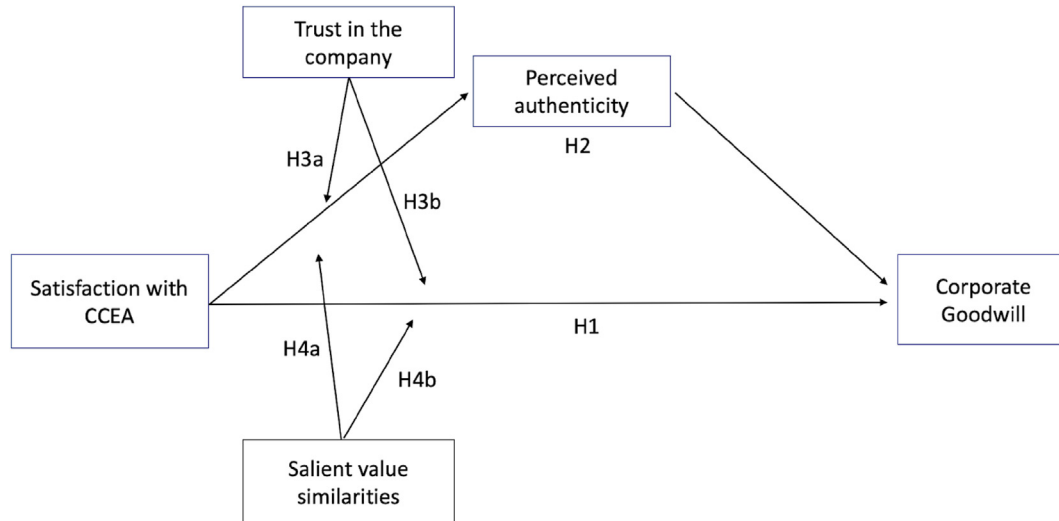
authenticity. Trust is a critical factor influencing positive stakeholder perception, and sharing similar values affects stakeholders' perceptions of positive evaluations of firms' performance (Hoeffler et al., 2010; Joireman et al., 2015).

4. Research approach

This study employs an experimental research design to investigate the effects of disparate CCEAs on stakeholder satisfaction toward the firm's engagement choice and their perception of corporate goodwill. Data collection took place in June 2023, when a sample of 1,000 consumers was drawn from a Finnish consumer panel managed by a market research firm. All subjects gave their informed consent for inclusion before participating in the study. The study was conducted according to the Declaration of Helsinki, and the protocol was approved by the ethics committee of the authors' universities. To confirm the sample represents adults in Finland, it was stratified by age, gender, and geographic location. Levels of education, household income, and political orientation were also recorded. Respondents were randomly assigned to one of four test groups, where each group was exposed to one of the four scenarios constructed to manipulate satisfaction with CCEA. Given that the respondents were all Finnish, all material was translated from English into the Finnish language and checked for language consistency with a third person external to the study who was knowledgeable in both languages.

4.1. Procedures

The experiment was conducted on an online platform comprising three parts. First, a conflict situation was introduced, and respondents were asked to rate their knowledge of it. The recent war between Russia and Ukraine was identified as a suitable conflict to contextualize our study in a real-world situation. The conflict was selected owing to its recency and high global significance for corporations and societies. This conflict situation holds significant proximity and relevance for the target population of this study, namely, the Finnish people. Throughout history, Russia has repeatedly occupied Finland, successfully annexing it in 1809. Finland remained an autonomous part of Imperial Russia until 1917, when it finally achieved independence (InfoFinland, 2023). Given this context, the recent Russian invasion of Ukraine struck a deeply resonant chord within the Finnish population, and we therefore considered it suitable for testing the effects of CCEAs on corporate goodwill.

Next, the respondents were introduced to a real firm in the apparel industry and to its global activities. The firm was chosen because it is a well-known international brand, and respondents know its Nordic values. Questions pertaining to respondents' knowledge of the firm and previous buying behaviors were included to check any compounding factor effect. The respondents were also asked about their trust in the firm. In the third part, subjects were randomly introduced to one of

four scenarios, representing four CCEAs that the firm fictionally chose to undertake, and then completed the questions concerning their satisfaction with the action described in the scenario, their perceived authenticity, and how they felt about the firm's corporate goodwill. While information on the firm's operations was retrieved from the organization's official sources, the business actions described during the conflict were fictitious. Manipulation and attention checks were applied to guarantee the effectiveness of the manipulations and the reliability of the data collected. Those who failed the attention-check questions were excluded from the sample. At the end of the questionnaire, demographic data were collected, and subjects were informed about the fictitious scenarios.

4.2. Stimuli development

To construct four realistic scenarios, we drew inspiration from actions undertaken by real corporations that have directly or indirectly positioned themselves in the conflict (Smith, 2022). Based on news articles, we prepared an introductory scenario describing the conflict's main events and the main outcomes, taking the perspective of the Nordic region, underscoring the impact on countries such as Finland. Next, we prepared a short introduction to a firm in the consumer apparel industry, including its markets and its operations, which included targeting the Russian market. This part was compiled using official information from the firm. Next, we created four fictitious scenarios describing four firms' CCEAs (see Appendix 2). The four CCEAs represent the four stimuli we used to solicit stakeholders' opinions of CCEAs and to measure their effects. Inspired by news reports on real corporate actions and based on Wolf et al.'s (2007) classification of the four macro corporate behaviors in conflict zones, we created four scenarios to test our hypotheses. Unlike Wolf et al., we positioned these actions not in the conflict zone but in the market area of the country considered responsible for the war, that is, Russia. We chose this approach to make the scenarios more realistic and to align with EU sanctions toward Russia, which aim at weakening Russia's economic base and, indirectly, its capacity to continue its war against Ukraine (European Council, 2024). In the first scenario, the firm was presented as taking advantage of the fact that other firms had left the Russian market to increase their market opportunities (take-advantage behavior). In the second scenario, the firm was presented as withdrawing operations not from

the conflict zone, Ukraine, but from Russia (withdrawal behavior). Thus, business withdrawal became a positive indirect corporate action in line with the EU sanctions towards Russia. In the third scenario, the firm was portrayed as keeping its business operations in Russia, complying with local regulatory stipulations, and thus disregarding EU sanctions (business-as-usual behavior). In the last scenario, the firm was described as withdrawing from the Russian market, as intentionally supporting victims of the conflict, and as engaging in actions assisting with conflict resolution (proactive behavior).

4.3. Pretest: Stimuli checks

To test the effectiveness of manipulating satisfaction with CCEA using four fictitious scenarios, we conducted a pretest with a sample of Nordic university students. Individuals were contacted via email through the university's official channels and randomly assigned to one of four test groups. Each group was exposed to one scenario. Participants were asked questions to assess their understanding of the information presented and their knowledge of the conflict. The data collection concluded after receiving a sufficient number of complete responses ($n = 35$). The analysis of variance (ANOVA) confirmed the effectiveness of the manipulations and the respondents' ability to distinguish the four types of CCEAs.

4.4. Measures

4.4.1. Independent variable
To measure stakeholders' satisfaction with the firm's CCEA, Oliver's (1997) scale was used. Respondents were asked to give their opinion of how satisfied (1 = not at all, 7 = completely) they were with a firm's response to the Russia—Ukraine conflict based on the scenario randomly presented to them. The original scale included four items and was reduced to three, since two items were almost identical after translating them into Finnish. The revised scale included only: "This firm's response to the Russia—Ukraine conflict was the right one," "The firm behaved exactly as it was supposed to behave," and "Overall, I am satisfied with the firm's response."

4.4.2. Dependent variable
As CC initiatives have a community as the main stakeholder (Phillips & Freeman, 2008), we chose McCroskey and Teven's (1999) dichotomous scale to measure stakeholders' perceived corporate goodwill, since this scale focuses on the

community level. The scale items were contextualized to the Russia—Ukraine conflict. Subjects were asked to rate how much the firm cares (1 = not at all, 7 = completely) about its community, as well as the degrees to which it has the interests of conflict victims at heart, is self-centered, is concerned with the conflict, is sensitive, and understands the conflict situation.

4.4.3. Mediating variable

Stakeholders' perceptions of the authenticity of the CCEA were our mediating variable. To measure whether stakeholders perceived the firm's actions as authentic, we used Jin et al.'s (2022) perceived authenticity scale, which measures stakeholders' authenticity perceptions across nine semantic differential scales, such as pretentious/unpretentious, insincere/sincere, fake/real, dishonest/honest, etc. Responses were recorded from 1 to 7. The lower number represented negative adjectives (pretentious, insincere, fake, etc.), and the higher number positive adjectives (unpretentious, sincere, etc.).

4.4.4. Moderating variables

Two moderating variables (trust and salient value similarity) were expected to influence how the audience's satisfaction with the firm's CCEA affected corporate goodwill and the perceived authenticity of corporate engagement with the conflict. The measurement of trust was based on scales proposed by Johnson and Grayson (2005), including cognitive and affective trust in the firm. Both trust dimensions comprised the four original items. These included affective statements such as "I feel that the firm is trustworthy," "I feel that the firm is very responsive to stakeholders," etc., and cognitive statements such as "I believe that the firm will respond with understanding in the event of problems as expected," "I have positive expectations regarding this firm's responsiveness to stakeholders," etc. Respondents were asked to assess their levels of cognitive and affective trust (1 = not at all, 7 = completely). The salient value similarity scale was based on Vaske et al.'s (2007), so that subjects were asked to rate their feelings of how much the firm shared similar values, shared similar opinions, thought similarly, took similar actions, and had similar goals, as they considered the firm's decisions regarding the Russia—Ukraine conflict.

4.4.5. Control variables

The results were controlled for the effects of gender (1 = male, 2 = female, 3 = other), age, political orientation (1 = extremely liberal, 7 = extremely conservative), and global justice (1 =

totally disagree, 7 = totally agree). No answers about the "other" gender were recorded, so only distinctions between female and male respondents were tested. Political orientation and global justice were included as control variables, as people's political orientations and their views of justice can influence their attitude toward conflicts and foreign-policy interventions (David & Shalhoub-Kevorkian, 2023; Gravelle et al., 2017; Haesebrouck & Mello, 2020; Martini, 2015).

4.5. Scale validation

To confirm the validity of the measurement scales and of their abilities to measure one construct or dimension at a time, a confirmatory factor analysis with SPSS Amos was run. The results concerning internal consistency as well as discriminant and convergent validity are in Table 1 and Appendix 1, where scales and factor loadings are detailed. The items were successfully associated with their assigned factors, with factor loading values ranging from 0.47 to 0.99 (see Appendix 1). The factors were assessed as reliable, as they were found to consistently measure what they were supposed to. Each factor had a reliability score of 0.78 or higher, indicating good internal consistency (Bagozzi & Yi, 2012). The validity of our measurements was also checked to discern whether they accurately represented the concepts we were studying. The average variance extracted (AVE) was used for this, with values ranging from 0.56 to 0.97, which exceeded the commonly accepted cutoff of 0.5. Hence, the items we used in our study effectively measured the factors to which we assigned them. In addition, we evaluated whether our factors were distinct. The square root of the AVE for each factor was higher than the correlations between factors, indicating our factors were distinct (Ping, 2004).

5. Results

The data were analyzed with composite constructs measuring each construct of the conceptual model with the PROCESS macro plugin for SPSS (v28), per Hayes (2018).

5.1. Manipulation check

An ANOVA was run to assess the effectiveness of manipulating an individual's satisfaction with the firm's CCEA. The independent variable was the CCEA test group (withdrawal, proactive engagement, taking advantage of conflict, and business as usual), and the dependent variable was the

Table 1. Discriminant validity, means, and standard deviations (*SD*), square root of AVEs[a]

	Mean	*SD*	CR	AVE	1	2	3	4	5	6	7	8	9
1 Authent	4.70	1.58	0.936	0.625	0.790								
2 Satis	4.11	2.41	0.983	0.934	0.303	0.967							
3 Goodwill	3.80	2.08	0.969	0.862	0.309	0.909	0.928						
4 Trust	3.86	1.40	0.986	0.973	0.166	0.200	0.350	0.987					
5 SalValue	3.75	2.26	0.989	0.946	0.290	0.956	0.921	0.261	0.973				
6 PolOrien	3.76	1.23	n.a.	n.a.	0.057	0.049	0.081	0.142	0.044	n.a.			
7 GlobJust	3.73	1.31	0.781	0.559	0.093	0.046	0.068	0.115	0.067	-0.192	0.748		
8 Age	48.22	17.41	n.a.	n.a.	0.047	-0.028	-0.030	-0.151	-0.058	0.100	0.003	n.a.	
9 Gender	1.53	0.51	n.a.	n.a.	-0.079	-0.029	-0.030	0.018	-0.046	-0.104	-0.016	-0.110	n.a.

Note. SD = standard deviation; CR = composite reliability; AVE = average variance extracted; n.a. = not applicable; Authent = perceived authenticity; Satis = CCEA satisfaction; Trust = trust in the firm; Goodwill = corporate goodwill; SalValue = salient value similarity; PolOrien = political orientation; GlobJust = global justice.

[a] On diagonal

composite satisfaction scale with CCEA. The results illustrate marked differences in mean values (F value 689.67, $p < 0.001$). The test groups exposed to the CCEA scenarios of "withdrawal" and "proactive engagement" reported notably higher satisfaction values than those exposed to "take advantage of conflict" or "business-as-usual" scenarios. Respondents were also asked to recall the case firm's reaction to the Russia–Ukraine conflict at the end of the survey. Subjects answered correctly at over 97%, demonstrating great attention to the presented scenarios (Oppenheimer et al., 2009). Thus, the manipulation of CCEA satisfaction was deemed successful.

5.2. Hypothesis testing

Linear regression analysis, mediation analysis, and interaction effect analysis were conducted on the hypothesis testing. The results are presented in Tables 2 and 3.

Direct effects were tested through regression analysis to examine the effects of satisfaction with CCEA on perceived authenticity and corporate goodwill. Table 2 reveals that both relationships were positive and significant (Authent = 0.300; Goodwill = 0.888), supporting H1. The effect of perceived authenticity on goodwill ($\beta = 0.311$) was also found to be significant and positive. These results suggest that higher satisfaction leads to higher perceived authenticity and better corporate goodwill. The study also investigated the direct effects of corporate trust and salient value similarity, which were set as moderators. Trust has

a significant impact on authenticity ($\beta = 0.179$) and on goodwill ($\beta = 0.334$), while salient value similarity also has a positive and significant effect on authenticity ($\beta = 0.293$) and on goodwill ($\beta = 0.902$). Overall, the direct effects demonstrate that satisfaction with CCEA and salient value similarity make particularly strong contributions to corporate goodwill. The study also conducted direct tests on four control variables—namely political orientation, global justice, age, and gender—to discern their effects on the dependent variables and on the two moderators. The results indicate that corporate trust is higher among more conservative individuals ($\beta = 0.171$), those with a stronger belief in global justice ($\beta = 0.102$, $p < 0.01$), and younger individuals ($\beta = -0.166$). Increased corporate goodwill resulted from greater conservatism and from a stronger belief in global justice ($\beta = 0.088$; $\beta = 0.070$). Men perceived value similarity slightly higher than women ($\beta = -0.079$).

To test the indirect effect, the bootstrapping method was used, as proposed by Preacher and Hayes (2004) and Hayes (2012). Table 3 indicates that satisfaction with CCEA has a significant positive indirect effect on corporate goodwill mediated through perceived authenticity (indirect path coefficient: 0.013; *LL*: 0.0035, *UL*: 0.0249). Moreover, the significant direct effect of satisfaction on goodwill persisted even after incorporating perceived authenticity into the model. This leads to the conclusion that authenticity plays only a partial mediating role in the focal relationship. Hence, H2, which predicts a fully mediated effect

Table 2. Summary of the direct effect testing

IV	DV	β	*t* value	sig.	R^2	Hypothesis
Satis	Authent	0.300	9.97	<0.001	0.106	
	Goodwill	0.888	61.93	0.000	0.797	H1: support
Authent	Goodwill	0.311	10.24	<0.001	0.106	
Trust	Authent	0.179	5.57	<0.001	0.046	
	Goodwill	0.334	10.79	<0.001	0.115	
SalValue	Authent	0.293	9.68	<0.001	0.102	
	Goodwill	0.902	66.03	0.000	0.817	
Control variables						
PolOrien	Authent	0.051	1.61	*ns*		
	Goodwill	0.088	2.76	<0.01		
	Trust	0.171	5.60	<0.001		
	SalValue	0.050	1.59	*ns*		
GlobJust	Authent	0.070	2.11	<0.05		
	Goodwill	−0.037	−0.49	*ns*		
	Trust	0.102	3.01	<0.01		
	SalValue	0.053	0.71	*ns*		
Age	Authent	0.035	1.09	*ns*		
	Goodwill	−0.042	−1.31	*ns*		
	Trust	−0.166	−5.45	<0.001		
	SalValue	−0.068	−2.15	<0.05		
Gender	Authent	−0.071	−2.24	<0.05		
	Goodwill	−0.025	−0.79	*ns*		
	Trust	0.022	0.73	*ns*		
	SalValue	−0.048	−1.49	*ns*		

Note. IV = independent variable; DV = dependent variable; *ns* = not significant.

Table 3. Summary of mediation and moderation effect testing

Indirect effect		β	CIL/CIU		
Satis → Authent → Goodwill		0.013	0.0035/.0249		H2: Support
Moderation effects		β	*t* value	sig.	
Satis x Trust	Authent	0.009	0.66	*ns*	H3a: Reject
	Goodwill	0.044	5.54	0.000	H3b: Support
Satis x SalValue	Authent	−0.039	−2.54	0.05	H4a: Support
	Goodwill	−0.013	−1.43	*ns*	H4b: Reject

Note. IV = independent variable; DV = dependent variable; CIL/CIU = confidence interval lower/upper limit.

of audience satisfaction with CCEA on corporate goodwill, is partially supported.

Next, we conducted an interaction effect analysis to examine whether trust and salient value similarity moderate the outcomes of satisfaction with CCEA. The results of the analysis are summarized in Table 3, which reveals that corporate trust positively moderates the satisfaction—goodwill relationship (β = 0.044) but not the satisfaction—authenticity relationship. Therefore, higher levels of corporate trust strengthen the positive impact of an individual's

satisfaction with CCEA on corporate goodwill. But corporate trust has no such effect on authenticity. In addition, salient value similarity only moderated the path between satisfaction and perceived authenticity ($\beta = -0.039$), not the path between satisfaction and goodwill. The identified negative moderating effect suggests that the positive relationship between satisfaction with CCEA and perceived authenticity is weaker when there is already a high salient value similarity, and stronger for low similarity. When an individual already perceives higher similarity, the additional contribution of satisfaction to authenticity appears weaker than in the case of low initial value similarity. Correspondingly, hypotheses H3b and H4a were supported; H3a and H4b were rejected.

6. Discussion

This study offers three main findings explaining which CCEAs increase businesses' corporate goodwill and which, from a stakeholder perspective, deserve more attention.

6.1. Lesson #1: Proactive CCEAs lead to higher satisfaction and perceptions of corporate goodwill

The findings reveal that various CCEAs can result in different levels of satisfaction and diverse perceptions of corporate goodwill. Stakeholders were notably more content with CCEAs that demonstrated a concrete commitment to mitigating the conflict, such as withdrawing business operations from a market, which acts as a form of sanctioning the perpetrator of the conflict (Wolf et al., 2007). Similarly, actions that supported victims of the conflict, categorized as philanthropic types of CC, were well received (Maignan & Ferrell, 2001). These findings resonated with Wolf et al.'s (2007) findings that tangible actions, such as disinvestment and philanthropy, are more effective at conveying a firm's dedication to conflict mitigation and ethical conduct. These actions signal a firm's commitment to social responsibility and ethical business practices, which can significantly influence stakeholders' perceptions and the firm's overall goodwill.

6.2. Lesson #2: Trust and authenticity play a central role in stakeholders' evaluation of CCEAs

This study highlights the importance of trust and authenticity in improving stakeholders' perceptions of corporate goodwill during conflict situations. It advances the existing literature by demonstrating that high perceived authenticity not only strengthens a firm's ability to enhance stakeholders' perceptions of their commitment to a social cause (Alhouti et al., 2016; Mazutis & Slawinski, 2014) but also shows the firm's dedication to conflict mitigation efforts. Furthermore, the study reveals that stakeholders' satisfaction with business actions correlates positively, both directly and indirectly, with stakeholders' perception of corporate goodwill, which is mediated by authenticity. The more authentic stakeholders perceive CCEAs to be, the greater the increase in corporate goodwill. This observation aligns with earlier research on CSR programs that highlighted the pivotal role of authenticity in shaping stakeholders' evaluations (Joo et al., 2019).

Regarding trust, this study reveals that corporate trust directly improves both the overall perception of corporate goodwill and stakeholders' perceptions of corporate authenticity. Therefore, trust also plays an important role in forming corporate goodwill and perceived authenticity, though the effect on the latter is weaker. Accordingly, while corporate trust reinforces a business's license to operate by enhancing stakeholders' perceptions of goodwill actions (Hoeffler et al., 2010), it does not markedly affect stakeholders' perceptions of a business's sincerity and genuineness when undertaking CCEAs.

6.3. Lesson #3: The countereffect of salient value similarity

Salient value similarity measures the degree to which stakeholders and firms share common values. In this study, the results on the moderating role of salient value similarity are two-sided, as was the case with trust. Salient value similarity did not have a statistically significant moderation effect on corporate goodwill, though it had a moderating effect on perceived authenticity. But it directly improved both authenticity and goodwill, and the direct effects were relatively strong. The fact that stakeholders with high value similarity did not improve their perceptions of corporate goodwill is an interesting result that diverges from the findings of previous research, where a strong alignment of values between stakeholders and firms was found to enhance stakeholders' perceptions of CSR initiatives (Joireman et al., 2015; Winter & Cvetkovich, 2004). A possible explanation is that stakeholders who share an organization's salient values and are satisfied with the business's choice of CCEA may already have a positive perception of corporate goodwill and

perceive their expectations as already having been met by the actions of the firm. Despite not having any significant effect on goodwill, salient value similarity plays an important role in a how a firm is perceived. Therefore, firms should still capitalize on their existing strategy of maintaining high stakeholder satisfaction by choosing CCEAs that resonate with stakeholder expectations. This can assist firms in preserving their good levels of corporate goodwill.

Another interesting result relates to the effects of salient value similarities on stakeholders' authenticity perceptions. Our results show that when a firm and its stakeholders share salient values, stakeholder satisfaction with the chosen CCEA does not enhance authenticity perceptions. In fact, salient value similarity negatively moderates the relationship between satisfaction and authenticity, so when there is a high-value similarity between a firm and its stakeholders, the positive impact of satisfaction on authenticity is weaker than when there is a low-value similarity. Although this result may appear counterintuitive, it provides valuable insights. This suggests that having high value similarity with stakeholders does not in itself necessarily increase their perception of authenticity regarding the chosen CCEA. But it is an important factor, particularly for stakeholders who share few values with the business. For these stakeholders, moderation produces higher perceptions of authenticity of the chosen CCEA.

6.4. Practical implications

This study highlights that CCEAs produce different effects on stakeholder perceptions because engaging in conflicts is more complex and entails greater business risk than other forms of CC or CSR initiatives. Our study helps managers better understand what factors matter the most in influencing people's opinions, which may increase or decrease businesses' support in conflict situations. The study's practical implications suggest that businesses should approach CCEAs with a strategic mindset, considering their stakeholders' perceptions of authenticity and trust in business actions. When choosing the right CCEA, firms can expect positive outcomes from such investments.

While this study depicts that trusted businesses can enhance their goodwill through CCEAs, they should exercise caution when deciding what actions to take and how to execute them to avoid being perceived as inauthentic. Trust was identified as vital but is not a panacea for all positive corporate perceptions. While trusted businesses can boost their goodwill perceptions through

CCEAs, they must approach these decisions with caution. Firms should invest in building and maintaining trust through consistent, authentic actions and through open dialog with stakeholders. By doing so, firms can navigate the complexities of CCEAs, turning potential risks into opportunities for strengthening stakeholder relationships and enhancing the firm's reputation.

Our study further conveys a positive connection between authenticity and stakeholders' perceptions of corporate goodwill. The more stakeholders perceive the chosen CCEA as authentic, the more corporate goodwill increases. During times of conflict, it is important for a firm to align its CCEA choices with its core values to demonstrate consistency in its business and discretionary duties. A critical insight for managers is the importance of selecting CCEAs that closely align with stakeholders' expectations for conflict mitigation. This alignment can be achieved by actively listening to stakeholders' concerns and being aware of the historical context, as in this case of Finland and its historical relations with Russia, which may have influenced the population's stance toward the cause of the conflict. For stakeholder-oriented firms, selecting the right CCEA can greatly increase stakeholder satisfaction and raise perceptions of corporate goodwill. Opting to stay silent or avoid direct engagement may provoke adverse reactions, such as boycotts. This form of consumer backlash has become more common in recent years, targeting companies that fail to take decisive action in conflict mitigation (Hydock et al., 2019).

Managers should recognize that the choice of CCEA is a more delicate and nuanced process compared with other CSR or CC initiatives. This is partly because conflicts result in victims and are highly polarized. Thus, firms that undertake CCEAs indirectly signal which side of the conflict they support. Maintaining neutrality or continuing business as usual is perceived by stakeholders as indifference, as a lack of sense of community and caring for others, and even as immoral behavior. Some may view not acting as a mild endorsement of the war. But when businesses withdraw activities and support victims, they are clearly taking the side of those most affected by the conflict. Being a good corporate citizen involves showing care, a sense of community, and responsibility, which may mean taking a side in conflicts. But the effect is greater when these actions align with what the business represents. Hence, it is important for managers to balance listening and responding to stakeholders' expectations with selecting the CCEA that best represents the

organization's values as perceived by stakeholders. This approach can help companies foster a favorable corporate image, build trust, and maintain credibility with stakeholders.

Moreover, the findings indicate that CCEAs can offer a compelling opportunity for business firms, especially those operating in polarized stakeholder environments, to enhance their perceived authenticity. In polarized societies, clashes of values are often inevitable. Even so, firms that engage in CCEAs to cater to the diverse needs and values of their stakeholders, including those with whom they share few similarities, can significantly enhance their authenticity through such investments.

This approach emphasizes the importance of genuine engagement and of implementing initiatives that are not mere token gestures but are viewed as authentic efforts to address stakeholders' concerns. By doing so, businesses can navigate the complexities of polarized settings more effectively, fostering a stronger and more authentic connection with their stakeholders and potentially gaining a competitive advantage in the marketplace.

7. Conclusion

In today's polarized societies, which are characterized by fragmentation, high otherness, and strong emotional impulses that may lead to violence, we argue that businesses can act as catalysts through their CC initiatives for supporting peacebuilding in conflict situations, for instance, by directly engaging in actions reducing polarization or the effects of conflicts on victims. In doing so, businesses can contribute to the UN Sustainable Development Goal of Peace, Justice, and Strong Institutions, while positioning themselves as promoters of better societies and fulfilling their CC discretionary duties. Furthermore, we argue that stakeholder perceptions of corporate goodwill in peacebuilding and conflict mitigation can be an important indicator of the social impact of business and offer indications of their orientation to meet the UN's Sustainable Development Goal of Peace, Justice, and Strong Institutions. If such actions become the parameters to assess a business's social impact, at least from a stakeholder perspective, not all actions are equally successful, as our study illustrates. Understanding that not all CCEAs are equally appreciated by stakeholders can be an important factor for evaluating business options

and for directing a business's future orientation toward effective environmental, social, and corporate governance (ESG).

This study is based on data collected at a specific time, in one geographic area, about a specific conflict. Thus, the results of the CCEA effects cannot be generalized. By their nature, the effects are very contextual to the situation and type of conflict. For a more robust assessment of CCEAs, further studies should include multiple conflicts and test their effects across countries and cultures. Since our study shows that value similarity and authenticity measurements are strongly correlated, although value similarity and authenticity constructs passed the discriminant validity test in the CFA, their connections may have affected the results. Further studies could investigate this aspect and whether the type of issue (conflict versus nonconflict) actually makes a difference in perceived authenticity and value similarities and in their effects on stakeholder perceptions. Furthermore, the choice of conflicts (e.g., wars, riots, civil unrests, insurrections) may also increase or decrease these effects; therefore, future research could test the validity of the constructed model in conflictual situations other than wars.

Notwithstanding these limits, this study contributes to the literature on business and peacebuilding by offering empirical evidence of how business firms' engagement amid conflicts can produce positive effects in stakeholders' minds. Given the increased call for business actions to promote peace, justice, and democracy, and their increasing expectation of undertaking more CC actions, including those mitigating conflicts, businesses are at the crossroads to decide which CC actions bring more positive returns to societies, their stakeholders, and their overall value. This study offers some answers to this question.

Theoretically, this study also helps advance our knowledge about the effects of business in conflict mitigation actions by integrating key concepts and findings from different literatures—management, corporate communication, and marketing—and by proposing an integrative yet accessible understanding of how to classify business actions into four types of CCEAs, based on Wolf et al.'s (2007) seminal work. This study thus shows how to understand the effects of such actions on core corporate indicators, such as corporate goodwill.

Appendix 1. Items and factor loadings

Construct	Item	Estimate
Corporate trust	Affective	0.979
	Cognitive	0.995
Public satisfaction	PS4	0.980
	PS3	0.974
	PS2	0.943
	PS1	0.969
Affective trust	AT1	0.878
	AT2	0.842
	AT3	0.909
	AT4	0.890
Cognitive trust	CT1	0.891
	CT2	0.926
	CT3	0.910
	CT4	0.657
Corporate goodwill	GW1	0.909
	GW2	0.929
	GW4	0.949
	GW5	0.952
	GW6	0.901
Value similarity	SVS15	0.964
	SVS4	0.971
	SVS3	0.976
	SVS2	0.979
	SVS1	0.974
Perceived authenticity	PA9	0.684
	PA8	0.569
	PA7	0.598
	PA6	0.839
	PA5	0.904
	PA4	0.947
	PA3	0.915
	PA2	0.866
	PA1	0.686
Global justice	GJ1	0.899
	GJ2	0.806
	GJ4	0.469

Appendix 2. The experimental scenarios

Scenario 1: Take advantage of conflict
In response to other multinational companies leaving the Russian market, [NAME OF FIRM] has chosen to increase its investment in the country. The firm plans to open new stores in several Russian cities. An internal email from a [NAME OF FIRM] director stated: "With many of our competitors retreating from the Russian market, an opportunity for growth presents itself. We must take advantage of this chance."

Scenario 2: Withdrawal
Due to the escalating conflict, [NAME OF FIRM] decided to halt all sales in the Russian market on the day of Russia's invasion. The firm then exited the Russian market in the spring of 2022. The CEO of [NAME OF FIRM] stated that it was "impossible" to continue business operations in Russia, given the ongoing war.

Scenario 3: Business as usual
Despite this situation, [NAME OF FIRM] chose to maintain its operations in Russia. The firm stated: "Clothing is a basic necessity for all people, regardless of nationality, religion, or other personal preferences," and "Business should not be entangled in political matters."

Scenario 4: Proactive engagement
Due to the escalating conflict, [NAME OF FIRM] decided not only to shut down all its stores and discontinue all business operations in Russia but also pledged to donate all unsold merchandise to the Red Cross to aid war victims. In addition, [NAME OF FIRM] launched a "Support Ukrainian Children" initiative in its stores in major European cities, in which 10% of sales from the children's departments will be donated to support Ukrainian child refugees.

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