Abstract

Purpose – While managers and researchers recognize that corporate social responsibility is positively related to some corporate performance measures, the instrumental reason for this linkage is still unclear. The present research proposes that this relationship can be better understood if the concept of trustworthiness is included.

Design/methodology/approach – Using an experimental design, the present research presents a study in which the presence or absence of environmental commitment information in a company profile is manipulated and presented to consumers, and reports the differences in the measures of consumers’ perceptions of company trustworthiness and its sources originated by this manipulation. The analysis of these differences provided evidence of significant positive effects on perceived benevolence and negative effects on perceived ability measures.

Findings – The findings of the present research seem to indicate that, in some contexts, companies’ cause commitment can have different (positive and negative) effects on consumers’ perception of firms’ trustworthiness.

Research limitations/implications – The small sample size is the principal limitation of the study. Also the exclusion of personal and cultural values as moderators of the effects is a limitation. Therefore, results should be analyzed carefully because they could vary if the study is replicated in a different culture. Future research should include these personal and cultural variables in a more comprehensive model.

Practical implications – Managers must manage carefully this type of company commitment and the communication of these corporate activities to stakeholders.

Originality/value – This paper tries to analyze from the individual behavior perspective the relationship between corporate social responsibility and corporate trustworthiness.

Keywords Corporate image, Trust, Social responsibility

Paper type Research paper

Introduction

While different streams of management literature agree in the fact that corporate social responsibility is positive related with corporate performance, the reasons to expect this relationship are not clearly articulated. Stakeholder theory (Freeman, 1984), and specifically its instrumental aspects, has been focused in the proposition that corporations practicing stakeholder management will, all things being equal, be relatively successful in conventional performance terms (Donaldson and Preston, 1995). Jones (1995) makes a theoretical case for the general proposition that if firms contract (through their managers) with their stakeholders on the basis of mutual trust and cooperation, they will have a competitive advantage over firms that do not. Nevertheless, instrumental stakeholder theorists stop short of exploring specific links between cause (stakeholder management) and effect (corporate performance) in detail (Donaldson and Preston, 1995). This problem is most apparent in the research linking measures of corporate social performance (e.g. Fortune Reputational
Index, KLD ratings) with financial performance (e.g. ROI, ROA, and so forth) (Jawahar and McLaughlin, 2001).

Reputation literature is also concerned about corporate social responsibility. Fombrun and Shanley (1990) found that one significant dimension that signals constituents about firms’ prospects and generate reputations is social responsiveness. The instrumental argument is that social responsiveness generates goodwill from employees, consumers, and other publics that enhances the long-run profitability and viability of firms. This argument is related with the general assumption that the strategic importance of reputation resides in the fact that corporate audiences routinely rely on the reputations of firms in making investment decisions, career decisions, and product choices (Dowling, 1986).

These two positions have some common and important assumptions related with the way in which the firm responds to its non-economic agenda and the effect of these actions on the quality of the relationships with their stakeholders. While stakeholder theory argument is focused on the development of relations on the basis of mutual trust and cooperation, reputation literature is focused on the generation of goodwill from different stakeholders. One common, and underlying pattern, is the importance assigned to firm’s non-economic behavior as a way to signals firm’s moral properties, and the positive effect of these signals in their economic activities. This convergent point is related with the importance of firm trustworthiness as a source of competitive advantage. The argument is that trustworthy and cooperative firms will be sought after as partners in economic relationships that require trust and will be offered opportunities that firms lacking these traits will not (Barney and Hansen, 1994). Nevertheless, trustworthiness, and the organizational attributes that create trustworthiness (corporate culture and values, and associated control systems) are difficult to observe directly (Barney and Hansen, 1994). One possible way to identify trustworthy partners can be through the use of signals of trustworthiness (Spence, 1973). It is in this linkage where stakeholder theory and reputation literature have some convergent, but still unclear, assumptions about the role of non-economic behavior (social responsibility) as a signal of firm’s ethical standards and values, the way in which stakeholders interpret this signals and construct firm’s reputation, and the consequent effect on performance.

The present research is an attempt to answer a couple of questions related with these issues:

- Does corporate social responsibility affect consumers’ perceptions of firm trustworthiness?
- How does corporate social responsibility affect the different attributes that create trustworthiness?

To answer these questions, concepts like corporate culture, corporate reputation, and trustworthiness, are included in the research design.

The study consists in four parts. In the first instance is presented an overview of corporate culture, corporate reputation, trustworthiness, and their links. Secondly, the hypotheses and the methods used to investigate the possible effects between these concepts will be described and explained. Thirdly, the results of the investigation are presented and analyzed. Finally, conclusions, limitations, and a discussion of managerial and academic implications will be provided.

**Literature review**

**Corporate culture**

The concept of corporate culture has been studied in management field since many years. Initially, within organizational theory, scholars used the culture concept to study organizations as forums in which meanings are constructed and expressed through social interaction (Wilson, 2001). Some of the earliest references to the concept of culture as an internal organizational variable are found in the literature of organization development (Jacques, 1951; Harrison, 1972). After the recognition of corporate culture as an important
organizational variable, some scholars began to link various types of cultures to certain outcome variables. For example, Wilkins and Ouchi (1983) explored the relationship between culture and organizational performance. Thus, culture became a mechanism with which to achieve managerial effectiveness and control (Barley et al., 1988).

During this process of development, many definitions have been proposed for the concept of culture in the corporate setting. The more basic definitions simply provide a vague description to replace the term culture. The “rules of the game” (Van Maanen, 1979), and “how things are done around here” (Drennan, 1992) are part of these simple descriptions. These basic definitions contrast with the more developed and useful definitions produced by other scholars (e.g. Schein, 1991; Schneider, 1988; Kotter and Heskett, 1992). For example, according to Schneider (1988):

Corporate culture refers to: (a) the values that lie beneath what the organization rewards, supports and expects; (b) the norms that surround and or underpin the policies; practices and procedures of organizations; and (c) the meaning incumbents share about what the norms and values of the organization are (p. 353).

It is in the belief of the majority of authors, with the exception of Schein (1991), that there are two levels of culture, the visible level and the deeper, less visible level. At the visible level are aspects like behavior patterns, the physical and social environment and the written and spoken language used by the group (Wilson, 2001). The deeper, less visible level of culture refers to values that are shared by the people in a group and that tend to persist over time even when group membership changes (Kotter and Heskett, 1992). These shared values consist of the goals and concerns that shape a group’s sense of what “ought” to be (Wilson, 2001).

These considerations outline two important elements of organizational culture. First, the visible level aspects are the “expression” of the deeper, less visible level, and therefore, an analysis of these visible aspects can give a lot of information about the less visible level of corporate culture (Barley, 1983; Manning, 1979).

Second, corporate values are central and foundational elements of corporate culture. Different authors have been stressed this relationship, arguing that in the core of corporate culture are corporate values, which provide a system of guiding principles (Harris and de Chernatony, 2001), and that the organization’s culture encompasses employees values and assumptions, which also guide their behavior, particularly in novel situations (Wilkins and Ouchi, 1983).

Corporate reputation

The concept of corporate reputation has been studied extensively in fields like economics (Shapiro, 1983; Wilson, 1985; Kreps and Wilson, 1982; Milgrom and Roberts, 1982, 1986) and corporate strategy (Weigelt and Camerer, 1988; Fombrun and Shanley, 1990; Shamsie, 2003). In general, corporate reputation has been defined as a set of attributes ascribed to a firm, inferred from the firms past actions (Weigelt and Camerer, 1988). Herbig and Milewicz (1995, p. 18) define reputation as “an estimation of the consistency over time of an attribute of an entity”, and highlight the fact that a firm can have numerous reputations – one for each attribute such as price, product quality, innovativeness, management quality – or a global reputation.

The development of reputation research is based on the vision of a world of imperfect information in which actors rely on proxies or signals to make rational assumptions about the intentions and future behaviors of other actors (Fombrun and Shanley, 1990). Thus, reputation models presume a tight coupling between past actions and future expectations, and organizational attributes and the evaluation of organizations (Weigelt and Camerer, 1988).

The importance of corporate reputation in the management field resides in the fact that corporate audiences routinely rely on the reputations of firms in making investment decisions, career decisions, and product choices (Dowling, 1986). Therefore, a firm’s reputation is an asset which can generate future rents (Wilson, 1985). Moreover, reputational
advantages that stem from informational asymmetries can provide firms with a valuable resource that they can use against their rivals for a relatively long period of time (Shamsie, 2003). The intangible nature of reputation, its rareness and social complexity, makes it difficult to trade and imitate, and therefore reputation can contribute significantly to performance differences among organizations (Barney, 1991; Peteraf, 1993).

Corporate trustworthiness

The relevance of the concept of trustworthiness is closely related with the development of trust and trusting behavior literature. Trusting behavior implies allowing oneself to be in a potentially vulnerable position relative to another, while possessing some knowledge of the other that inspires trust in his goodwill, i.e. in his good intentions (Blomqvist, 1997). Thus risk and some information about the potentially trusted person or situation are seen as necessary conditions for trust to exist (Lewis and Weiger, 1985; Oakes, 1990). This information about the potentially trusted person can be used to infer the future behavior of the person. Following the same line, Good (1988) suggested that trust is based on expectations of how another person will behave, based on that person’s current and previous implicit and explicit claims. In a similar position, Mayer et al. (1995) suggested that the amount of trust that a given party will have for another party can be determinate by some attributes of the trustee. Therefore, trustworthiness is related with the attributes of the trustee, and the assumption of different scholars (Good, 1988; Johnson-George and Swap, 1982) is that characteristics and actions of the trustee will lead that person to be more or less trusted. According to this, trust is partially a product of one’s capacity to assess the trustworthiness of one’s potential partner (Sheppard and Sherman, 1998). Barney and Hansen (1994) explicitly differentiate between trust and trustworthiness pointing that “while trust is an attribute of a relationship between exchange partners, trustworthiness is an attribute of individual exchange partners”.

Trustworthiness, and specifically corporate trustworthiness, is important in the management field because has been recognized as a possible source of competitive advantage (Barney and Hansen, 1994). Corporate trustworthiness may increase the set of exchange opportunities available to a firm, compared to firms that are less trustworthy (Zajac and Olsen, 1993; Ring and Van de Ven, 1994). Moreover, corporate trustworthiness is costly to imitate and immune from rapid diffusion, because the organizational attributes that make trustworthiness possible reflect an exchange partner’s unique path through history (path dependence) and are socially complex (Barney and Hansen, 1994).

Mayer et al. (1995), in a very exhaustive work, identified more than ten different individual and organizational attributes that lead to trust, resuming these concepts into three constructs: ability, benevolence and integrity. In a similar context, Blomqvist (1997) identified two main dimensions for trustworthiness, named competence and goodwill. Competence includes technical capabilities, skills and know-how, and goodwill implies moral responsibility and positive intentions towards the others. Nevertheless, these organizational attributes are difficult to observe directly, making difficult the assessments of corporate trustworthiness (Barney and Hansen, 1994).

Relationship between corporate culture and corporate reputation, and their effect on corporate trustworthiness

Corporate reputation is a complex social phenomena, in which corporate audiences ascribe to a firm a set of attributes, inferred from the firms past actions (Weigelt and Camerer, 1988). Therefore, past and current actions of a firm determine its actual and future reputation. Firms’ actions are, in most of the cases, determined by the decisions and actions of managers and employees, which are part of the firm. These decisions can be constrained by the values, norms, practices and procedures of the organization, and therefore are more or less determined by corporate culture. If organizational culture is defined as the visible and less visible norms, values and behavior that are shared by a group of employees which shape the group's sense of what is acceptable and valid (Wilson, 2001), it is possible to suppose that managers and employees’ decisions and actions are influenced by corporate culture, and therefore corporate culture can be considered as a determinant of corporate reputation. For
example, several formal reputation-building models show that corporate culture can support an efficient, implicit contract system within firms (Cremer, 1986). In these models, the employee gives the employer a broad range of authority to resolve unforeseen contingencies, or to judge, *ex post*, an employee’s reaction to the unforeseen. In this way, the employee trusts that the process achieves equitable results, based on the firm’s reputation for using clear, well-known, “unwritten rules” in responding unforeseen contingencies. The unwritten rules are the corporate culture. Therefore, it is possible to affirm that corporate reputation depends, to some extent, on corporate culture.

Corporate reputation has been recognized as a possible source of trustworthiness. For example, a reputation for being trustworthy is a signal of trustworthiness. Gaining a reputation as a trustworthy exchange partner occurs, over time, as an exchange partner confronts situations where opportunist behavior is possible, but chooses not to engage in opportunist activities (Barney and Hansen, 1994). At the corporate attribute level, a good reputation in specific attributes as competence, discretion, honesty, integrity, altruism, benevolence, consistency, transparency, and predictability can increase the trustworthiness of a partner, depending upon the nature of the risk assumed in the relationship (Sheppard and Sherman, 1998).

Several authors have hypothesized that corporate culture and values can also have an impact on corporate trustworthiness. Barney and Hansen (1994) argued that trust can emerge in the face of significant exchange vulnerabilities, independent of whether or not elaborate social and economic governance mechanisms exist, because opportunist behavior would violate values, principles, and standards of behavior that have been internalized by parties to an exchange. Therefore, trustworthy exchange partners are trustworthy because that is who, or what, they are. In this sense, trustworthiness is clearly exogenous to a particular exchange structure. Trust does not emerge from the structure of an exchange, but rather, reflects the values, principles, and standards that partners bring to an exchange. Those values, principles, and standards may reflect an exchange partner’s unique history, its culture, or the personal beliefs and values of critical individuals associated with it (Arthur, 1989; Barney, 1986; Dierickx and Cool, 1989). If a firm possesses a culture and associated control systems that reward trustworthy behavior, these characteristics can increase the trustworthiness of the firm (Barney and Hansen, 1994). For example, Cowles (1997) make a case for the importance of corporate culture in the consumer marketing field, arguing that the extent that a customer is aware of a firm’s corporate culture, the customer will use that awareness to make assumptions about the knowledge-ability, competence and motives of a specific marketing entity representing that firm. In turn, these assumptions influence the perceptions of the firm’s and the marketing entity’s trustworthiness. Nevertheless, the impact of corporate culture on trustworthiness is only possible if this culture is communicated to partners, and therefore should be considered as part of firm’s reputation sources.

**Research design**

**Hypotheses**

The research design was conceived to answer two important questions:

1. Does corporate social responsibility affects consumers’ perceptions of firm trustworthiness?

2. How corporate social responsibility affects the different attributes that create trustworthiness?

To answer these questions, the research design considers the use of signals as a way to communicate the firm’s social concern. This social concern is considered and expressed of firm’s corporate values and culture. The objective is to measure the effect of these signals in consumers’ perceptions about the firm overall trustworthiness and the specific organizational attributes identified as trustworthiness sources (i.e. ability, benevolence and integrity). Managers can signal their firms social concern by contributing to charitable
causes, developing nonpolluting products, achieving equal opportunity employment, creating foundations, placing women and minority members on boards, or adhering to the Sullivan principles (Fombrun and Shanley, 1990). In the present research, the signal considered is the commitment of the company with a cause. The general hypothesis is that consumers will use this information to infer the motives and intentions of the company, and perceptions of overall trustworthiness will be improved. Therefore, the general hypothesis is:

\[ H1. \]

Company commitment with a “fair” cause is positively related with the trustworthiness of the company.

With respect to the specific determinants of trustworthiness (i.e. ability, benevolence and integrity), the effect of company commitment with a cause in each of the may not be equal. In the case of benevolence, the company active commitment with a cause is hypothesized to be positive related, because the company concern about others, aside with and egocentric profit motive, is on the core of benevolence definition (Mayer et al., 1995). Therefore:

\[ H2. \]

Company commitment with a “fair” cause is positively related with the perceived benevolence of the company.

In the case of integrity, the commitment with a cause is hypothesized to be positive related. The company active commitment with a cause can be a way to signal consistency with corporate values, sense of justice, and congruence with its words, all issues that affect the degree to which a party is judged to have integrity (Mayer et al., 1995). Therefore:

\[ H3. \]

Company commitment with a “fair” cause is positively related with the perceived integrity of the company.

Finally, the effect of company active commitment with a cause is hypothesized to be not significant. Ability is related with the skills, competencies, and characteristics that enable a party to have influence within some specific domain (Mayer et al., 1995). Therefore, it is possible to suppose that corporate commitment with a cause will not affect the perceptions about the technical skills of the firm:

\[ H4. \]

Company commitment with a “fair” cause is not related with the perceived ability of the company.

To test the first hypothesis, a comparison of the judgments of company trustworthiness, in presence and absence of cause commitment information, was performed. If trustworthiness is higher when cause commitment information is present, it is possible to conclude that commitment with a cause has a positive effect in the trustworthiness of the company.

The second, third, and fourth hypotheses concern the effect of cause commitment in each of the determinants of trustworthiness. To address this question, a comparison of the judgments in each characteristic (i.e. ability, benevolence and integrity) of the firm, in presence and absence of cause commitment information, was performed.

**Cause and company selection**

To guide cause selection, a pretest of “common” accepted causes was conducted using an open-ended question, asking to respondents to mention not controversial and common accepted causes. This pretest \((n = 10)\) identified the “environmental commitment” as the most common accepted cause.

The company name selection was made considering one restriction, related with the product category associated to the company. It was necessary a product category familiar to the respondents, with some level of performance ambiguity and significant consequentiality. Then, the product category selected was casual clothes, a familiar product with a high experience component and significant price.

Also, the company name selection balanced two considerations. On the one hand, a company for which subjects had strong beliefs and attitudes, which are difficult to change
(Crocker et al., 1984), would be unlikely to show effects of company cause commitment on company trustworthiness. On the other hand, hypotheses assume subjects have some pre-existing company knowledge. The Wrangler company[1] name met these needs. Pretests revealed that, compared with other tested casual clothes brands, like Levi’s and Benetton, subjects were moderately familiar with Wrangler, had neutral attitudes toward it, and did not know the corporate culture and values.

*Information stimuli, manipulations and design*

The company information was a document describing the company demographics, performance, investments and, for one half of the respondents, environmental commitment. The demographic description included “age” of the company, the main corporation behind the company, the position of the company in the specific sector, and the geographic scope of its activities. The performance description mentioned the amount of annual sales and its growth in the last year. The investment description was related with market research and research and development activities. Finally, the cause commitment information described the commitment of the company with environmental causes, the economical and managerial support to organizations related with this cause and the efforts of the company towards the development of environmental friendly products and processes. Thus, the study was applied to two groups of subjects. The absence of cause commitment information represented the baseline to test for effects in trustworthiness. Subjects were male participants in an information systems seminar. The average age was 30 years, and the overall sample size was 40.

*Experimental procedure*

Subjects were tested all together in a 20-minute session. Each subject received one of the two possible information stimuli and a questionnaire. The stimuli were randomly assigned and the questionnaire was the same for all the subjects. Then, they were instructed to “... read carefully the information about the company. Take all the time that you need. Then, please answer the questionnaire following the instructions.” In the questionnaire, subjects expressed their perceptions about company’s trustworthiness and company’s ability, benevolence and integrity. Finally, they completed questions on demographic information.

*Measurement*

Perceived ability of the company was measured by tapping the respondent’s perception about the company’s experience in the market and the ability to fulfill market’s needs. One item was adapted from Delgado and Munuera (2001).

Perceived benevolence of the company was operationalized using one item developed by Lau and Lee (1999) and other adapted from Kumar’s *et al.*’s (1995) measure of benevolence in a partner. The respondents were asked if they felt that the company cared for its partners’ welfare or only about itself.

Perceived integrity was measured using one item developed by Lau and Lee (1999) to measure perceptions of the company’s ethical values, and other was adapted from Anderson and Weitz’s (1992) scale to measure reputation for fairness in business dealings. Overall trustworthiness was operationalized using direct measures, adapted from the trust perceptions scale of Lau and Lee’s (1999) study.

All of the aforementioned constructs were measured with the use of a seven-point Likert-type agreement scale with anchors of strongly disagree (1) and strongly agree (7). The items used for corporate trustworthiness, ability, benevolence and integrity are presented in Table I.

*Data analysis and results*

The correlation matrix of the above mentioned items obtained from the pooled data is presented in Table II. The purpose of the correlation analysis is to assess the convergent validity of four indices representing corporate ability, benevolence, integrity, and corporate
trustworthiness, as well as the discriminant validity between the first three constructs. As can be observed in Table II, the coefficients of correlation within indices (varying from 0.320 to 0.562) are generally greater than those between the first six indices (varying from 0.006 to 0.188) with the exception of the correlation between BEN1 and INT2 (0.465). The indices used to measure trustworthiness are not comparable in these terms with the first six indices, because a relationship is expected. These coefficients of correlation show that the validity of these measures is relatively acceptable, considering the sample size.

To test the hypotheses proposed, it is necessary to compare the judgments in each characteristic (i.e. ability, benevolence and integrity) and in the overall trustworthiness of the company in presence and absence of cause commitment information.

In order to select the appropriate procedure to test these hypotheses, normality tests were conducted to determine if the values were normally distributed. The results of the tests (Kolmogorov-Smirnov, and Shapiro-Wilk) revealed that just one of the eight variables was normally distributed ($p > 0.10$). Then, a non-parametric test was selected as the most appropriate way to compare the means. Considering the sample size, the Mann-Whitney U test for means comparison is considered the best way to compare the two populations.

The descriptive statistics and the results of the Mann-Whitney U test for means comparison are presented in Table III. As can be observed in Table III, the groups had significant differences ($p < 0.05$) only in two of the eight indices used. One of these variables was related with benevolence (“I believe that this company is concern about the wellness of its partners”) for which the group with company environmental commitment information shown

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**Table I** Measures of corporate ability, corporate benevolence, corporate integrity and corporate trustworthiness

<table>
<thead>
<tr>
<th>Corporate ability</th>
<th>This company has experience in the market</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABI1</td>
<td>I believe that this company has the ability to produce products according to market requirements</td>
</tr>
<tr>
<td>ABI2</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate benevolence</th>
<th>I believe that this company is concerned about the well-being of its partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEN1</td>
<td>This company only cares about making profits (reversed)</td>
</tr>
<tr>
<td>BEN2</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate integrity</th>
<th>This company has a fair behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>INT1</td>
<td>This company is ethical</td>
</tr>
<tr>
<td>INT2</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate trustworthiness</th>
<th>I do not trust this company (reversed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRU1</td>
<td>I feel that I can trust this company completely</td>
</tr>
<tr>
<td>TRU2</td>
<td></td>
</tr>
</tbody>
</table>

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**Table II** Correlation matrix of items used in the measurement

<table>
<thead>
<tr>
<th>Items</th>
<th>ABI1</th>
<th>ABI2</th>
<th>BEN1</th>
<th>BEN2</th>
<th>INT1</th>
<th>INT2</th>
<th>TRU1</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABI2</td>
<td>0.320*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BEN1</td>
<td>0.076</td>
<td>−0.188</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BEN2</td>
<td>−0.183</td>
<td>−0.031</td>
<td>0.129</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INT1</td>
<td>−0.066</td>
<td>−0.093</td>
<td>0.129</td>
<td>0.050</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INT2</td>
<td>0.076</td>
<td>0.066</td>
<td>0.465**</td>
<td>0.037</td>
<td>0.549**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRU1</td>
<td>0.172</td>
<td>0.114</td>
<td>0.329*</td>
<td>0.233</td>
<td>0.141</td>
<td>0.315*</td>
<td></td>
</tr>
<tr>
<td>TRU2</td>
<td>0.238</td>
<td>−0.033</td>
<td>0.205</td>
<td>0.164</td>
<td>0.436**</td>
<td>0.413**</td>
<td>0.562*</td>
</tr>
</tbody>
</table>

Notes: *Correlation is significant at the 0.05 level; **Correlation is significant at the 0.01 level
a better perception of the company than the group without this information. For the other variable, related with ability ("I believe that this company has the ability to produce products according to market requirements"), the group with the company environmental commitment information showed a lower perception of the company than the group without the information. For the other indices, the differences were not statistically significant. Therefore, \(H1\), \(H3\) and \(H4\) were rejected, and \(H2\) was partially confirmed.

Conclusions, limitations and discussion

The experiment demonstrates that consumer’s knowledge about company’s environmental commitment can affect the consumer’s perception of company trustworthiness, but this effect is not strong and not present in all the variables that are considered as sources of company trustworthiness.

Perceived benevolence seems to be the more sensitive variable. The positive and significant effect of company cause commitment in one measure, and the also positive (same difference between groups) but not significant effect (\(p > 0.20\)) on the other seems to indicate that this type of signal is relevant in respondents’ assessment of company benevolence.

The fact that one of the measures of company’s perceived ability was affected, but in a negative way, by the knowledge of this type of commitment opens an interesting discussion. First, why the effect is negative? A possible answer can be that respondents perceive these activities as "deviation of resources", and if the company assigns too much resources to this activities, then some other activities, more important for consumers, would be performed in a deficient way. Therefore, a possible answer is that respondents perceive a "trade-off" of resources. The second question is related with the previous one; if the effect on perceived ability is negative, what is the optimal trade-off between an increase in perceived benevolence and a decrease in perceived ability? The more reasonable answer is that this trade-off depends on the type of risks associated to specific relationships. As Sheppard and Sherman (1998) suggested, it is possible that trustworthiness means different things, depending upon the nature of the risk being assumed in the relationship. On one hand, when the risk of unreliability is present (i.e. when exists the risk that the trustee will not be able to fulfill the trustor requirements), competence has been emphasized as a feature of trustworthy partners (Butler, 1991; Cook and Wall, 1980; Good, 1988; Mishra, 1996; Sitkin and Roth, 1993). On the other hand, when the potential for abuse or neglect exists, benevolence is a desirable quality in trustworthy partners (Larzerele and Huston, 1980).

The absence of effect in perceived integrity is an unexpected result. Further investigation must be recommendable to check for the possible causes, if the effect is really not significant.

Finally, the almost inexistence effect of company’s cause commitment on company’s perceived trustworthiness is also an unexpected result. Possible explanations for this result can be associated with the sample characteristics, the product category used in the research, and the relationship among the three variables that are considered as sources of company trustworthiness.

### Table III

<table>
<thead>
<tr>
<th>Group</th>
<th>ABI1</th>
<th>ABI2</th>
<th>BEN1</th>
<th>BEN2</th>
<th>INT1</th>
<th>INT2</th>
<th>TRU1</th>
<th>TRU2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1 (with cause commitment information)</td>
<td>Mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(n = 20)</td>
<td>5.80</td>
<td>5.40</td>
<td>4.95</td>
<td>3.50</td>
<td>4.65</td>
<td>4.75</td>
<td>2.80</td>
<td>4.45</td>
</tr>
<tr>
<td>Group 2 (without cause commitment information)</td>
<td>Mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(n = 20)</td>
<td>5.95</td>
<td>5.95</td>
<td>4.40</td>
<td>2.95</td>
<td>4.35</td>
<td>4.50</td>
<td>2.85</td>
<td>4.50</td>
</tr>
<tr>
<td>Difference</td>
<td>(-0.15)</td>
<td>(-0.55)</td>
<td>(0.55)</td>
<td>(0.55)</td>
<td>(0.30)</td>
<td>(0.25)</td>
<td>(-0.05)</td>
<td>(-0.05)</td>
</tr>
<tr>
<td>(P)-value for Mann-Whitney U test</td>
<td>(0.66)</td>
<td>(0.03)</td>
<td>(0.04)</td>
<td>(0.17)</td>
<td>(0.21)</td>
<td>(0.25)</td>
<td>(0.97)</td>
<td>(0.80)</td>
</tr>
</tbody>
</table>
An important limitation of the present research is related with the sample size. The number of respondents considered was small, and therefore the statistical analysis, specially the validity analysis of measures, must be taken with caution.

The fact that respondents were all males is another point to take into consideration. While this sample characteristic makes possible test the hypothesis without controlling for gender effects, also limits the conclusions. In this direction, future research can be oriented to identify differences, in size and orientation, produced by this type of company’s signals in different genders. Following the same line of thinking, the effect of this type of signals in consumers’ perception can be an interesting topic for cross-cultural research.

The evaluation of positive or negative effects caused by the company commitment with more controversial causes may be another interesting issue to be tested. In this line of study, the incorporation of personal values and the level of agreement or disagreement with the cause can be considered as moderators of the effects, and a formal model can be proposed and tested.

An important managerial implication is related with the environmental commitment of firms. Increasingly, companies are considering environmental differentiation as a basis for their competitive strategy (Roy and Vézina, 2001). The central discussion related to the implementation of this type of strategy has been centered on the appropriate signal device for different groups of stakeholders, assuming that the environmental commitment content of the signal is always perceived as positive feature of the company. The results of the present research seem to indicate that this content, in some contexts, can have a negative impact on stakeholders’ perception of the firm.

**Note**

1. For simplicity, the brand Wrangler was used as a company name. The reason for this is that consumers are familiar with the specific brand, but does not know the company that produces it. Therefore, and as a way to avoid confusion from the part of respondents, the company name used was “Wrangler Inc.”, and was presented as part of a bigger corporation. Nevertheless, all the information presented to respondents was related to “Wrangler Inc.”.

**References**


