Communication Strategies of Non-Governmental Organizations: Theory and Evidence

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Abstract

Advocacy Non Governmental Organizations (NGOs) mostly influence social outcomes by providing stakeholders with information. We develop a theory of communication about corporate social behavior between a NGO and an imperfectly informed stakeholder. We focus on one communication dimension: whether the NGO reveals socially-beneficial activities (good news) or socially detrimental ones (bad news). The model provides two main insights: 1) In a given situation, the NGO falls into the extremes, emitting either good news only or bad news only; 2) the more severe the communication constraint (limited resources, airtime, or stakeholder attention), the more likely the NGO emits bad news. We then provide evidence supporting our theory in an extensive panel data set of news published by 634 NGOs between 2002 and 2014.

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