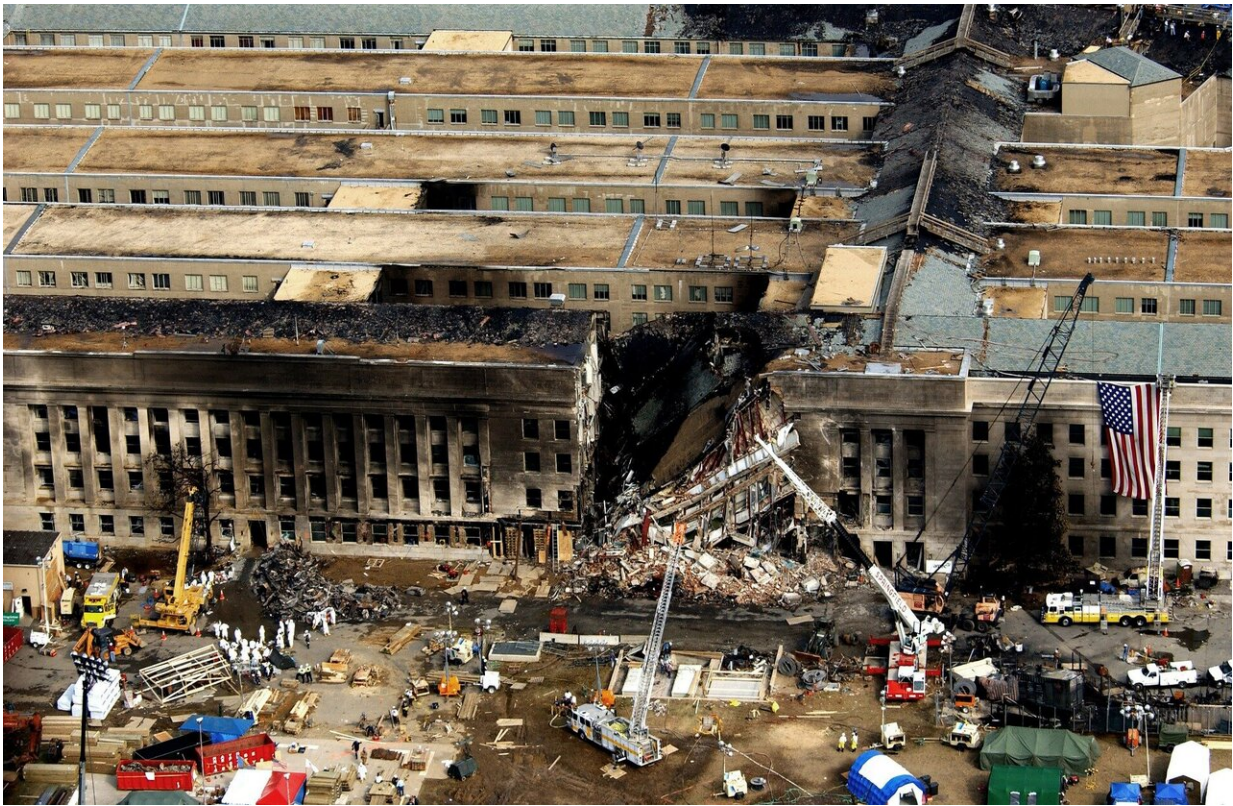


# When corporations respond to terror attacks with acts of kindness—and when they don't

August 20 2019, by Ian Thomsen

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In November 2015, when terrorists armed with firearms and explosives killed 130 people in Paris, France, a number of companies responded to the horror with compassion. A variety of cellphone carriers lifted service fees and waived charges to enable people to contact loved ones. Airbnb

encouraged hosts to offer free housing for those whose flights had been canceled.

But as a rule, says Northeastern professor Max Abrahms, companies around the world do not always react generously to terrorist attacks. "It turns out that companies respond to terrorism selfishly," says Abrahms, who has joined with two fellow Northeastern professors to author the first study of the relationship between terrorism and the responsibility of corporations to invest in and elevate society.

The researchers unearthed a dichotomy in the reactions by companies to acts of terrorism. When governments or communities are the targets of terrorism, the study finds that companies often go above and beyond. Such was the case after the [terrorist attacks](#) of Sept. 11, 2001, when a diverse group of corporations and banks offered financial assistance to customers and others who had been affected throughout the U.S.

"If the government or the community is impacted, they feel a sense of belonging and ownership within the community," co-author Elizabeth Moore says of American corporations in general. "So they serve as that void-filler."

In countries where attacks are more widespread—Abrahms cites the examples of Iraq, Syria, Afghanistan, Nigeria, Libya, Yemen, and Pakistan—businesses may view themselves as targets of terrorism. In those cases, the study finds that companies react to their vulnerability by withdrawing from acts of social responsibility.

The study found companies in Mexico and Colombia reacting to terrorism by pulling out of charitable endeavors, Moore says.



From left to right: Elizabeth Moore, visiting assistant professor of international business and strategy; Max Abrahms, associate professor of political science; and Luis Dau, assistant professor of international business and strategy. Credit: Photo of Max Abrahms by Matthew MODOONO/Northeastern University. Photos of Elizabeth Moore and Luis Dau courtesy of Elizabeth Moore and Luis Dau.

"And that's the key takeaway," says Abrahms. "Those companies behave as self-interested actors on the question of whether to help society rebound after a terrorist attack."

The three researchers brought different points of view to the study, which was funded by Northeastern's Global Resilience Institute. Abrahms is a political science professor who specializes in terrorism; Moore and Luis Dau (who teaches courses on corporate social responsibility) are professors at the D'Amore-McKim School of Business.

The complementary approaches of the three researchers enabled their

study to transcend [data mining](#) in order to create "a plausible, causal story about how firms respond in the face of terrorism," says Abrahms. "It's an excellent example of how this kind of university funding can help spur interdisciplinary research."

The professors are planning further research of [terrorism](#) and its impact on business. This study was based on an original dataset collected from the United Nations Global Compact Initiative, which covers the investments in society made by 12,851 companies from 103 countries between 2002 and 2014.

"It may seem intuitive, but the fact that we're finding support for this work with such a [large database](#) across so many different countries is really interesting," Dau says. "There is so much that we can look into."

**More information:** Max Abrahms et al. Terrorism and corporate social responsibility: Testing the impact of attacks on CSR behavior, *Journal of International Business Policy* (2019). [DOI: 10.1057/s42214-019-00029-6](#)

Provided by Northeastern University

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