Working Paper

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Abstract. Companies face increasing pressure from different stakeholders to address various environmental, social and governance (ESG) issues. In their efforts to engage with these issues, they might pursue symbolic or substantive actions, either pre-emptively (proactive actions) or in response to specific targeted threats (reactive actions). Yet we know relatively little about how different stakeholders react to this repertoire of corporate actions and importantly, whether they are aligned in their reaction. We ask this question in the context of gender inequality, an issue that has become salient due to heightened societal attention thanks to the #MeToo movement. We analyze reactions to company actions among two stakeholder groups, "Wall Street" (investors) and "Main Street" (the general public and consumers). Our sample includes 849,272 company-day observations covering 424 companies between 2015 and 2020. We identify 632 gender-related company actions and uncover that Wall Street and Main Street are surprisingly aligned in their negative reaction to companies' symbolic-reactive actions, as evidenced by negative cumulative abnormal returns, more negative social media and reduced consumer perceptions of brand equity. Importantly, neither group of stakeholders reacts—positively or negatively—to any other types of company actions. Moreover, Main Street's negative reaction has only emerged in the aftermath of the #MeToo movement. Our study shows that while company actions to address gender inequality are heterogeneous, stakeholder reactions seem to be aligned, and some of them are affected by social movements. This paper advances managerially relevant insights at the intersection of stakeholder management and grand challenges, such as gender inequality.

Key terms: gender inequality, stakeholder reactions, #MeToo movement, social media, investors, consumers

1. Introduction

Gender inequality, stemming from discrimination and violence against women, is among the grand societal challenges (Joshi et al. 2015, Fernandez-Mateo and Kaplan 2018, Simchi-Levi 2020, Amis et al. 2021), recognized worldwide by its inclusion in the United Nations' Sustainable Development Goals. As a result, companies face societal pressure—from both Wall Street (investors) and Main Street (the general public and consumers) (Lamin and Zaheer 2012)—to address systemic gender inequalities and empower women and girls. For example, in 2017 and 2018, three of the largest asset management companies (BlackRock, State Street, and Vanguard) launched proxy-voting campaigns demanding board gender diversity among their portfolio companies, which resulted in increased representation of women on these boards by 2022 (Gormley et al. 2022). Similarly, pressure from the general public and regulators in Europe and in emerging markets led to the adoption of gender quotas for boards, with analogous impact (Abdullah et al. 2016, Aguilera et al. 2021, Ferrari et al. 2022).

Gender inequality has become a particularly salient issue in the aftermath of the #MeToo movement (MTM) because of the increased societal attention on workplace sexual harassment and discrimination, which led to changes in how companies engage with gender issues (Luo and Zhang 2022). Companies can affect gender (in)equality in their communities either directly, through human resource management practices—including promotions, access to training, and compensation—or indirectly, through company culture that may promote equality or, conversely, foster discrimination and tacit tolerance of sexual harassment (Fernandez-Mateo and Kaplan 2018, Simchi-Levi 2020). In turn, company actions on gender inequality (as well as on any other salient social issue) can be either symbolic or substantive (Meyer and Rowan 1977) and can be taken proactively or reactively with respect to external pressure or allegations of misconduct (Aragón-Correa 1998, Sharma and Vredenburg 1998). Yet our understanding of how various stakeholders react to these different types of actions remains limited.

Much of the social movements research to date has studied company actions in response to negative events specific to a company, including direct pressure from activists or allegations of misconduct (McDonnell and King 2013, Briscoe and Gupta 2016, McDonnell and Cobb 2020, Iqbal et al. 2022). We

define these kinds of actions as *reactive* because they are triggered by direct pressure from external or internal stakeholders and/or events. However, companies might also pursue proactive changes, such as adopting an environmental strategy to avoid being targeted (Aragón-Correa 1998, Sharma and Vredenburg 1998, Buysse and Verbeke 2003). We define such actions as *proactive* because they are undertaken to prevent any *potential* reputational or financial damage. In our context, the specific actions that companies take—such as revising company policies to promote gender equality, launching new partnerships or campaigns, hiring women to leadership positions, or fostering an inclusive culture—may be similar when they act proactively to address a social concern before it garners specific criticism, or reactively to mitigate the damage of lawsuits or reputational harm (Atwater et al. 2021). However, stakeholders may perceive the same company action differently depending on which it is undertaken as a *proactive* or a *reactive* effort.

Additionally, the literature recognizes that company actions can vary in the changes they engender. Some actions are associated with *substantive* organizational changes and require companies to commit substantial resources to actions that are not easily reversed (Hawn and Ioannou 2016, Nardi 2022). For example, in the gender (in)equality context, substantive actions include large-scale revisions to sexual harassment policies and compensation practices or the creation of high-level corporate positions devoted to managing gender issues. Other company actions may be more *symbolic*, intended to produce the appearance of change without meaningfully impacting existing organizational practices (Westphal and Zajac 1994, 1998, McDonnell and King 2013). For example, companies might release public statements, issue white papers or reports on gender equality, launch gender-aware advertising campaigns, or sponsor or receive gender equality awards. We posit that companies can take either kind of action—symbolic or substantive—reactively or proactively, generating a repertoire of four possible types of actions.

Deciding which type of action to pursue in order to address gender inequality is an important managerial decision because different stakeholder groups may perceive or interpret such decisions differently (Lange et al. 2022). According to stakeholder management research, balancing the demands of heterogeneous stakeholders, that often conflict with each other, sometimes irreconcilably, is the hardest

challenge for companies (Bridoux and Stoelhorst 2014). Thus, in strategizing about how to manage various stakeholder demands, even on the same issue, managers need to know how different audiences value the different types of company actions. If Wall Street and Main Street react similarly to certain types of company actions to address gender inequality, this stakeholder alignment sends a clear signal of the benefits or costs associated with a given company action. However, if any of them are perceived differently across different stakeholders, then the company's cost-benefit analysis will become more complicated, requiring companies to make trade-offs between competing stakeholders (Durand et al. 2019).

This study explores how two key sets of stakeholders—Wall Street (investors) and Main Street (the general public and consumers) react to a repertoire of four possible kinds of company actions (proactive-symbolic, proactive-substantive, reactive-symbolic, and reactive-substantive) to tackle gender inequality. To do so, we manually identify and categorize 632 gender-related company actions taken by 424 companies between January 2015 and June 2020, and we analyze same-day stakeholder reactions to these actions. Our sample timeframe allows us to examine the effect of the #MeToo movement, and particularly whether company actions and stakeholder reactions changed after the Harvey Weinstein story broke in the *New York Times* in 2017. We expect the #MeToo movement to have an effect on company actions as well as stakeholder reactions because social movements mobilize audiences (King and Soule 2007), elevate the salience of issues (King 2008), shift perceptions of the types of actions that are considered legitimate or socially acceptable (Giugni 1998, DeJordy et al. 2020), and trigger change in company behavior (McDonnell et al. 2015, Luo and Zhang 2022).

Our results show that Wall Street—as measured by cumulative abnormal returns—and Main Street—as captured by both nationally representative surveys of consumer perceptions and social media volume and valence—consistently react negatively to reactive-symbolic company actions. Importantly, these groups of stakeholders do not react, either positively or negatively, to any other category of company actions. We also uncover that for Main Street stakeholders, the negative response to reactive-symbolic actions is strongest after the #MeToo movement went viral. Thus, our study demonstrates that

not all company actions are created equal in the eyes of their stakeholders and that, surprisingly, the different stakeholder audiences are aligned in both the choice of which actions to respond to (reactive-symbolic) and what reaction they generate (negative).

Our study makes several theoretical and empirical contributions to existing research. First, we expand the gender inequality, neo-institutional, and stakeholder management literatures by examining how companies manage gender-inequality issues, exploring the existence of decoupling, and, in turn, analyzing stakeholder reactions. Our unique contribution is that we assess simultaneous reactions of heterogeneous stakeholders, uncovering a *consistent* negative reaction to companies' reactive-symbolic actions. Second, while existing studies mainly focus on symbolic versus substantive actions, we add a novel temporal dimension by concurrently analyzing proactive and reactive company actions with their effects before and after the #MeToo movement. We find that it is reactive actions, and in particular reactive-symbolic actions, that raise ire on Wall Street and Main Street, especially after the #MeToo movement went viral. Third, by using daily data from three different datasets to capture immediate stakeholder reactions, we make an empirical contribution to prior research relying on less granular measures (e.g., annual or monthly ESG performance (e.g., Eccles et al. 2014, Li and Wu 2020)). We are not aware of any other research that examines daily data or that analyzes simultaneous reactions of multiple groups of stakeholders in one study. Finally, we categorize and examine the impact of company actions in an important societal context. While progress toward gender equality has been slow, we hope to draw the attention of practice, policy, and academia to the critical work that needs to be done in this area, and along these lines, given our findings, we hope to deter managers from taking reactive-symbolic actions.

2. Background

2.1. Related Literature

In this section, we briefly overview related literature, the context of this study, and our conceptual framework. Our study bridges three distinct literatures. First, it relates to gender studies on company

actions to address gender inequality. Prior research has mainly considered either sources of women's underrepresentation (Joshi et al. 2015) or ways to mitigate its incidence (Simchi-Levi 2020, Luo and Zhang 2022, Joshi et al. 2023). For example, using staggered board elections in Italian publicly listed companies, Ferrari et al. (2022) show that mandatory gender quotas for board members led to a higher share of women directors. Relatedly, there is some event-based research that studies the consequences of corporate gender inequality for firm value; however, it mainly focuses on sexual harassment scandals (Borelli-Kjaer et al. 2021) and not on how heterogenous stakeholders perceive company actions to either prevent or rectify them. To extend this research, we identify and categorize a broader spectrum of company *actions* that are directed at addressing gender inequality at work, extending our understanding of the repertoire of potential options. Then we analyze the different reactions that company actions generate among heterogeneous stakeholders, extending gender studies to consider how different audiences evaluate and react to company actions in this context.

Second, our study adds to the neo-institutional literature on decoupling (Westphal and Zajac 2001, Bromley and Powell 2012, Durand et al. 2019) by distinguishing between symbolic and substantive actions in the context of gender inequality and by accounting for the contingent temporal dimension of company action (i.e., proactive or reactive). Prior literature has long studied symbolic and substantive actions (for a recent review, see Schnackenberg et al. 2019), which are also known as ceremonial and technical in the context of wrongdoing (Zavyalova et al. 2012). We propose registering a key difference in the timing of these actions that may affect how stakeholders will react. In particular, proactive actions address an ESG issue before a company is criticized or faces any stakeholder pressure on the issue, while reactive actions generally respond to some form of stakeholder pressure—whether it is a public criticism (Kölbel et al. 2017), a lawsuit (Koh et al. 2014), an allegation of misconduct (Greve et al. 2010), or a boycott (McDonnell and King 2013).

Prior studies discussed proactive business strategies that employ both traditional corrective and modern preventive natural environmental approaches in the context of environmental issues (Aragón-Correa 1998). In addition, proactive and reactive actions resemble intentional and emergent actions taken

when responding to stakeholder pressure (Crilly et al. 2012). However, previous studies have not applied this distinction in the context of gender inequality. Hence, our unique approach allows us to explore four different kinds of company actions depending on both the internalization (symbolic vs. substantive) and the timing of the action (proactive vs. reactive). While these binary dimensions can be studied independently, the unique combinations of proactive-symbolic, proactive-substantive, reactive-symbolic, and reactive-substantive actions we analyze offer a more complete repertoire of company actions.

Third, and perhaps most importantly, we offer novel insights for the stakeholder management literature by evaluating the reactions to these company actions among heterogeneous stakeholder groups. Stakeholder strategy research is just beginning to theorize about the social nature of stakeholder utility, in particular that stakeholders may value company actions targeting not only themselves but also other stakeholders (Lange et al. 2022). Lamin and Zaheer (2012) established that company actions to defend legitimacy are perceived differently by stakeholders representing Wall Street and Main Street. Our research advances their insights by studying these stakeholders' reactions in a novel context (gender equality), although admittedly we examine reactions of external stakeholders (investors, customers, and the general public) to company actions that target both external and internal audiences (employees and customers). We find that different stakeholders agree in their disapproval of reactive-symbolic company actions but that they neither reward nor penalize other types of action. This is an important insight because while generally companies are forced to strategically prioritize and balance the demands and expectations of multiple stakeholder groups (Bridoux and Stoelhorst 2014), in our setting they are aligned and, thus, it may be easier to manage different groups of stakeholders than previously thought, at least on the gender-inequality issue. In addition, by incorporating the #MeToo movement in our study, we explore how issue salience (Bundy et al. 2013) both increases company actions to address the focal issue and strengthens stakeholder reactions. Consistent with prior literature (McDonnell and King 2013), our data shows that on average, after the social movement began (compared with before), companies doubled the number of actions to address gender inequality; however, most of these actions fall into the symbolic category (Figure 1).

*******Insert Figure 1 about here*******

Given the insights and methods used in our study, we also make an empirical contribution. It is challenging to identify and distinguish company actions as substantive or symbolic, yet we hope our multi-rater approach to identifying and categorizing company actions targeting a specific issue will be useful for future research. While prior work has examined each type of company action (e.g., Stevens et al. 2005, Delmas and Montes-Sancho 2010) as well as these critical groups of stakeholders (e.g., Flammer 2013, Hawn et al. 2018, Buell and Kalkanci 2021) independently, we combine their various perspectives and the different types of actions into a single study, uncovering whether Main Street and Wall Street are aligned in their reaction to symbolic and substantive company actions when they are taken reactively or proactively. Following existing conceptual research on different stakeholder interests (Lamin and Zaheer 2012, Bridoux and Stoelhorst 2014, Bundy et al. 2018), our a-priori assumption is that different stakeholder groups will react differently to different company actions. Yet it is important to recognize that because of the nature of our particular social issue (i.e., everyone has a mother as at least one important woman in their lives), coupled with the intense and pervasive influence of the #MeToo movement, traditionally diverging stakeholders may instead converge on this social issue.

Therefore, without clear theoretical reasons to favor one explanation over another, we undertake question-driven research (Graebner et al. 2023) to answer the following: *How do the different groups of stakeholders react to different company actions to address gender inequality, and are they aligned in their reaction?* This approach (e.g., see Berry et al. 2021, Hawn 2021, Seo et al. 2021, Wormald et al. 2022) is appropriate in our setting because while the general theory and evidence of main effects are already established in the literature (i.e., that different stakeholders react differently to different company actions (e.g., Bundy et al. 2021)), the simultaneous stakeholder reactions as well as the contextual effects remain open questions. Accordingly, we use a theoretically derived categorization of the different types of company actions, but we do not make any specific predictions about the ways in which different stakeholders will react to them.

2.2. Empirical Context

Our empirical context is the MTM, which sparked an international debate on sexual harassment, abuse, and assault and has taken many directions since 2006 when Tarana Burke launched the movement to support sexual assault victims. The MTM captured significant public attention and gained international prominence when actress Alyssa Milano's Twitter post went viral on October 15, 2017: "*If you've been sexually harassed or assaulted write 'me too' as a reply to this tweet*" (Clark-Parsons 2021). The post was a response to the growing discourse about sexual violence in Hollywood sparked by actresses coming forward about producer Harvey Weinstein's sexual misconduct, which was publicized in an exposé in the *New York Times* 10 days prior. In the 24 hours after Milano's tweet, there were over 1 million tweets and retweets using #MeToo. The hashtag was used on Twitter as many as 19 million times within the first year (Williams, Singh, & Mezey, 2019).

Though the MTM did not originate with corporate misbehavior, the movement's growth revealed a widespread problem in the corporate world and broader society (Atwater et al. 2021). A 2018 *New York Times* analysis reported that since #MeToo went viral, at least 200 prominent men had lost their jobs after public allegations of sexual harassment (Carlsen et al. 2018). Companies such as Disney, Guess, and Wynn have been heavily and directly affected by allegations of sexual misconduct in the wake of the MTM. Yet because the movement primarily centered on individual experiences and was propelled by digital and social media (Clark-Parsons 2021), it had a tremendous sociocultural impact going far beyond allegations targeting specific individuals or companies (Williams et al. 2019). In other words, it produced a credible reputational threat to even non-target companies to an extent that might not have been possible with traditional "street" demonstrations or protests (George et al. 2016). Indeed, it is hard to think of an industry that has not been impacted by the MTM, even in the absence of specific allegations of misconduct.

The clear societal and economic impact of the MTM (Levy and Mattsson, 2020) and the relevance for companies are captured in the burst of research on the movement across multiple fields, including law (Williams et al., 2019), finance (Borelli-Kjaer et al. 2021), information systems (Afnan et al. 2019),

corporate governance (Billings et al. 2022), and strategic management (Luo and Zhang 2022). The discussion has focused on social media's role in amplifying the movement as multiple audiences including journalists, private individuals, and media organizations became engaged, as well as market reactions to the movement and the effects within workplaces. For instance, a study of 4,800 publicly listed companies showed that the movement generated negative market reactions, particularly for companies whose boards were composed exclusively of male directors (Billings et al. 2022). A study of Hollywood production found that MTM helped improve workplace equality, driving positive change (Luo and Zhang 2022).

Overall, previous research has clearly demonstrated heightened societal attention to gender inequality after the MTM gained prominence. This attention most likely translates to increased awareness of a company's gender-related actions not only among internal stakeholders—such as employees who might suffer the consequences of gender inequality—but also among different stakeholders on the outside, whether on Wall Street or Main Street. Thus, the MTM provides a second layer to our research question: *Do companies change their actions following the emergence of a major social movement, and, importantly, do stakeholders react differently in the wake of a major social movement?* We next describe how we tackle these questions.

3. Data and Empirical Specification

3.1. Data and Sample

Answering our research questions requires fine-grained daily data that captures gender-related company actions and heterogeneous stakeholder reactions. Because this information is not readily available, we hand-collect data on company actions and combine it with several datasets that contain information on reactions of Main Street and Wall Street. In particular, we measure daily-level stakeholder reactions on Main Street using two types of data: (1) a nationally representative survey of consumer perceptions of brands owned by 424 publicly traded U.S. companies, tracked by YouGov's BrandIndex, which forms the universe of firms in our sample; and (2) social media data from Brandwatch Consumer Research (BRC)

that includes the volume and valence of gender-equity-related social media chatter about these brands and firms across multiple platforms. We measure Wall Street reactions by using abnormal stock market returns downloaded from Wharton Research Data Services (WRDS).

Our sample period begins in January 2015 and ends in June 2020, providing a sufficient number of days before and after October 15, 2017, when the #MeToo movement went viral. In total, our sample of 4242 companies yielded 849,272 firm-day observations. We hand-collect information for our 424 companies on all gender-related actions taken during the sample period. To do so, we manually identify and code gender-related news, specifically referring to any given firm in our sample, as described below. Finally, we collect the company's daily Google search volume as well as quarterly and annual financial data from Compustat as controls. In the coming sections, we describe in detail our variables and data sources, also summarized in Table 1.

*****Insert Table 1 about here*****

3.1.1. Dependent variables

3.1.1.1. Wall Street reaction

Similar to prior research (King and Soule 2007), we measure investor reaction to gender-related company actions by calculating abnormal stock market returns using the event study methodology (for an excellent description of the method, see Flammer 2013). We use Eventus on the WRDS platform, which draws on daily stock price data from the Center for Research in Security Prices (CRSP). Eventus generates a set of abnormal daily returns for each company in our sample, where each abnormal return represents the stock price deviation from the expected baseline given the firm's past stock market performance (Hawn et al. 2018). We evaluate a narrow event window (0, +1) given that the companies in our sample are based in the U.S. and we do not expect time-zone-based leakage of the news related to company actions; however, in our robustness checks we also report results using alternative event windows (see Appendix A).

3.1.1.2. Main Street reactions

General public reactions. Because social media captures the general public perception of a particular topic or issue, our first measure of Main Street reaction is a company's social media volume and valence related to gender-inequality topics. We source the data from Brandwatch Consumer Research (BCR, formerly Crimson Hexagon; www.brandwatch.com), a leading social media intelligence company (King et al. 2017). BCR conducts social media listening across hundreds of sources, including Twitter, Reddit, news sites, forums, and blogs, and has built a proprietary web-crawling technology that automatically collects unstructured textual data from each of these sources each day and turns it into structured data. Accordingly, the BCR database contains millions of online conversations, including tweets, blog posts, forum posts, and news. Prior research using this data has shown that news articles trigger changes in the volume and composition of related social media posts (King et al. 2017), suggesting a direct reaction to the news on Main Street.

For each social media item, BCR employs a sentiment classification tool, which uses a hybrid approach combining manual and automated Natural Language Processing techniques. BCR takes all the words and phrases that imply positive or negative sentiment and applies rules that consider how context might affect the tone of the content. For more complex sentiments, their machine-learning classifiers identify the sentiment of conversations specific to a particular language and industry, so that they can evaluate a mention in relation to the typical characteristics of the conversations of customers in a specific industry. This algorithm then classifies each social media item as either positive, negative, or neutral.

To obtain our measure of Main Street reactions to company actions, we focus on the subset of social media chatter about our specific companies as it relates to gender inequality. To do so, we query the BCR online database with a series of company-specific searches for all data that mentions both the company (or brand) name and at least one term related to gender inequality or the MTM during our sample period. Given that our sample includes U.S.-based companies, we retain social media data only in English and only from the United States. Consistent with prior research, our search includes the hashtag #MeToo as well as a set of related hashtags, such as #timeisup, #hertoo, #withyou, #MeToomovement

and #Timeisnow (Jackson et al. 2020) in addition to a number of keywords related to gender-inequality issues, including sexism, gender pay gap, gender inequality, haras*, assault, alleg*, abuse, and accusation (Clark-Parsons 2021). We insert the name of the company or brand along with up to seven name variations identified by research assistants (e.g., Coca Cola Co, Coca Cola, The Coca Cola Company) and constrain the search to look for our search terms within 50 words of the company name. Overall, this data collection process allows us to capture millions of unique social media items for our sample of companies beyond simple hashtag searches, minimizing unrelated postings and producing a more complete picture of social media's coverage of gender-inequality issues in companies.

We create two dependent variables based on the BCR data. First, to measure whether the general public even reacted to company actions, we use social media *Volume,* calculated as the company-day count of unique social media mentions that met our query criteria, aggregating brand-specific social media stories to their parent company. This variable is a good proxy for the magnitude of the general public reaction because our query focuses only on social media items relevant to the #MeToo movement and gender inequality in the workplace. Accordingly, if there is no company-specific social media buzz for a given date, there is no reaction from the general public. Although companies might still have received or engaged with other types of social media stories, zero values indicate zero engagement with #MeToo and gender-inequality issues.

Second, to measure how the general public reacted, we use the overall social media *Valence* of the public reaction calculated from BCR's proprietary sentiment scores. Social media valence is the difference between the number of positive stories and the number of negative stories, divided by the total social media volume, and multiplied by 100 for scaling: Valence = 100 * [[# positive – # negative] / [# positive + # negative + # neutral]]. Thus, it is a ratio-scaled variable within the range of −100 to +100, ranging from more negative to more positive reactions. Valence is equal to zero if the gender-related social media volume is zero, or, in other words, if there is no stakeholder reaction.

Consumer reactions. Our second proxy for Main Street reaction is a measure of consumer perceptions of companies from YouGov's BrandIndex database. YouGov runs systematic and consistent

nationally representative daily surveys of consumers; therefore, it has been extensively used in the marketing literature (Hewett et al. 2016, Colicev et al. 2018, Malshe et al. 2020, Stäbler and Fischer 2020) but not yet in the management domain. YouGov collects data at the brand level and monitors 1,500 brands in the U.S. For each brand in the YouGov database, we manually identify its corporate owner by searching for the brand name on Google and Wikipedia, reading brand history on the brand website, and checking other relevant sources (e.g., company reports). On manual inspection, the 1,500 YouGov brands belong to 442 publicly traded corporate owners, for 18 of whom data was unavailable; thus, our final sample includes 424 companies. Some have only one brand (mono-brand companies, such as Nike); others have multiple brands (e.g., P&G). For multibrand companies, following prior marketing research (Colicev et al. 2018, Stäbler and Fischer 2020), we compress the brand-level data to the company level by averaging the brand-day level YouGov dimension scores for each brand held by the same corporate owner.

YouGov takes many steps to bolster the accuracy of its data and to establish confidence in its survey methodology. First, YouGov surveys 5,000 randomly selected U.S. consumers from a panel of 5 million people each day. This way, consumers who rate the brands on one day are independent of those rating brands on a different day, reducing common method bias or interviewees' interdependency in their responses. Second, in any given survey, an individual respondent is asked about only one measure for an industry, further reducing common method bias and measurement error. Third, to ensure representativeness, YouGov weighs the sample by age, race, gender, education, income, and region. Finally, YouGov uses a large panel of consumers, capturing the general opinion of the crowd. In an average quarter, over 70,000 respondents complete the surveys.

YouGov monitors consumer perceptions on seven dimensions: Brand Buzz, Impression, Quality, Value, Recommendation, Corporate Reputation, and Satisfaction. Each dimension contains a positive, negative, and neutral option for each respondent. We report questions and definitions for each item in Appendix B. Similar to the measure of valence above, for each company-dimension-day, we subtract the number of respondents who agree with the negative statement from the number of respondents who agree

with the positive statement, divide it by the total number of respondents, and multiply it by 100: Dimension score = 100 * [[# positive – # negative] / [# positive + # negative + # neutral]]. We follow YouGov's own methodology and prior marketing literature (Luo et al. 2013, King et al. 2017) to compute the overall consumer perception measure as the equally weighted average of all seven dimensions. The resulting daily overall *Consumer perception score* ranges from −100 to 100, from more negative to more positive perceptions.

3.1.2. Independent Variable: Company Actions

To collect and code all gender-related actions taken by the 424 companies in our sample, we follow a multi-step process. First, a team of 30 research assistants used Factiva to conduct company-specific searches for news articles published between January 2015 and June 2020, using keywords related to sexual harassment, gender discrimination, and women's empowerment topics (see Appendix C for instructions). The procedure is superior to prior research because using Factiva allowed us to search all sources of information instead of restricting the search to the 50 largest U.S. newspapers by circulation (Bundy et al. 2021) or press releases in the Business Wire and PR Newswire databases (Zavyalova et al. 2012). Two research assistants per company independently conducted the search and screened each of the resulting news articles, retaining those that reported new information focusing on gender-inequality actions taken by the focal company and saving the earliest mention of the action and the related news article. These company-level media searches yielded a total of 4,847 news articles. Of these, 838 were selected as relevant by *both* screeners *independently* and advanced to the next phase.

Second, the lead author and a team of eight research assistants independently read and coded each of the 838 articles. Those news articles that reported a "new event that is primarily related to the #MeToo movement, or gender inequality at the focal company" were deemed relevant, whereas news stories that described old events to provide context, announced awards to specific people (such as prominent women employed at the focal company), or only tangentially mentioned the company were deemed irrelevant. This approach, treating news articles as novel signals of company actions observable to stakeholders, is

consistent with the event study methodology and was undertaken to identify the date when stakeholders received *new* information about company actions (rather than old information) to which they *could* have reacted (King et al. 2017).

Once we identified new company actions, our research assistants independently coded whether the action was prompted by an external trigger (to code proactive or reactive actions) and whether it was symbolic (defined as "nominal actions that produce impressions") or substantive (defined as "significant changes that are not easily reversible"). These 0/1 codings were then used to create our independent variables. In addition to these primary categorizations, coders classified more than 30 dimensions of company actions and external triggers (see Table 2). All research assistants took part in a training exercise introducing them to these constructs prior to engaging in the coding task and recorded their coded values using a survey tool (built in Qualtrics) to reduce the chance of data input errors; the full tool is available in Appendix D. Coding was semi-synchronized over the course of four weeks, and the coding team met weekly with the lead author to ask questions and refine the process based on any learnings from the prior week.

To compress this data from nine coders to a single coding for each dimension and each news item, the author team agreed to retain a coding when at least six of the nine coders agreed on it. In other words, each of the 30+ dimensions of company action was coded as 1 if two-thirds of raters agreed that it was present, and zero otherwise. In cases where the group was nearly evenly split, with no clear agreement on either the absence or presence of a specific dimension, the lead author's coding was used as the tiebreaker. This rule was also applied to identify relevant news. Of the 838 news items the team coded, 632 were deemed relevant based on the 6/9 rule. Table 2 provides the number of news items coded in each dimension for the full sample (column 1), for the pre-MTM (column 2) and post-MTM periods (column 3), and for each of the four main action categories (columns 4–7).

*****Insert Table 2 about here*****

When we refer to company actions in our analysis and conceptual framework, we are referencing these categorical codes applied to news items. We note that some news clearly report a company action,

such as launching an advertising campaign or announcing a new policy, while other news items emphasize an external trigger event (such as allegations of misconduct), with company actions either stated directly (a statement or refusal to comment) or indirectly (non-response implied when no specific company action is mentioned). For ease of expression, we refer to all of these as company actions.

3.1.3. Control variables

We include several controls in our analysis. First, to control for relative online interest in each company, we use a normalized index for *search volume* derived from Google Trends data (Stäbler and Fischer 2020). Second, we include several controls from Compustat for firm's financials, which could affect our dependent variables. We control for firm size with the natural logarithm of revenue. We control for innovation activity with research and development expenses (*R&D*). R&D is known to be reported by only a subset of companies; when this (or another) financial variable is missing, we impute the value as (1) the value in the prior year, (2) the within-firm sample average, or (3) zero. Robustness tests confirm that imputed values do not substantially alter our findings. To control for slack resources, we include the *current ratio* (operationalized as current assets over current liabilities). We also include return on assets (*ROA*, operationalized as net income divided by total assets) to control for firm profitability. We lag all control variables by one year to create temporal separation from our dependent variables. Finally, we include five daily lags of the relevant dependent variable to control for serial autocorrelation and to model dynamic data-generating process. We are aware that there might be bias with a low number of time periods (Nickell 1981) when using lagged dependent variables in panel models with fixed effects; however, our high number of time periods (due to daily data) should alleviate this bias (Wilkins 2018). Table 3 presents summary statistics and correlations.

*****Insert Table 3 about here*****

3.2. Empirical Specification and Results

3.2.1 Company actions before and after MTM

Figure 1 charts the number of company actions per quarter across our sample period, categorized as proactive-symbolic, reactive-symbolic, proactive-substantive, or reactive-substantive. After the start of the #MeToo movement in October 2017, there is a sharp uptick in the overall volume of company actions that persists for the remainder of the study period. This increase in observed company actions comes from two sources. First, among the 89 companies who engaged in gender-related actions before MTM, 48 companies increased or maintained the number of actions in the post-MTM period, by an average of 94%. At the same time, 41 companies reduced the number of actions that they undertook, including 29 who took no actions in the post-MTM period. On net, this group of companies contributed 47 additional events after the MTM compared to before MTM. Second, 90 companies which had not engaged in gender-related actions before the MTM did engage after the MTM, adding an additional 177 events.

While the proportions of symbolic versus substantive and proactive versus reactive actions are similar in both periods, the composition in each category shifts. In particular, sexual-harassment-related actions comprise 15.2% (n = 31) of the total in the pre-MTM period, but the proportion increases to 25.9% (n = 111) in the post-MTM period. Of all the qualitative descriptions of company actions, only two other dimensions see a statistically significant shift after the #MeToo movement. First, while awards to companies increase from 39 to 63 between the pre- and post-MTM periods, their proportion falls from 19.1% to 14.7%. Second, companies in our sample produced only seven gender-related white papers or formal reports in the pre period and 32 such reports in the post period, nearly doubling the proportional representation from 3.4% to 7.5%. Finally, there is a notable increase in symbolic company actions around Q1 of each year, which is more pronounced in the post-MTM period. Many of these actions correspond to gender-related statements or activism during the month of March, usually in recognition of International Women's Day.

3.2.2. Wall Street reaction: Financial event study

As discussed in the prior section, our evaluation of investor reaction to company actions relies on the financial event study methodology. Accordingly, before conducting this study, to ensure that the key

assumption of the method (that investors only react to new information pertaining to the phenomenon of interest—company actions—rather than to other news) is not violated, we sought to remove all major confounding events from our sample. To identify such events, we matched our company-day actions to the Ravenpack news analytics database and identified dates in our sample that fell within plus or minus 3 days of a major financial announcement for the company (e.g., quarterly earnings reports). As a result, we dropped all gender-related actions affected by confounding events, limiting the sample for this analysis to 538 observations.

We then split these observations into various subsamples: from all actions to those taken before and after the MTM, and by each category of action (proactive, reactive, symbolic, substantive, and mutually exclusive cross-terms). We conducted a market-wide event study by calculating the average market-adjusted cumulative abnormal return (CAR) using value-weighted index over days 0 and +1 (the day of and the day after the action is recorded in our dataset). We report these average CARs in Table 4, relying on a two-tailed test to estimate whether the mean CAR significantly differs from zero, with corresponding Z-statistics and p-values. The standard event study methodology assumes that the sample consists of independent events, but since some companies take several actions and, hence, enter our sample several times, this assumption may be violated. Therefore, we derive Z-statistics using the standardized cross-sectional test, where we compensate for a possible variance increase on an action date by incorporating a cross-sectional variance adjustment.

*****Insert Table 4 about here*****

As shown in Table 4, on average, investors react negatively to all company actions undertaken to address gender inequality, with a −0.19% CAR ($p = 0.066$). A large portion of these actions are symbolic ($N = 433$), to which shareholders react negatively as well (−0.19% CAR, $p = 0.046$). Half of all actions are reactive in timing ($N = 268$), and investors react negatively to such actions (−0.21% CAR, $p = 0.069$). Finally, shareholders react negatively to their combination (reactive-symbolic actions), with a −0.22% CAR ($p = 0.089$). These results suggest that investors do not value proactive or substantive actions and instead respond negatively to reactive and symbolic company actions.

While a very short event window (0, +1 days) shall help capture the immediate shareholder reaction, we evaluate other event windows of (−1, +1), (−1, +2), (−1, 0), (0, +2), and (+1, +2) days as a robustness check. Overall, we find consistent results (see Appendix A), with the only difference in negative and statistically significant investor reaction to (1) all actions after the MTM began in all alternative event windows, (2) substantive, and (3) proactive actions in the period including 1 day before the action was taken. This adds some dynamism to investor reaction and points to potential leakage of substantive and proactive actions; however, the negative reaction to such actions is hard to explain before they are taken. It is possible that investors do not expect any of these actions to increase the company value, which is consistent with their overall negative reaction to all actions. It is also interesting that their reaction is negative to all actions in all alternative (i.e., longer) event windows after the MTM went viral. Next, we turn to other stakeholders and their reactions.

3.2.3. Main Street reaction: Fixed-effects panel regressions

Our objective is to estimate the impact of gender-related company actions on each of our three dependent variables representing Main Street's reaction. We use a panel regression model with company and year fixed effects to uncover the within-company changes in each dependent variable observed on the day of gender-related actions:

$$y_{it} = \beta_0 + \beta_1 action_{it} + \sum^{k} \beta_k Controls + \mu_i,$$

where y_{it} is the dependent variable of interest (consumer perceptions, social media volume, or social media valence) for company i on day t, and $action_{it}$ is a binary variable equal to 1 if any type of gender-related action is recorded for company i on day t, and 0 otherwise. Standard errors are clustered at the company level. The coefficient of interest, β_1, is interpreted as the within-company variation in y_{it} that occurs on days of a gender-related company action. We run this model three times as follows. First, we operationalize $action_{it}$ as two binary variables: symbolic and substantive actions. This allows us to test the overall effect of symbolic or substantive actions without regard for their timing (i.e., proactive and reactive). Next, we run a second set of models, where we operationalize $action_{it}$ as proactive and

reactive actions. This allows us to test the overall effect of proactive and reactive actions without regard to their nature (i.e., substantive and symbolic). Both models provide a baseline for the third model, in which we operationalize $action_{it}$ as four binary variables reflecting the full repertoire of actions (proactive-symbolic, proactive-substantive, reactive-symbolic, and reactive-substantive). For each model, actions are represented as category-specific binary variables, where the omitted category is "no action."

3.2.3.1. Results: Social media volume and valence

Table 5 presents the results of this analysis with social media volume in Table 5A and social media valence in Table 5B. Overall, the social media volume results suggest that Main Street reacts to all types of actions: the volume increases for both symbolic and substantive actions (Model 2) and for proactive and reactive actions (Model 3), compared to within-firm expectations. However, when the four distinct action types are included in one model (Model 4), the volume increases only for reactive-substantive ($\beta = 117.089$, $p < 0.05$) and reactive-symbolic actions ($\beta = 63.608$, $p < 0.05$). Comparing reactions before MTM versus after suggests that these effects are strongest in the period after the MTM. Before the MTM began, we observe statistically significant reactions to symbolic ($\beta = 55.426$, $p < 0.01$) and reactive actions ($\beta = 93.391$, $p < 0.01$) (Models 5–7). In the post-MTM period (Models 8–10) the social media reaction intensifies, as shown by statistically significant increases in volume for symbolic ($\beta = 50.977$, $p < 0.05$), substantive ($\beta = 58.237$, $p < 0.05$), reactive ($\beta = 64.152$, $p < 0.05$), reactive-substantive ($\beta = 115.602$, $p < 0.01$), and reactive-symbolic actions ($\beta = 55.104$, $p < 0.01$). Comparing effect sizes across time periods, we see that the effect sizes for reactive-substantive and reactive-symbolic actions are similar in both time periods but are only statistically significant in the post-MTM period, suggesting that stakeholder reactions were more noisy in the pre-MTM period. Taken as a whole, these results suggest that Main Street reacts to these company actions by talking about companies more via social media. Next, we turn to understanding *how* Main Street reacts to these actions by evaluating changes in social media valence.

Panel B reports the results of this analysis: social media valence falls from its within-company expectation on days when companies take symbolic (Model 2), reactive (Model 3), and reactive-symbolic actions (Model 4). In the overall sample, reactive actions generate a decrease in social media valence of 6.1, which differs significantly from both the average within-company valence on days without gender-related actions ($p < 0.01$) and on dates of proactive company actions ($p = 0.04$). Additionally, the reduction in social media valence on the day of reactive-symbolic company actions of 5.8 is significantly different from the average within-company valence on days without gender-related actions ($p < 0.01$) and from proactive-symbolic actions ($p = 0.09$) (see Appendix E). These effects are of similar magnitude in the pre-MTM period (Models 5–7), though they are not statistically significantly different from zero. Results in the period after the movement went viral (Models 8–10) mirror those in the overall sample, though with lower statistical significance. Results before and after the MTM are of similar magnitude and are not statistically significantly different from one another, suggesting again that the social media response to company actions is noisier before MTM than after. Overall, these results indicate that Main Street, as measured by social media volume and valence, reacts with increasing and negative attention in response to reactive and symbolic gender-related company actions. We also find that while our results show an uptick in social media volume on the day of substantive actions, the increased social media chatter is (on average) neither positive nor negative. Moreover, there is a consistent negative overall reaction to companies' symbolic-reactive actions.

*****Insert Tables 5–7 and Figure 2 about here*****

3.2.3.2. Results: Consumer perceptions

Table 6 presents the fixed-effects model results of consumer perceptions as a function of company actions and characteristics. Overall, consumer perception scores fall on the day of symbolic ($b = -0.4$, $p < 0.01$, Model 2), proactive ($b = -0.36$, $p < 0.01$, Model 3), and reactive-symbolic ($b = -0.445$, $p < 0.1$, Model 4) actions; within-model comparisons of coefficients show significant differences between reactive-substantive and reactive-symbolic actions ($p = 0.08$; see Appendix E). Moreover, consumer reactions are not statistically significant for any type of action before the MTM began (Models 5-7); the negative

response to reactive-symbolic actions that is observed in the overall sample is only statistically significant in the period after the MTM went viral (Models 8–10). Interestingly, consumers also react negatively to proactive-symbolic actions in the post-MTM period ($b = -0.551$, $p < 0.1$, Model 10), suggesting a general dislike of symbolic actions on behalf of consumers (i.e., whether taken proactively or in response to a trigger).

To conclude, the results portray a negative consumer response to reactive-symbolic company actions similar to that observed in the social media valence model above, as well as in Wall Street results. Table 7 summarizes our findings across different stakeholders for the overall sample. In addition to consistent negative reactions to symbolic-reactive actions across all three stakeholder groups, consumers also react negatively to proactive actions. None of the other stakeholders in this study responded to proactive actions, except for increased social media volume (that is not coupled with any change in valence, however). Therefore, in the additional analyses below, we examine whether consumer perceptions of an action are affected by social media chatter surrounding it. It is possible that consumers react more strongly after observing the general public reaction on social media.

3.3. Sensitivity Analyses

We conduct several robustness tests to evaluate the sensitivity of our results using social media volume and valence as a moderator and alternative model specifications.

First, given the tremendous power of social media and our results from the consumer models above, we examine potential moderating effects of social media on consumer perceptions. To do so, we add the interaction terms of social media volume and valence with company actions as follows:

$$Consumer\ perception_{it} = \beta_0 + \beta_1\ action_{it} + \beta_2\ valence_{it} + \beta_3\ \ volume_{it}$$
$$+ \beta_4\ action_{it} * valence_{it}\ + \beta_5\ action_{it} * volume_{it}\ + \sum^{k} \beta_k\ Controls + \mu_i$$

As before, we extend this model to reflect different categories of company actions, repeating each set of moderated interactions for each type of action. Appendix F shows the results of this analysis separately for symbolic and substantive actions (Table F.1), proactive and reactive actions (Table F.2), and their

combinations (proactive-symbolic, proactive-substantive, reactive-symbolic and reactive-substantive) (Table F.3). In each table, the analysis is repeated for the overall sample and for the pre- and post-MTM periods. Figure 2 illustrates the results of this analysis (Table F.3) as predicted consumer perception scores for each of our four core action types at various levels of social media volume (Figure 2a) and valence (Figure 2b).

Figure 2 indicates several notable findings. First, the null main effect for reactive-symbolic actions combined with negative and statistically significant coefficients on the interactions between reactive-symbolic actions and social media volume suggest that the original negative relationship between such actions and consumer perceptions is driven mainly by those actions that draw more social media attention. In other words, as social media volume increases, reactive-symbolic actions garner more strongly negative consumer perceptions.

Second, while the main models uncovered a slight negative relationship between proactive-symbolic actions and consumer perceptions only in the post-MTM period, the moderated models show a consistently positive interaction between such actions and social media valence both before and after the MTM. This suggests that consumers are less likely to penalize companies for their proactive-symbolic actions when these are accompanied by less negative (or more positive) social media. Moreover, this effect is enhanced by higher social media volume in the pre-MTM period but not in the post-MTM period, which suggests that positive and pervasive messaging around proactive-symbolic company actions may have been more effective before the MTM but less effective afterwards.

Third, consumers penalized proactive-substantive actions that are accompanied by high social media volume (regardless of valence) during the post-MTM period but did not react to such events in the pre-MTM period. By contrast, they penalized reactive-substantive actions with higher social media volume (regardless of valence) in the pre-MTM period but did not react to such events in the post-MTM period. This reflects the dynamic impact of the social movement on consumer perceptions: with greater social media attention to substantive actions, proactive-substantive actions became expected and came too

late after the movement began, resulting in a negative reaction, whereas reactive-substantive actions with greater social media attention were expected even before the movement made this issue more salient.

To conclude, these findings suggest that Main Street's reaction includes complex and interdependent relationships between consumers and social media. It seems that consumers refer to social media in formulating their reactions and that sometimes the sheer volume of social media reaction can affect how consumers value company actions. Furthermore, our findings suggest that models considering only proactive versus reactive or only symbolic versus substantive company actions can mask significant differences in consumer perceptions associated with the more nuanced combined action categories that reflect the full repertoire of actions—our core contribution to the literature.

In our next sensitivity analysis, we test whether the reported results are robust to alternative model specifications. For this part, we focus on Main Street reactions in the overall sample (Tables 5 and 6). We rerun these models including quarterly rather than annual financial controls, quarterly rather than annual fixed effects, and dummies flagging missing financial data. None of these changes have material impacts on our findings: the coefficients of interest are of similar magnitude, with similar standard errors.

Finally, given that our main models include five daily lagged dependent variables as controls for a pre-trend, we test the impact of different levels of the lagged dependent variable from having no lag to including 10 daily lags. We find that when we do not include any controls for prior values of the dependent variable, the coefficients of interest are generally larger, with relatively larger (and therefore less precise) standard errors, and the model's R-squared (both within and between companies) is very small in all models. On the other hand, changes in the number of lags (from one to 10 daily lags) included in the model have minimal impact on the coefficients and standard errors of interest. To conclude, including lags on the dependent variable produces more conservative estimates, at the benefit of increasing the model's overall precision. All robustness test results are available upon request.

4. Discussion

4.1. Contributions

Stakeholder management scholarship recognizes that companies are intertwined in a system of heterogenous stakeholders with conflicting, sometimes irreconcilable demands (Bridoux and Stoelhorst 2014, Lange et al. 2022), yet there are gaps in our understanding of the nuanced interplay between stakeholder pressures and social movements, company actions of various types in response to these pressures, and, in turn, stakeholder reactions to company actions (Bundy et al. 2021). In particular, while each of these relationships independently has generated substantial insights (e.g., Westphal and Zajac 2001, Fiss and Zajac 2006, Crilly et al. 2012, McDonnell and King 2013), they remain in distinct silos with very little empirical research attempting to address the key interconnections (except to some extent by Bundy et al. 2021).

To advance this area of research, this paper seeks to understand *how different groups of stakeholders react to different company actions to address gender inequality, whether they aligned in their reaction, and, importantly, whether companies change their actions following the emergence of a major social movement and whether stakeholders react differently as a result of a major social movement*. We build a unique data set of daily observations of company actions in the context of gender (in)equality and examine related stakeholder reactions and the effect of social pressure generated by the MTM. We identify 632 company actions taken by our universe of 424 companies, reported in the news media, and code them using two core categories derived from prior literature. The first, rooted in the logic of stakeholder claims and social movements, recognizes that companies can both react to direct threats and take proactive steps to address stakeholder concerns (Aragón-Correa 1998, Sharma and Vredenburg 1998). The second, rooted in the neo-institutional theory, recognizes that organizational actions can be symbolic or substantive (Meyer and Rowan 1977, Westphal and Zajac 1994, Fiss and Zajac 2006). We argue that the combination of these two dimensions yields a useful repertoire of company actions that heterogeneous stakeholders may perceive differently: from reactive-symbolic to reactive-substantive and proactive-symbolic to proactive-substantive actions.

To explore their reactions, we study the changes in stakeholder perceptions of the companies on the day of their different actions. This granularity is uncommon in the literature, which more often focuses on aggregate outcomes or indicators over larger units of time: annual or monthly data of a firm's aggregate social and environmental performance (e.g., Eccles et al. 2014, Li and Wu 2020). Additionally, most prior research studies reactions in a single stakeholder group (e.g., Flammer 2013, Hawn et al. 2018, Buell and Kalkanci 2021), while our study investigates reactions among two core groups of stakeholders: Wall Street and Main Street. Lamin and Zaheer (2012) suggested a key difference between these two stakeholder groups in how they evaluate decoupling: they seem to operate by separate moralities: Main Street values fairness; Wall Street privileges profit. Thus, one might expect these two stakeholder groups to react differently to different company actions. However, given the nature of gender inequality as a social issue that affects all people either directly or indirectly through their relationships with women, coupled with the intense and pervasive influence of the MTM, traditionally diverging stakeholders may instead converge in their reaction to company actions in this domain. Without good a-priori reasons to assume a certain effect in this context, we take a data-driven abductive approach to provide an answer to this critical practical and theoretical dilemma.

Surprisingly, we uncover that stakeholders on Main Street and Wall Street are consistent in penalizing companies for reactive-symbolic actions. By contrast, both stakeholder groups do not react, positively or negatively, to any other categories from the repertoire of company actions. We note that we measure Wall Street reactions using traditional financial event study methodology and Main Street reactions using two proxies for the general public and consumer perceptions of companies using two different datasets, each with its own strengths and weaknesses. The first is the valence and volume of social media chatter, which captures online conversations surrounding the company and gender issues specifically but does not guarantee a representative population sample. The second addresses this limitation by using a nationally representative survey of multidimensional brand perceptions among consumers. We find that these two representations of Main Street reactions show similar patterns and are

in fact interrelated, with social media valence and volume moderating consumer perceptions of the company as measured in the nationally representative survey.

Overall, Main Street penalizes insincere or superficial (i.e., symbolic) actions, especially when they are taken in response to company-specific triggers (i.e., reactive) or after the MTM began. By contrast, Main Street does not reward companies for taking substantive actions to address gender-related issues, potentially a missed opportunity for stakeholders to signal approval of company actions that might spur social change from within the firm. This may be because our study has mainly focused on reactions from external stakeholders; it is possible that employees, as internal stakeholders, react differently because they can recognize substantive company actions more easily and be affected by them more directly. Future research could evaluate the ways that internal stakeholders engage with gender equality in the workplace.

In sum, as discussed above, we contribute to three distinct literatures. First, we advance gender studies by identifying and categorizing a broader spectrum of company *actions* that are directed at addressing gender inequality at work, extending our understanding of the repertoire of potential options, and extending gender studies to consider how different audiences evaluate and react to company actions in this context. Second, our study applies the neo-institutional literature on decoupling (Westphal and Zajac 2001, Bromley and Powell 2012, Durand et al. 2019) in the context of gender inequality, adding an important temporal dimension (proactive or reactive) to symbolic and substantive actions. This proactive/reactive distinction has been made in the context of environmental issues (Aragón-Correa 1998), but we are not aware of any prior research that applies it in the context of gender inequality. Finally, we offer important insights for the stakeholder management literature by evaluating the reactions to these different company actions among heterogeneous stakeholder groups. As stakeholder strategy research is just beginning to theorize about the social nature of stakeholder utility, in particular that stakeholders may respond differently to different company actions targeting not only themselves but also other stakeholders (Lange et al. 2022), we provide empirical insights about how Wall Street and Main Street react to company actions directed at internal and external stakeholders in the context of gender inequality. While these different stakeholders agree in their disapproval of reactive-symbolic company

actions, they neither reward nor penalize any other types of action. This is an important insight because while it is hard to strategically prioritize and balance the conflicting demands and expectations of multiple stakeholder groups (Bridoux and Stoelhorst 2014), and because existing conceptual research (Lamin and Zaheer 2012, Bridoux and Stoelhorst 2014, Bundy et al. 2018) might propose that different stakeholder groups will react differently to different company actions, in our setting they are aligned, and thus it may be easier to manage different groups of stakeholders than previously thought, at least on the gender-inequality grand challenge.

Management scholars have long studied the causes and consequences of systemic gender inequality within organizations (Joshi et al. 2015, Fernandez-Mateo and Kaplan 2018, Simchi-Levi 2020). Addressing gender inequality is increasingly salient for companies, with pressure arising from both explicit institutional forces, such as the Sustainable Development Goals targeting gender parity, and the emergence of the MTM calling out systemic gender-based harassment and inequality in workplaces and in society at large (Amis et al. 2021). Yet societal pressure is multifaceted, and companies do not always know how their actions in response to both broad-based and targeted pressures will be received by their stakeholders. Indeed, many voices on Wall Street suggest that concerns over social issues such as gender equality could distract companies from maintaining a sharp focus on improving financial performance (e.g., the recent ESG backlash in the U.S.). Our findings suggest that the opposite is true: companies that engage with gender inequality in a reactive-symbolic manner may see reduced financial performance, as measured by abnormal stock market returns, as well as decreased public perceptions—which has a bearing on their long-term brand equity and consumer decisions (Malshe et al. 2020). We hope these important practical implications will help managers as they make strategic decisions about how to address this and other social issues.

4.2. Limitations

We recognize several limitations of our research. First, although we find very few positive reactions to any company actions addressing gender inequality, we are limited in our analysis to company actions that

get attention in the news; thus, media negativity bias might partly explain our results. In addition, we observe increases in the volume of actions taken after the MTM, and attribute these observed changes to increases in company actions. This approach assumes that the media's propensity to report company actions is similar before and after MTM. However, it is theoretically possible that the MTM triggered changes in the way the media perceives and reports on gender related events. If this is the case, the sample of actions that we observe before and after MTM could be systematically different as a result of this media bias.

Second, we recognize that on the date of reactive actions, our daily-level data could combine news about a triggering event with news of the company's reactive action. If this is the case, this makes it impossible to fully disentangle stakeholders' perceptions of the trigger event from perceptions of the company action. Thus, our observed stakeholder responses could reflect the net effect of both the triggering event and the company's response to this event. If triggering events of different types are both perceived differently by stakeholders *and* associated with systematically different corporate responses—symbolic or substantive—then this net effect may mask different magnitudes of changes in stakeholder perceptions associated with the triggering event as distinct from the company response.

Finally, we recognize that company actions and stakeholder reactions are linked through many complex and likely interdependent pathways. Nonetheless, despite the complexities in the company–stakeholder relationship, we make several efforts to trace a realistic sequence of events. First, our daily-level data on one issue allows us to isolate more precisely the date on which relevant information about a company was made public. This allows us to tease out more carefully how stakeholders value company actions in the ESG domain, information often masked in more aggregate-level datasets. Second, we remove confounding events in the financial event study to further isolate shareholder reaction to company actions of interest. Third, we measure within-company changes in public perceptions and discourse, after controlling for their recent history (by including five daily lags of the dependent variable in our regression analysis), relative online interest in the company and its brands (using Google Trends), and the company's size and financial characteristics. While the effect sizes we measure are small, they reflect

meaningful fluctuations in Main Street and Wall Street perceptions of the firm and suggest the temporally sequenced reaction to company action.

Even though our findings suggest that customers, investors and the general public do not value proactive and substantive company actions to address gender inequality, by no means do we propose that companies should not pursue these actions. Our data only covers these two groups of stakeholders (Main Street and Wall Street); we expect internal stakeholders (employees) to know and care more about proactive-substantive actions and to react positively to them, which in turn may endow a company with certain benefits, such as higher retention (Bode et al. 2015), employee engagement (Flammer and Luo 2017), and even better financial performance (Eccles et al. 2014). Future research could explore reactions of internal stakeholders within the company, such as employees, and analyze how they may differ from our findings (e.g., Burbano 2021). Another interesting avenue of research would be to broaden the scope of diversity to other facets, such as sexual orientation, race, or disability.

5. Conclusion

Recognizing the dynamic interplay between heterogeneous stakeholders and company actions, using unique daily-level data, our study presents novel empirical evidence of the variety of actions that companies take to respond to stakeholder pressure and shows how two important stakeholder groups react to such actions in the context of gender inequality. We find that Main Street and Wall Street consistently punish companies for reactive-symbolic actions but do not react to any other category from the repertoire of potential options. While stakeholder reactions to company actions on other ESG issues can be different, the evidence we provide begins to unpack the interrelationships between company actions and stakeholder reactions and how they shift in response to social movements. Which type of action to pursue is an important managerial decision, and this alignment in stakeholder reactions sends a clear signal about the costs of reactive-symbolic actions. Therefore, we hope our study will help inform practice by deterring managers from taking reactive-symbolic actions and will spark more research helping to navigate this difficult strategic decision in other areas of ESG.

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Figure 1. Quarterly Count of Company Actions by Category

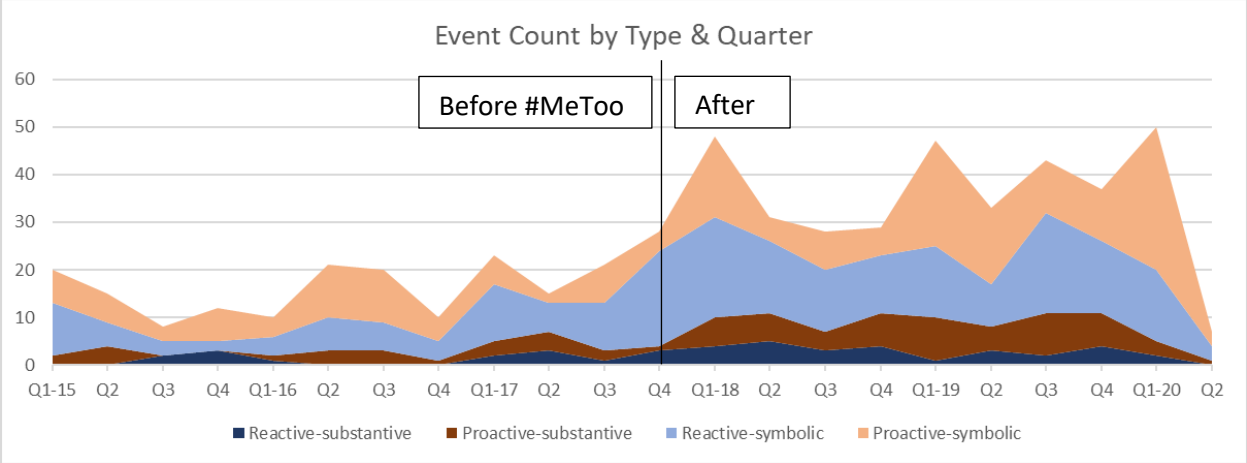
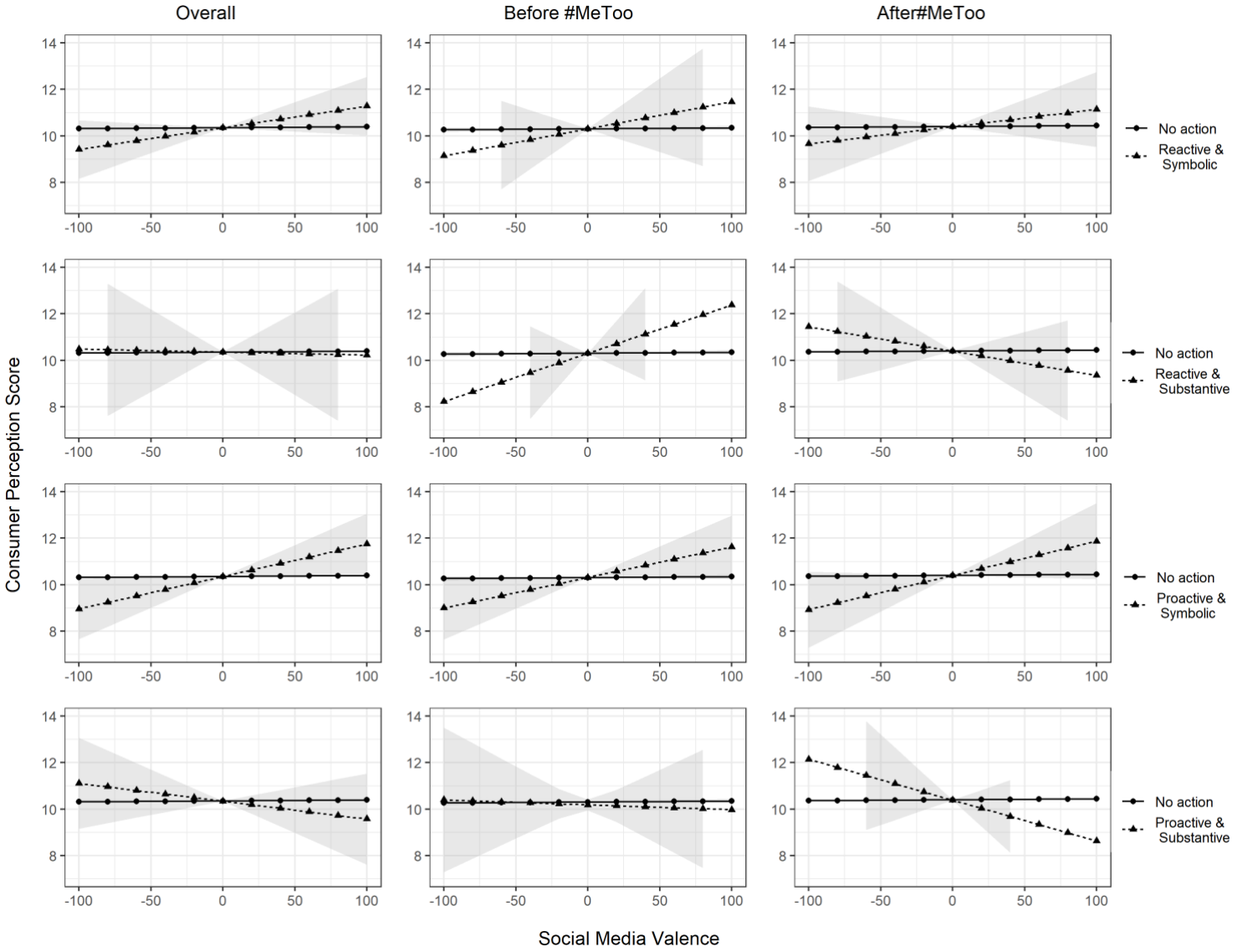


Figure 2. Predictive Margins for Actions and Social Media Interactions



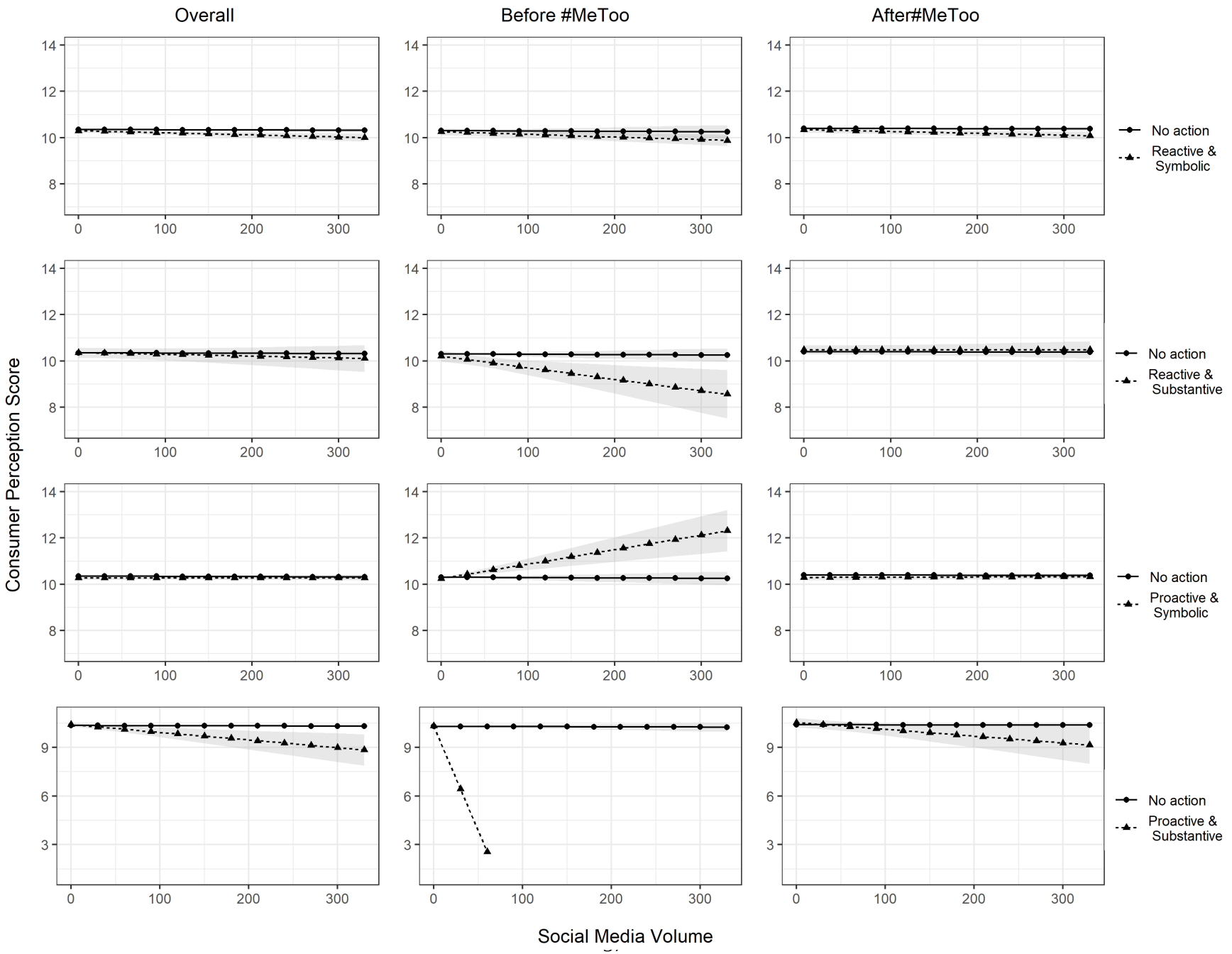


Table 1. Variables and Datasets Used

Variable	Purpose	Definition	Data Source	Supporting Literature
Gender-related actions	Main independent variable	Manually reviewed Factiva data base to identify relevant news, then team of 9 coders manually coded all actions to identify categories and other event details. 0 or 1.	Factiva + manual coding	
Cumulative Abnormal Returns	Dependent variable in Part 3.2.1	Stock market returns drawn from the CRSP data base and accessed via Eventus in the WRDS platform. Cumulative Abnormal Returns for the periods (-1, 0) and (0,-1). Exists only for event dates.	CRSP Eventus (Via WRDS)	Flammer 2013, Hawn et al. 2018
Customer Perceptions	Dependent variable in Part 3.2.2	The average of 7 survey-based metrics: Brand Buzz, Impression, Quality, Value, Recommendation, Corporate Reputation, and Satisfaction. Firm-day level, full panel	YouGov	Hewett et al. 2016, Malshe et al. 2020
Social Media Volume	Dependent variable in Part 3.2.2	Total volume of social media stories focused on the company & gender-related search terms. Firm-day level, full panel Calculated as # total stories = # positive + # negative + # neutral	Brandwatch	Jackson et al. 2020
Social Media Valence	Dependent variable in Part 3.2.2	Overall balance of positive and negative sentiment within social media stories. Firm-day level, full panel Calculated as Valence = 100*(# positive—#negative) / (# total stories)	Brandwatch	
Positive social media	Moderating variable in Part 3.3	Percent of social media stories classified as positive sentiment. Firm-day level, full panel Calculated as Positive = # positive / # total stories	Brandwatch	
Negative social media	Moderating variable in part 3.3	Percent of social media stories classified as negative sentiment. Firm-day level, full panel Calculated as Negative = # negative / # total stories	Brandwatch	
Size	Control variable	Proxy for size of company, calculated as log of revenue. Firm-quarter level, full panel, lagged	Compustat (via WRDS)	
R&D	Control variable	Research and development expenses. Firm-quarter level, full panel, lagged	Compustat (via WRDS)	

Variable	Purpose	Definition	Data Source	Supporting Literature
Google search volume	Control variable	Normalized index for volume of Google searches for company and associated brands. Firm-Day level, full panel.	Google trends	Stäbler and Fischer 2020
Current ratio	Control variable	Proxy for slack resources. Operationalized as current ratio = current assets / current liabilities Firm-Quarter level, full panel, lagged	Compustat (via WRDS)	
ROA	Control variable	Return on assets (ROA) = net income / total assets	Compustat (via WRDS)	

Table 2. Coding Summary for Gender-Related Actions

	(1) Overall (N = 632)	(2) Before #metoo (N = 204)	(3) After #metoo (N = 428)	(4) Proactive-Substantive (N = 90)	(5) Proactive-Symbolic (N = 224)	(6) Reactive-Substantive (N = 46)	(7) Reactive-Symbolic (N = 0.353)
Trigger event							
Legal	124 (19.6%)	35 (17.2%)	89 (20.8%)	5 (5.6%)	3 (1.3%)	20 (43.5%)	96 (35.3%)
Award	102 (16.1%)	39 (19.1%)	63 (14.7%)	0 (0.0%)	20 (8.9%)	0 (0.0%)	82 (30.1%)
Complaint	54 (8.5%)	18 (8.8%)	36 (8.4%)	2 (2.2%)	3 (1.3%)	9 (19.6%)	40 (14.7%)
External investigation	26 (4.1%)	5 (2.5%)	21 (4.9%)	0 (0.0%)	4 (1.8%)	5 (10.9%)	17 (6.3%)
No trigger	269 (42.6%)	87 (42.6%)	182 (42.5%)	80 (88.9%)	189 (84.4%)	0 (0.0%)	0 (0.0%)
Other Trigger	60 (9.5%)	23 (11.3%)	37 (8.6%)	5 (5.6%)	6 (2.7%)	6 (13.0%)	43 (15.8%)
Topic							
Pay equity	97 (15.3%)	30 (14.7%)	67 (15.7%)	6 (6.7%)	36 (16.1%)	5 (10.9%)	50 (18.4%)
Gender discrimination	105 (16.6%)	41 (20.1%)	64 (15.0%)	9 (10.0%)	8 (3.6%)	15 (32.6%)	73 (26.8%)
Harassment	142 (22.5%)	31 (15.2%)	111 (25.9%)	10 (11.1%)	10 (4.5%)	30 (65.2%)	92 (33.8%)
Culture	66 (10.4%)	23 (11.3%)	43 (10.0%)	4 (4.4%)	20 (8.9%)	8 (17.4%)	34 (12.5%)
Leadership	212 (33.5%)	68 (33.3%)	144 (33.6%)	55 (61.1%)	94 (42.0%)	1 (2.2%)	62 (22.8%)
Other topic	3 (0.5%)	2 (1.0%)	1 (0.2%)	0 (0.0%)	1 (0.4%)	1 (2.2%)	1 (0.4%)
Action							
Initiative	165 (26.1%)	52 (25.5%)	113 (26.4%)	20 (22.2%)	95 (42.4%)	2 (4.4%)	48 (17.6%)
Policy change	82 (13.0%)	35 (17.2%)	47 (11.0%)	25 (27.8%)	13 (5.8%)	14 (30.4%)	30 (11.0%)
Punish perpetrator	21 (3.3%)	4 (2.0%)	17 (4.0%)	0 (0.0%)	0 (0.0%)	15 (32.6%)	6 (2.2%)
Ad campaign	43 (6.8%)	14 (6.9%)	29 (6.8%)	5 (5.6%)	35 (15.6%)	0 (0.0%)	3 (1.1%)
Public statement	224 (35.4%)	73 (35.8%)	151 (35.3%)	14 (15.6%)	90 (40.2%)	12 (26.1%)	108 (39.7%)
Event	58 (9.2%)	17 (8.3%)	41 (9.6%)	1 (1.1%)	55 (24.6%)	1 (2.2%)	1 (0.4%)
Internal investigation	37 (5.9%)	14 (6.9%)	23 (5.4%)	0 (0.0%)	2 (0.9%)	5 (10.9%)	30 (11.0%)
Leadership change	47 (7.4%)	13 (6.4%)	34 (7.9%)	46 (51.1%)	1 (0.4%)	0 (0.0%)	0 (0.0%)
Partnership	85 (13.4%)	29 (14.2%)	56 (13.1%)	9 (10.0%)	75 (33.5%)	0 (0.0%)	1 (0.4%)
Issue report	39 (6.2%)	7 (3.4%)	32 (7.5%)	1 (1.1%)	36 (16.1%)	1 (2.2%)	1 (0.4%)
Deflect blame	44 (7.0%)	14 (6.9%)	30 (7.0%)	0 (0.0%)	0 (0.0%)	1 (2.2%)	43 (15.8%)
Issue apology	6 (0.9%)	1 (0.5%)	5 (1.2%)	0 (0.0%)	0 (0.0%)	1 (2.2%)	5 (1.8%)
Primary actor is subsidiary	7 (1.1%)	3 (1.5%)	4 (0.9%)	0 (0.0%)	1 (0.4%)	4 (8.7%)	2 (0.7%)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Overall (N = 632)	Before #metoo (N = 204)	After #metoo (N = 428)	Proactive-Substantive (N = 90)	Proactive-Symbolic (N = 224)	Reactive-Substantive (N = 46)	Reactive-Symbolic (N = 0.353)
No action	125 (19.8%)	42 (20.6%)	83 (19.4%)	9 (10.0%)	28 (12.5%)	10 (21.7%)	78 (28.7%)
Other action	46 (7.3%)	18 (8.8%)	28 (6.5%)	8 (8.9%)	21 (9.4%)	10 (21.7%)	7 (2.6%)
Category							
Symbolic	496 (78.5%)	163 (79.9%)	333 (77.8%)				
Substantive	136 (21.5%)	41 (20.1%)	95 (22.2%)				
Proactive	314 (49.7%)	103 (50.5%)	211 (49.3%)				
Reactive	318 (50.3%)	101 (49.5%)	217 (50.7%)				
After #metoo	428 (67.7%)			63 (70.0%)	148 (66.1%)	32 (69.6%)	185 (68.0%)

Table 3. Summary Statistics and Correlations

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(1) Symbolic	1.000											
(2) Substantive	0.000	1.000										
(3) Proactive	0.567	0.435	1.000									
(4) Reactive	0.685	0.221	0.000	1.000								
(5) Social media valence	-0.014	-0.007	-0.008	-0.015	1.000							
(6) Social media volume	0.043	0.022	0.018	0.051	-0.060	1.000						
(7) Consumer perception score*	0.005	0.004	0.005	0.005	-0.052	0.023	1.000					
(8) Google search volume (scaled)	0.003	0.001	0.003	0.002	-0.015	0.009	0.023	1.000				
(9) R&D spending	0.022	0.014	0.018	0.019	-0.067	0.017	0.122	0.047	1.000			
(10) Current Ratio	0.002	0.001	-0.001	0.004	-0.014	0.002	0.050	-0.103	0.084	1.000		
(11) Return on Assets	0.003	0.000	0.002	0.002	-0.028	0.009	0.162	0.014	0.054	0.013	1.000	
(12) Size	0.019	0.010	0.015	0.015	-0.123	0.034	0.195	0.134	0.348	-0.233	0.236	1.000
N	849,272	849,272	849,272	849,272	849,272	849,272	832,952	849,272	849,272	849,272	849,272	849,272
Mean	0.00	0.00	0.00	0.00	-5.96	2.034	10.35	24.09	600.20	1.46	0.04	8.74
St.Dev.	0.02	0.01	0.02	0.02	24.92	43.48	8.80	20.23	2198	1.38	0.12	1.77
Min	0	0	0	0	-100	0	-49.80	0	0	0	-2.65	0
Max	1	1	1	1	100	12,621	68.21	100	35,931	15.33	1.03	13.16

* Correlations for “consumer perceptions” are based on its reduced sample size. All others are based on the full sample.

Table 4. Wall Street Reaction: Cumulative Abnormal Returns (CARs) Over Days 0 and +1

Type of action	N	Mean CAR	Z	p-value
All	538	-0.19%	-1.568	0.066
All before MTM	175	-0.09%	-1.04	0.144
All after MTM	363	-0.23%	-1.226	0.118
Symbolic	433	-0.19%	-1.565	0.046
Substantive	105	-0.16%	-0.406	0.33
Proactive	270	-0.16%	-0.882	0.189
Reactive	268	-0.21%	-1.41	0.069
Proactive-symbolic	197	-0.16%	-0.814	0.21
Proactive-substantive	73	-0.17%	-0.373	0.374
Reactive-symbolic	236	-0.22%	-1.42	0.083
Reactive-substantive	32	-0.11%	-0.158	0.419

Table 5A. Main Street Reaction: Social Media Volume

	Overall				Before #metoo			After #metoo		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Symbolic		51.537***			55.426*			50.997**		
		(18.691)			(32.157)			(24.424)		
Substantive		54.167***			40.417			58.237**		
		(19.664)			(25.336)			(24.575)		
Proactive			32.649*			12.436			40.934	
			(19.352)			(8.855)			(28.654)	
Reactive			71.344***			93.391*			64.152**	
			(21.627)			(51.315)			(26.634)	
Proactive-Substantive				22.037			0.746			29.120
				(14.231)			(0.638)			(19.614)
Proactive-Symbolic				36.915			16.590			45.966
				(26.478)			(11.990)			(39.934)
Reactive-Substantive				117.089**			117.007			115.602*
				(53.701)			(72.675)			(63.289)
Reactive-Symbolic				63.608**			89.572			55.104*
				(25.542)			(59.548)			(31.720)
Social Media Valence	-0.029***	-0.029***	-0.029***	-0.029***	-0.029***	-0.029***	-0.029***	-0.026***	-0.026***	-0.026***
	(0.004)	(0.004)	(0.004)	(0.004)	(0.002)	(0.002)	(0.002)	(0.005)	(0.005)	(0.005)
Constant	1.029	0.993	0.994	0.987	-0.707	-0.648	-0.652	8.024	8.016	7.966
	(1.517)	(1.505)	(1.501)	(1.502)	(1.002)	(0.972)	(0.974)	(5.120)	(5.111)	(5.099)
Observations	849,272	849,272	849,272	849,272	429,512	429,512	429,512	417,640	417,640	417,640
R-squared	0.246	0.247	0.247	0.248	0.138	0.141	0.141	0.248	0.248	0.248
Number of companies	424	424	424	424	424	424	424	424	424	424
Controls	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Firm FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table 5B. Main Street Reaction: Social Media Valence

	Overall				Before #metoo			After #metoo		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Symbolic		-3.746***			-1.563			-3.213*		
		(1.391)			(2.413)			(1.884)		
Substantive		-2.798			-6.381			-0.291		
		(2.938)			(5.625)			(3.615)		
Proactive			-0.964			-0.435			-1.080	
			(1.714)			(2.608)			(2.074)	
Reactive			-6.094***			-4.700			-4.025*	
			(1.942)			(4.391)			(2.424)	
Proactive-Substantive				-0.340			-3.896			1.309
				(3.732)			(7.850)			(3.958)
Proactive-Symbolic				-1.214			0.796			-2.096
				(1.829)			(2.225)			(2.487)
Reactive-Substantive				-7.619			-11.204*			-3.449
				(4.794)			(6.437)			(6.799)
Reactive-Symbolic				-5.837***			-3.653			-4.125*
				(2.025)			(4.942)			(2.478)
Volume	-0.013***	-0.013***	-0.013***	-0.013***	-0.053***	-0.053***	-0.053***	-0.008***	-0.008***	-0.008***
	(0.003)	(0.003)	(0.003)	(0.003)	(0.017)	(0.017)	(0.017)	(0.002)	(0.002)	(0.002)
Constant	1.227	1.229	1.229	1.229	0.107	0.102	0.104	-5.456	-5.452	-5.452
	(3.423)	(3.423)	(3.423)	(3.423)	(3.907)	(3.906)	(3.907)	(4.892)	(4.893)	(4.893)
Observations	849,272	849,272	849,272	849,272	429,512	429,512	429,512	417,640	417,640	417,640
R-squared	0.041	0.041	0.041	0.041	0.053	0.053	0.053	0.022	0.022	0.022
Number of companies	424	424	424	424	424	424	424	424	424	424
Controls	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Firm FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table 6. Main Street Reaction: Consumer Perception Score

	Overall				Before #metoo			After #metoo		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Symbolic		-0.397***			-0.298			-0.517***		
		(0.137)			(0.290)			(0.169)		
Substantive		-0.113			0.451			-0.374		
		(0.288)			(0.496)			(0.391)		
Proactive			-0.361**			-0.047			-0.620***	
			(0.183)			(0.253)			(0.236)	
Reactive			-0.312			-0.258			-0.352	
			(0.241)			(0.496)			(0.270)	
Proactive-Substantive				-0.418			0.331			-0.781
				(0.386)			(0.491)			(0.511)
Proactive-Symbolic				-0.338			-0.173			-0.551*
				(0.237)			(0.302)			(0.284)
Reactive-Substantive				0.471			0.663			0.429
				(0.473)			(1.060)			(0.501)
Reactive-Symbolic				-0.445*			-0.408			-0.489*
				(0.259)			(0.542)			(0.296)
Constant	3.499***	3.499***	3.499***	3.499***	4.243***	4.243***	4.243***	6.941***	6.941***	6.940***
	(0.555)	(0.555)	(0.555)	(0.555)	(0.800)	(0.800)	(0.800)	(0.851)	(0.851)	(0.851)
Observations	832,952	832,952	832,952	832,952	413,192	413,192	413,192	417,640	417,640	417,640
R-squared	0.118	0.118	0.118	0.118	0.081	0.081	0.081	0.040	0.040	0.040
Number of companies	424	424	424	424	424	424	424	424	424	424
Controls	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Firm FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table 7. Summary of Results: Reaction by Stakeholder

Type of action	Investors	Social media	Consumers
Symbolic	-	-	-
Substantive			
Proactive			-
Reactive	-	-	
Proactive-symbolic			
Proactive-substantive			
Reactive-symbolic	-	-	-
Reactive-substantive			

Appendix A. Financial Event Study Using Alternative Event Windows

Cumulative abnormal returns over other event windows

Event window	N	Mean CAR	STdCsect Z	p-value
		All actions		
(-1,+1)	538	-0.30%	-2.176	0.018
(-1,+2)	538	-0.36%	-1.911	0.032
(-1,0)	538	-0.25%	-2.137	0.015
(0,+2)	538	-0.25%	-1.359	0.095
(+1,+2)	538	-0.12%	-0.594	0.295
		All before MTM		
(-1,+1)	175	-0.06%	-0.96	0.17
(-1,+2)	175	0.00%	-0.443	0.339
(-1,0)	175	-0.02%	-0.522	0.293
(0,+2)	175	-0.03%	-0.463	0.329
(+1,+2)	175	0.02%	-0.076	0.493
		All after MTM		
(-1,+1)	363	-0.41%	-1.953	0.029
(-1,+2)	363	-0.54%	-1.886	0.036
(-1,0)	363	-0.36%	-2.105	0.014
(0,+2)	363	-0.36%	-1.282	0.099
(+1,+2)	363	-0.18%	-0.617	0.28
		Symbolic		
(-1,+1)	433	-0.30%	-1.903	0.021
(-1,+2)	433	-0.37%	-1.853	0.026
(-1,0)	433	-0.21%	-1.598	0.041
(0,+2)	433	-0.26%	-1.541	0.063
(+1,+2)	433	-0.16%	-1.041	0.153
		Substantive		
(-1,+1)	105	-0.28%	-1.056	0.135
(-1,+2)	105	-0.33%	-0.614	0.234
(-1,0)	105	-0.40%	-1.521	0.042
(0,+2)	105	-0.20%	-0.13	0.446
(+1,+2)	105	0.07%	0.687	0.251
		Proactive		
(-1,+1)	270	-0.29%	-1.527	0.052
(-1,+2)	270	-0.37%	-1.336	0.083
(-1,0)	270	-0.28%	-1.799	0.025
(0,+2)	270	-0.25%	-0.797	0.215
(+1,+2)	270	-0.09%	-0.197	0.434

Cumulative abnormal returns over other event windows

Event window	N	Mean CAR	STdCsect Z	p-value
		Reactive		
(-1,+1)	268	-0.31%	-1.568	0.057
(-1,+2)	268	-0.36%	-1.406	0.083
(-1,0)	268	-0.21%	-1.18	0.121
(0,+2)	268	-0.26%	-1.229	0.108
(+1,+2)	268	-0.15%	-0.675	0.24
		Proactive-symbolic		
(-1,+1)	197	-0.29%	-1.256	0.119
(-1,+2)	197	-0.34%	-1.128	0.15
(-1,0)	197	-0.23%	-1.233	0.11
(0,+2)	197	-0.20%	-0.735	0.241
(+1,+2)	197	-0.11%	-0.464	0.338
		Proactive-substantive		
(-1,+1)	73	-0.26%	-0.866	0.198
(-1,+2)	73	-0.44%	-0.715	0.217
(-1,0)	73	-0.42%	-1.356	0.059
(0,+2)	73	-0.36%	-0.359	0.348
(+1,+2)	73	-0.03%	0.342	0.372
		Reactive-symbolic		
(-1,+1)	236	-0.31%	-1.441	0.08
(-1,+2)	236	-0.40%	-1.52	0.073
(-1,0)	236	-0.19%	-1.025	0.15
(0,+2)	236	-0.31%	-1.506	0.07
(+1,+2)	236	-0.21%	-1.009	0.165
		Reactive-substantive		
(-1,+1)	32	-0.33%	-0.673	0.2
(-1,+2)	32	-0.06%	0.19	0.475
(-1,0)	32	-0.36%	-0.7	0.222
(0,+2)	32	0.16%	0.657	0.229
(+1,+2)	32	0.30%	0.815	0.22

Appendix B. YouGov Dimensions

1. Buzz:

a. Over the PAST TWO WEEKS, which of the following brands have you heard something POSITIVE about (whether in the news, through advertising, or talking to friends and family)?

b. Now which of the following have you heard something NEGATIVE about over the PAST TWO WEEKS?

2. Impression

a. Overall, of which of the following brands do you have a POSITIVE impression?

b. Now which of the following brands do you have an overall NEGATIVE impression?

3. Quality

a. Which of the following brands do you think represents GOOD QUALITY?

b. Now which of the following brands represents POOR QUALITY?

4. Value

a. Which of the following brands do you think represents GOOD VALUE FOR MONEY? By that we don't mean "cheap," but that the brands offer a customer a lot in return for the price paid.

b. Now which of the following brands do you think represents POOR VALUE FOR MONEY? By that, we don't mean "expensive," but that the brands do not offer a customer much in return for the price paid.

5. Recommendation

a. Which of the following brands would you RECOMMEND to a friend or colleague?

b. And which of the following brands would you tell a friend or colleague to AVOID?

6. Corporate Reputation (not exactly corporate reputation)

a. Imagine you were looking for a job (or advising a friend looking for a job). Which of the following brands would you be PROUD to work for. Imagine you (or your friend) were applying for the same sort of role at the following brands that you currently have or would apply for.

b. Now which of the following brands would you be EMBARRASSED TO WORK FOR? Imagine you (or your friend) were applying for the same sort of role at the following brands that you currently have or would apply for.

7. Satisfaction

a. Of which of the following brands would you say that you are a "SATISFIED CUSTOMER"?

b. Of which of the following brands would you say that you are a "DISSATISFIED CUSTOMER"?

Appendix C. Factiva Search Procedure Instructions

First, please read the attached document describing our research project. Your goal is to find all news items relevant to our research project for the list of companies (also attached). To help you with this process of identifying and coding relevant news, we have also recorded the attached video you will need to watch.

1. Open Factiva search: Go to university library page and click on "Connect to: Factiva (Dow Jones/ProQuest)"
2. Choose Search -> Search Builder at the top. In the search window, copy-paste: ns = (GWORI or GSEXD or CWKDIS or CWKDIV or CFMEX)
3. Select "Date"—"Enter date range" 01/01/2015 to 06/30/2020
4. Select Duplicates "Similar"
5. Source: "All sources"
6. Company: start typing the name of the company from our list and choose the top one or the closest to our company name or the most comprehensive/broad (e.g., when typing amex, I chose American Express Co, NOT Amex Exploration Inc or Amex Packaging Ltd)
7. Regions: "United States"
8. Languages: "English"
9. Click "Search"

In the attached list of companies, please record the total # of news items showing up in the search.

10. Next, you need to inspect every news item in the search results. Once you click on the news item, the article will open up on the right side of your screen. You can quickly search for company name in the article (go to browser Edit->Find->Find…)

Your task is to find all news items that describe an event that is primarily related to the #metoo movement, gender issues, gender inequality AND the focal company (the one you're searching for).

Once you found the relevant news item, please answer the following: what is at the core of the article (how would you categorize the event): positive or negative for the company? E.g. is it a lawsuit? If so, is it being launched or terminated? Are there other news about it that show up in the search? To check that, you can see duplicate/similar news if you expand the focal news (by clicking on "+") What is the earliest date the news about this event is released in the global/national (rather than local) news source?

11. Once you find a relevant news item, in the attached Excel spreadsheet, please record the company name in Column A, the headline of the news item in Column B, the earliest date of the event in Column C, presence (1) or absence (0) of any accusations in sexual misconduct in Column D. You also need to code whether the event is having a positive (+1) or negative (-1) effect on the focal company in Column E (if the effect is not clear, please put 0).
12. Finally, please save each relevant news items by clicking on "RTF—Article Format—Save as" with the file name "companyname-date.rtf", where company name is from column A, and date is from column C.
13. After you go through all news for this company, move to the next company on your list by changing Company in Step 6 above (check that all other search steps 2–8 are still correct).

Appendix D: Action Coding Tool

Q1 Your name?

[Menu of coder names blinded for publication]

[Next page]

Q2 Review the file:

[Filename shown here]

Note: each coder had access to a folder containing new items, with one news story per file. The survey looped through each filename sequentially and asked coders to evaluate Q3-Q13 for each filename in turn.

Q3 **Is this article relevant?**
(Relevant: Describes a new event that is primarily related to the #metoo movement, gender issues, or gender inequality at the focal company. Not relevant: Old events described only for context, awards to specific people, and tangential mentions of the company)

- ○ Relevant (1)
- ○ Not relevant— does not relate to the #metoo movement, gender issues, or gender equality. (2)
- ○ Not relevant— Does not provide new information about the focal company (3)
- ○ Not relevant— Other reason. Describe (4) _____

Skip To: End of Block If Is this article relevant? (Relevant: Describes a new event that is primarily related to the #met... != Relevant

Display This Question:
If Your name? = [First author- blinded]

Q4 publication name

_____

[Next page]

Q5 Enter the date of the earliest mention of this news (Either the article date, or another date mentioned in the article if relevant).

Month (1)	▼ January (1) ... Click to enter text (31)
Day (2)	▼ January (1) ... Click to enter text (31)
Year (3)	▼ January (1) ... Click to enter text (31)

Q7 Trigger events: Check all that apply. Describe if "other" is selected

- ☐ Lawsuit filed: Lawsuit filed against the target company (1)
- ☐ Lawsuit settled: Target company settles a lawsuit (2)
- ☐ Award to company: Target company receives an award from an outside rater (3)
- ☐ Complaint: Another party (individual, shareholder, trade group) files (or publishes / circulates) a complaint about the company. (4)
- ☐ Investigation by external group: The target company is subject of an investigation by an outside entity (i.e. law enforcement, congress, trade group) (5)
- ☐ No trigger event (7)
- ☐ Other- Describe (8) _____

Q8 Relevant categories: Check all that apply. Describe if "other" is selected selections

- ☐ Pay equity (e.g. gender pay gap data, tracking processes, equity initiatives, and complaints) (1)
- ☐ Discrimination on gender (e.g. unequal hiring, bias in promotions or hiring) (2)
- ☐ Sexual harassment (sexual harassment perprated or condoned by the company) (3)
- ☐ Culture / norms (e.g gender-based mistreatment, "boys club' culture, silencing complaints, etc) (4)
- ☐ Representation in leadership (e.g. hiring or promoting women to notable position, women's leadership initiatives, networking) (5)
- ☐ Other-Describe (7) _____
- ☐ Diversity initiative (i.e. attempts to improve gender diversity within the company) (9)

Q9 Corporate actions: Check all that apply. Describe if "other" is selected.

- ☐ Policy change: company alters its policies and procedures surrounding gender issues (1)
- ☐ Punish perpetrator: e.g. company fires or censures a person responsible for negative gender outcomes (2)
- ☐ Ad campaign: e.g. a public facing formal campaign or social media push (3)
- ☐ Public statement: Company makes a formal public statement, including self promotions (4)
- ☐ Events: organize or support event advancing women's issues, eg. networking event (5)
- ☐ Internal investigation: Company states (or executes) an internal investigation into an issue (6)
- ☐ Leadership: hire women into leadership positions (7)
- ☐ Join initiative / partnership / compact (8)
- ☐ Formal reports: Company issues formal report, white paper, or research materials (9)
- ☐ Deflecting blame / denial: Rhetorical strategy to try to avoid or deflect blame for problems (10)
- ☐ Apology: Rhetorical strategy accepting blame and apologizing for misconduct and related harm (11)
- ☐ Primary actor is subsidiary or contractor (not focal company) (14)
- ☐ No Action (15)
- ☐ Other— Describe (12) _____
- ☐ Company declines to comment (16)

Q10 Is the company action symbolic or substantive? (mutually exclusive— choose one)

- ○ Symbolic: nominal actions that produce impressions (1)
- ○ Substantive: significant changes that are not easily reversible (2)
- ○ Not applicable—no company action (8)

Q11 Is the company action proactive or reactive? (mutually exclusive— choose one)

- ○ Proactive: No clear trigger; Preventative (1)
- ○ Reactive: Clear trigger; Damage control (2)
- ○ Not applicable—no company action (4)

Q12 Is the company action targeted at internal or external audiences? (Can select both)

- ☐ Internal audience: Actions / events geared towards employees, managers, structures & norms within the company (1)
- ☐ External audience: Actions/ events geared towards customers, investors, or society at large (2)
- ☐ Not applicable—no company action (4)

Q14 What is your overall impression of the way this news story affects the company, including the initial events and the company's response?

- ○ Positive (1)
- ○ Neutral (2)
- ○ Negative (3)

Q15 Do we need to revisit the coding & text for further review?

- ○ Yes-Further review needed. Explain: (1) _____
- ○ No (2)

[End of block. Repeat for next item]

Appendix E. Within-Model Comparisons of Coefficients (p-Values)

	Valence			Volume			Consumer Perception		
	Overall	Before	After	Overall	Before	After	Overall	Before	After
Symbolic vs. Substantive	0.76	0.34	0.45	0.92	0.72	0.84	0.38	0.18	0.74
Proactive vs. Reactive	0.04	0.43	0.3	0.17	0.12	0.56	0.89	0.72	0.5
Reactive-substantive vs. Reactive-symbolic	0.72	0.34	0.92	0.4	0.78	0.43	0.08	0.37	0.11
Proactive-symbolic vs. Reactive-symbolic	0.09	0.48	0.53	0.46	0.24	0.86	0.8	0.73	0.9
Proactive-substantive vs. Reactive-substantive	0.22	0.47	0.53	0.095	0.11	0.2	0.17	0.78	0.09
Proactive-symbolic vs. Reactive-substantive	0.22	0.09	0.85	0.19	0.16	0.36	0.13	0.43	0.11
Proactive-symbolic vs. Proactive-substantive	0.83	0.57	0.47	0.62	0.19	0.71	0.87	0.4	0.71
Proactive-substantive vs. Reactive-symbolic	0.17	0.98	0.21	0.11	0.14	0.44	0.95	0.29	0.6

Appendix F. Social Media as Moderator

Table F.1. Moderated Model of Consumer Perception Score (Symbolic / Substantive)

	(1)	(2)	(3)
Symbolic	-0.120	-0.075	-0.247
	(0.166)	(0.282)	(0.197)
Symbolic x SM Valence	0.011***	0.009	0.010**
	(0.004)	(0.011)	(0.005)
Symbolic x SM Volume	-0.000*	-0.001	-0.000
	(0.000)	(0.001)	(0.000)
Substantive	-0.169	0.732	-0.633
	(0.397)	(0.580)	(0.517)
Substantive x SM Valence	-0.008	0.001	-0.016
	(0.008)	(0.014)	(0.014)
Substantive x SM Volume	-0.001	-0.005***	-0.001
	(0.001)	(0.002)	(0.001)
Valence	0.000	0.000	0.000**
	(0.000)	(0.000)	(0.000)
Volume	-0.000	-0.000	-0.000
	(0.000)	(0.000)	(0.000)
Constant	3.500***	3.352***	6.347***
	(0.555)	(0.742)	(0.684)
Observations	832,952	413,192	417,640
R-squared	0.118	0.081	0.041
Number of companies	424	424	424
Controls	YES	YES	YES
Firm FE	YES	YES	YES
Year FE	YES	YES	YES

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table F.2. Moderated Model of Consumer Perception Score (Proactive / Reactive)

	(1)	(2)	(3)
Proactive	-0.221	-0.062	-0.463*
	(0.187)	(0.287)	(0.260)
Proactive x SM Valence	0.008	0.005	0.008
	(0.006)	(0.009)	(0.008)
Proactive x SM Volume	-0.000	0.005***	0.000
	(0.000)	(0.002)	(0.000)
Reactive	-0.024	0.207	-0.171
	(0.281)	(0.590)	(0.267)
Reactive x SM Valence	0.007	0.013	0.004
	(0.006)	(0.014)	(0.007)
Reactive x SM Volume	-0.001***	-0.001**	-0.001**
	(0.000)	(0.000)	(0.000)
Valence	0.000	0.000	0.000*
	(0.000)	(0.000)	(0.000)
Volume	-0.000	-0.000	-0.000
	(0.000)	(0.000)	(0.000)
Constant	3.500***	4.243***	6.946***
	(0.555)	(0.800)	(0.850)
Observations	832,952	413,192	417,640
R-squared	0.118	0.081	0.040
Number of companies	424	424	424
Controls	YES	YES	YES
Firm FE	YES	YES	YES
Year FE	YES	YES	YES

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Table F.3. Moderated Model of Consumer Perception Score (2x2)

	(1)	(2)	(3)
Proactive—Symbolic	-0.125	-0.153	-0.292
	(0.249)	(0.338)	(0.313)
Proactive-Symbolic x SM Valence	0.014**	0.013*	0.014*
	(0.007)	(0.007)	(0.008)
Proactive-Symbolic x SM Volume	0.000	0.006***	0.000
	(0.000)	(0.001)	(0.000)
Proactive-Substantive	-0.403	0.554	-0.925
	(0.436)	(0.609)	(0.630)
Proactive-Substantive x SM Valence	-0.008	-0.003	-0.018
	(0.010)	(0.016)	(0.020)
Proactive-Substantive x SM Volume	-0.005***	-0.129	-0.004**
	(0.001)	(0.125)	(0.002)
Reactive-Symbolic	-0.123	-0.019	-0.249
	(0.293)	(0.601)	(0.286)
Reactive-Symbolic x SM Valence	0.009	0.011	0.006
	(0.006)	(0.016)	(0.008)
Reactive-Symbolic x SM Volume	-0.001***	-0.001*	-0.001***
	(0.000)	(0.001)	(0.000)
Reactive-Substantive	0.555	2.023	0.152
	(0.849)	(1.445)	(0.727)
Reactive-Substantive x SM Valence	-0.002	0.020	-0.011
	(0.018)	(0.025)	(0.014)
Reactive-Substantive x SM Volume	-0.001	-0.005**	0.000
	(0.001)	(0.002)	(0.001)
Valence	0.000	0.000	0.000*
	(0.000)	(0.000)	(0.000)
Volume	-0.000	-0.000	-0.000
	(0.000)	(0.000)	(0.000)
Constant	3.500***	4.243***	6.946***
	(0.555)	(0.801)	(0.850)
Observations	832,952	413,192	417,640
R-squared	0.118	0.081	0.040
Number of companies	424	424	424
Controls	YES	YES	YES
Firm FE	YES	YES	YES
Year FE	YES	YES	YES

Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1