

DO OR DO NOT: FACTUAL CORPORATE ACTIVISM IMPACT ON STOCK PRICES

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Abstract

Corporate activism is one of the most challenging research topics, since it questions the widespread belief that taking a neutral stand on social or political issues often favors corporate performance. However, beyond adopting a controversial social or political position, there are companies that have become even more involved, moving from mere declarations to actions. This paper explores the effects of “Factual Corporate Activism (FCA)” on the share price of 42 companies. The results show that: (i) corporate activism based on the adoption of political positions results in a negative influence on stock prices, if it assumes initiatives based on FCA, however (ii) civil-based messages, such as those focusing on diversity, within an FCA context, have a positive effect on stock prices.

Keywords: *corporate activism; factual corporate activism; event analysis*

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