Dissertation Proposal

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# Outline

**Chapter 1: Metaratings and the CSRHub Database**

Numerous ratings systems have emerged to enable stakeholders to evaluate, monitor, and compare firm performance on corporate sustainability and corporate social responsibility. Strategy research uses these ratings as measures of firm performance. Despite the availability of many ratings systems, most strategy studies use a single ratings system to measure performance. However, recent research suggests ratings system differ in their assessment of firm performance, suggesting the use of a single ratings system might not capture true firm performance. This paper offers a solution to this problem by drawing on political science research showing errors in individual election polls can be corrected by combining multiple polls together. I view each rating system as a poll of observers' assessment of a firm and explore the potential utility of metaratings—ratings of ratings—in strategy research. I then describe a metaratings dataset and how strategy researchers might use it as a more robust measure of environmental and social performance.

**Chapter 2: Replicating and Extending Barnett & Salomon (2012)**

Despite hundreds of empirical studies, no consensus has emerged around the existence or nature of a relationship between corporate social and financial performance. To address a history of mixed empirical findings, scholars are turning to replication studies to examine the robustness and generalizability of results reported in past studies. This paper uses new data and statistical techniques to conduct six replications of Barnett and Salomon (2012) that found a U-shaped relationship between social and financial performance. This paper (1) attempts to replicate the findings of the original paper using its stated sampling strategy and research designs, (2) tests the generalizability of the original findings using a new sample covering a new time period and a new population of firms, and (3) examines the robustness of the original findings to the use of an alternative measure of social performance.

**Chapter 3: Identifying the Causal Effect of Social Performance on Financial Performance**

**Chapter 4: The Effect of CSR Reputation on Collective Action**

Introduction

Chapter 1

Chapter 2

Chapter 3

The Causal Effect of Social Performance on Financial Performance

# Introduction

# Literature Review

Two hypotheses dominate research on the relationship between corporate social performance (CSP) and corporate financial performance (CFP). The "pays to be good" hypothesis theorizes a positive relationship between CSP and CFP based on the potential returns to attending to diverse stakeholders' demands on the firm (Freeman, 1984). The "shareholder primacy" hypothesis theorizes a negative CSP-CFP relationship based on CSP initiatives diverting firm resources away from more profitable investments (Friedman, 1970). For both short- and long-run firm performance, empirical analyses of the CSP-CFP relationship has failed to find consistent evidence for or against either hypothesis.

For short-run firm performance, some studies report a positive CSP-CFP relationship . Other studies report a negative relationship.

Some studies of long-run financial performance find a positive CSP-CFP relationship (Barnett & Salomon, 2012; Margolis, Elfenbein, & Walsh, 2007; Waddock & Graves, 1997). Others find a negative relationship. Finally, some studies find a non-linear relationship in which low CSP is negatively related to CFP while high CSP is positively associated with CFP (Barnett & Salomon, 2012).

A related stream of literature explores whether conflicting findings of the shareholder primacy and pays to be good literatures are due to methodological problems (Mcwilliams & Siegel, 2000). This literature generally criticizes the methodological

# Research Design

# Results

Chapter 4

References

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