**Dissertation Proposal**

Nicholas Poggioli

April 2018

**Table of Contents**

[Research questions 1](#_Toc512506502)

[Literature Review 7](#_Toc512506503)

[Chapter 1: Metaratings and the CSRHub Database 13](#_Toc512506504)

[Chapter 2: The CFP-CSP Relationship Differs by Industry and Stakeholder Group 14](#_Toc512506505)

[Chapter 3: Replicating Barnett & Salomon (2012) and extending to causal inference 15](#_Toc512506506)

[Chapter 4: The Effect of CSR Reputation on Collective Action 17](#_Toc512506507)

[References 17](#_Toc512506508)

# Research questions

1. (Orlitzky, Schmidt, & Rynes, 2003) finds the relationship between CSP-CFP is stronger if environmental performance is removed from the specification. This corresponds with (Bansal & Song, 2017) argument that responsibility and sustainability are separate and should not be conflated. This then ties into the question in instrumental stakeholder theory of which stakeholders matter to the CSP-CFP relationship. "Stakeholder-agency theory argues that the implicit and explicit negotiation and contracting processes entailed by reciprocal, bilateral stakeholder–management relationships serve as monitoring and enforcement mechanisms that prevent managers from diverting attention from broad organizational financial goals (Hill and Jones 1992; Jones 1995)" (Quote from Orlitzky) Orlitzky et al.'s results suggest the CSP-CFP relationship might work by a different logic for stakeholders concerned about the environment versus those concerned about workers, child labor, globalization, etc. The research question is then, How does the CSP-CFP relationship depend on which stakeholders are targeted by the firm's CSR?
   1. (Jitmaneeroj, 2018): The SEM model shows environmental rating is negatively significant, social rating = 0, and governance rating > 0, lending support to the idea that different audiences matter for the CFP-CSP relationship. When an equally-weighted combined ESG measure is used, it is = 0. Author argues this shows the measure matters, but it could be more than the measure. The CFP-CSP relationship might work differently based on which stakeholders are being targeted with CSR.
2. Are firms with higher CSR performance more likely to keep their commitments to informal contracts than firms with low CSR performance? "Because firms that invest more in CSR (high CSR firms) tend to have a stronger reputation for keeping their commitments associated with the implicit contracts, stakeholders of these firms are likely to have stronger incentives to contribute resources and effort to the firm and accept less favorable explicit contracts than stakeholders of low CSR firms. Thus, these theories suggest that the interests of shareholders and other stakeholders in high CSR firms are in greater alignment than those of shareholders and other stake- holders in low CSR firms and, hence, they are more likely to contribute to firms' long-term profitability and efficiency" (Deng, Kang, & Low, 2013)
3. What is the effect of stakeholder-specific CSP on CFP?
   1. **Theory**:
      1. Theory on the CSP-CFP relationship treats stakeholders as a unified interest group, and that a firm engaging in CSR means that the firm is prioritizing stakeholders other than shareholders. (Papers set up Friedman's shareholder theory versus Freeman's stakeholder theory (often the instrumental stakeholder theory variant of Jones 1995 cited in Flammer 2015) as a negative versus positive prediction of the CSP-CFP relationship. But a long tradition has argued that CSP is not a single outcome but a "multidimensional construct" (Carroll 1979, cited in Mattingly 2017). Barnett's recent work (Barnett, 2016) argues that instrumental stakeholder theory—the one implicitly or explicitly used in some setups of Friedman v. Freeman—is no different from shareholder value theory because instrumental stakeholder theory is restricted to firms meeting the needs of stakeholders who can affect firm value for shareholders. But some papers have begun mentioning and empirically identifying variation across stakeholder groups in the CFP returns to CSP *(see Flammer (2015 section 4.3.4) for three channels for the CSP-CFP relationship: (1) environmental-related CSR catering to customers who care about environmentalism, (2) CSR attracting better employees and/or increasing employee satisfaction which both lead to higher CFP through higher labor productivity, and (3) CSR fostering investment in more efficient technologies or production processes (but note Flammer does not distinguish between this last being driven by financial logic/competition versus commitment to environmental responsibility. That is also one unresolved confound in the entire greening the firm literature)).* Flammer and Bansal (2017) report a positive effect on CFP of adopting long-term management compensation plans. Supplementary analysis finds adopting long-term compensation plans increases firms' reputation for employee- and environment-related CSR but only weakly or not at all their reputation for consumer- or society-based CSR. Flammer (2013) reports a positive effect of announcing eco-friendly actions on market value, but the effect is smaller for firms with higher levels of environmental CSR. This suggests some of the effect of CSP on CFP is itself affected by a firm's mix of stakeholder groups and its past stakeholder management of those groups. Flammer (2015) reports a positive effect of CSR-related shareholder proposal passage and CFP. Supplementary anlaysis suggests how the effect might operate through different channels relevant to different stakhoelder groups. Proposal adoption increases sales growth, suggesting the increase happens through appealing to specific customer groups that prioritize certain aspects of CSR. Proposal adoption increases labor productivity, suggesting the increase happens through employee stakeholder group by attracting better employees and/or increasing employee commitment. Proposal adoption has no effect on physical investment; while this suggests the effect does not operate through motivating investment in more efficient processes, Flammer cautions that the result "does not necessarily reject the investment channel" (p. 2563) because proposal adoption might motivate executives to reduce emissions by closing poorly-performing plants.
      2. Environmental stakeholders and market value (McPeak et al 2010)
      3. From (Mattingly, 2017): (Jiao, 2010) found environmental and employee-related CSP positively related to CFP but not other CSP. Faleye & Trahan 2011 found employee-related CSP positively related to firm value. Jo and Harjoto 2011 found CSR targeting primary stakeholders positively associated with firm value but targeting secondary stakeholder no association.
   2. **Research design**:
      1. Contribute to the literature that decomposes the CSP-CFP relationship by CSR type (socially beneficial vs. socially harmful; strong vs. weak; political versus non-political) and stakeholder type (traditional typology is primary/secondary, but it might make more sense to characterize stakeholders by the type of CSR they care about rather than how they matter to the firm). See Mattingly 2017:814 for a list of cites in this literature.
      2. For stakeholder type, follow method of papers like (McGahan & Porter, 2002) and (Hillman, Keim, & Luce, 2001, p. 301). Regress CFP measures on two measures:
         1. Net KLD, normalized KLD (see Deng et al., 2013, p. 90), and individual categories for KLD (environment, social, diversity, and governance) and
         2. CSRHub overall score and CSRHub scores for subcategories.
      3. See Johnson & Greening 1999; Dyer and Whetten 2006; and Stavrou, Kassinis, and Filotheou 2007; Bingham et al 2011; and Post et al 2011 in (paragraph 2 in Mattingly, 2017, p. 806)
4. What is the effect of CSR on greening the firm investment?
   1. **Motivation**: In supplementary analysis of the CSR-CFP relationship, Flammer (2015) finds adopting CSR proposals has no effect on physical investment, suggesting that CSR does not operate through a channel of encouraging greening the firm. However, Flammer notes that this finding is ambiguous given the data because firms might divest from polluting facilities rather than increase investment in cleaner facilities. More detailed facility-level data would be needed to examine exactly how investment changes after proposal adoption.
   2. **Research design**: Would need facility level physical process investment data capable of showing both investment and divestment.
5. When does CSR negatively affect firm performance?
   1. "Finally, some future study must be devoted to examining conditions under which CSP is unrelated to financial performance, and even negatively related. These studies should specify conditions under which premises of the stakeholder view of the firm are undermined. Future study of CSP examining performance outcomes should develop middle-range theory by specifying and testing explanatory power of alternative mechanisms through which CSP produces, as well as fails to produce, economic wealth" (Mattingly, 2017, p. 826).
6. Describing the CSRHub dataset and evaluating whether it is a better CSR measure
   1. (Mattingly, 2017, p. 829) identifies the need to address KLD's shortcomings as a measure. Can the CSRHub do better? Generalizing beyond just CSRHub, how can aggregating multiple measures better capture CSR performance? Could I create a composite measure from multiple proprietary measures and make that composite measure public?

# Literature Review

## CSR-CSP Relationship

Theory

* **Negative** **relationship**: Shareholder primacy predicts a negative CSP-CSP relationship because CSR misallocates firm resources away from profit maximization to the personal interests of firm managers (i.e., agency problems and managerialism) (Friedman, 1970)
  + Benabou and Tirole 2010 cited along with Friedman 1970 by (Liang & Renneboog, 2017) in the corporate finance literature
  + CEOs raise wages to increase employee loyalty and decrease likelihood of CEO replacement (Pagano and Volpin 2005 and Cronqvist et al. 2009 cited in (Jiao, 2010)
* **Positive relationship**: Stakeholder theory (Freeman, 1984) and instrumental stakeholder theory (Donaldson & Preston, 1995) predict a positive CSP-CFP relationship because meeting the needs of various stakeholders through CSR will increase various things that improve CFP
  + Zingales 2000 and Jensen 2001 view CSR as investments in value-creating intangibles like reputation and human capital (Jiao, 2010)
* **Mixed relationship contingent on circumstances**: Benabou & Tirole 2010; Brammer & Millington 2008; Kopel 2009; Godfrey, Merrill, & Hansen 2009 (cited in Rost & Ehrmann, 2017).
* Cites in (Jitmaneeroj, 2018)
  + Positive CSP-CFP: Marom 2006 develops a unified theory of the CSR-CFP link; Mishra 2010 looks at link for Indian firms; Ammann 2011 examines for international firms; Sarvaes 2013 looks at role of customer awareness; Fatemi 2015 examines valuation effects of CSR; Auer 2016 looks at CFP effect of socially *irresponsible* investments
  + Negative or no CSP-CFP: Brammer 2006; Lopez 2007; Smith 2007; Crisostomo 2011; Baird 2012; Soana 2011)
* Stakeholder theory
  + <https://journals.aom.org/doi/abs/10.5465/amr.2015.0081> "We propose that firms seek to negotiate a shared social performance reference point with stakeholders who identify with the organization and care about social performance."

CSR definition

* (Wood, 1991): highly cited for its definition of corporate social performance
* Cites in (Jitmaneeroj, 2018): Frooman 1997; Griffin 2000; Margolis and Walsh 2003; Marom 2006

Empirical

* CFP = f(CSP) (Doing well by doing good):
  + Huge list of citations on this relationship in (Mattingly, 2017). The work started with main effect studies. An early one is Waddock and Graves 1994. Main effects studies consistently found positive associations (see Rost & Ehrmann, 2017 for an investigation of whether this literature suffers from reporting bias). Graves and Waddock 1997 found a virtuous cycle between CSP and CFP. Graves and Waddock 1999 found management quality mediated the CSP-CFP relationship. **The latter two findings suggest endogeneity concerns that are only now being addressed.**
  + (Waddock & Graves, 1997): highly cited early empirical study
  + (McWilliams & Siegel, 2000): claims Waddock and Graves 1997 misspecified by omitting R&D, and that adding R&D to the model eliminates relationship between CSP and CFP
  + Citations in (Liang & Renneboog, 2017): Dowell, Hart, and Yeung (2000), Orlitzky, Schmidt, and Rynes (2003), Renneboog, Ter Horst, and Zhang (2008, 2011), Guenster et al. (2011), Deng, Kang, and Low (2013), Flammer (2015), Krueger (2015), Dimson, Karakas¸, and Li (2015)
  + (Barnett & Salomon, 2012): empirical study theorizing a curvilinear relationship
  + (Sahut, Tekaya, Mili, & Teulon, 2016): corporate governance explains both CSP and CFP. It explains CSP because better-managed firms engage in more CSR. It explains CFP because better CG leads to better CFP. CG is also related to CFP indirectly, through CSP.
  + (Mattingly, 2017) reviews research using KLD
    - CSP positively predicts CFP measured as accounting performance but not measured as stock market performance
  + (Jitmaneeroj, 2018)
    - Examines CFP-CSP relationship when CFP is price-to-earnings ratio, which "compares future growth of earnings based on the projection of current earnings"
    - Reports strong evidence that CSP matters positively to CFP as price-to-earnings ratio through "the integrated effect of ENV, SOC, and GOV, rather than any single CSR measure" (488). This suggests a configurational approach should be used.
* CSP = f(CFP) (Doing good by doing well):
  + See list of cites in (Mattingly, 2017)
  + (Liang & Renneboog, 2017) cites Hong, Kubik, and Scheinkman (2012) and others on this relationship. See also the below section on modeling CSP
* CSP = f(X)
  + (Mattingly, 2017) lists work on X being management, strategy/scope, governance, and institutions
    - Management antecedents: multinational presence positively related to CSP (Simerly 1997); international expansion related to both social benefit and harm (Strike, Gao, & Bansal 2006); merged firms exhibit more social benefit and social harm than pre-merged firms (Waddock and Graves 2006); innovation positively related to CSP in manufacturing (Padgett and Galan 2010); CSP can be part of overall product-market strategic stance aimed at securing competitive advantage (McWilliams and Siegel 2000, 2001).
    - Governance antecedents: ownership structure, board composition, CEO compensation (as form of managerial incentives measure)
    - reports (1) TMT demographics positively predict KLD strengths but not concerns, (2) organizational decentralization negatively predicts KLD concerns, (3) TMT demographics more often related to KLD than CEO demographics, suggesting managerial discretion allows for more heterogeneity in KLD outcomes, and (4) inconsistent relationship between institutional pressures and KLD outcomes, suggesting some organizations more affected by that relationship than others.

Methodological issues

* (Shahzad & Sharfman, 2017) directly addresses the sample selection problem of empirical studies only using firms that are covered in social ratings databases like KLD. The problem is that large firms are overrepresented in such ratings because they are the firms that tend to get rated. The inclusion of firms on such indexes is therefore nonrandom and might be correlated with confounds of the CSP-CFP relationship. Authors focus on external stakeholder pressure as the primary confound. Higher stakeholder pressure to improve CSP usually goes to firms that are highly-visible to stakeholders due to media and market attention. Half of the variation in firms' CSP can be explained through variables related to firm visibility to stakeholders (Chiu & Sharfman, 2011).
* (Deng et al., 2013) uses CAR regression of merger events and instrumental variables regression to examine whether CSR affects post-merger performance, finding a difference in post-merger performance between high- and low-CSR firms. Results appear to be driven by low-CSR firms having low CARs, while high CSR firms have CARs no different from zero on merger announcements.
* (Crane, Henriques, Husted, & Matten, 2017) review methodological issues in quantitative studies of the impact of CSR on CFP. They note endogeneity concerns were not discussed in this literature prior to about 2008, leaving findings from studies prior to that time highly suspect. "Given methodological flaws, we cannot say anything with much confidence about the CSP-CFP relationship or even the CSR-CSP relationship in studies published before 2008!" (Crane et al., 2017, p. 792). Sample selection bias is likely rampant in the empirical literature. Sample selection bias can be dealt with in several ways. First, the focus can be finding a control group through propensity score matching, but this method has a weakness of needing to assume selection only occurs due to the variables used in the matching model. Second, a difference-in-differences design compares the change in the treated group to the change in the untreated group, but this design requires assuming that the treated group would have continued its pretreatment trend after treatment. Third, natural experiment designs can be used like regression discontinuity, but this requires the threshold be independent of the units being studied (for example, (Flammer, 2015) uses votes on shareholder proposals, but those seem like they could be manipulated or influenced by the firm). Fourth, instrumental variables can be used, but they require valid exclusion restrictions that are often difficult to meet.
* (McWilliams & Siegel, 2000): claims Waddock and Graves 1997 misspecified by omitting R&D, and that adding R&D to the model eliminates relationship between CSP and CFP
* Cites in (Jitmaneeroj, 2018): General: Margolis and Walsh 2001; Ruf et al 2001; Servaes and Tamayo 2013; Saeidi et al 2015; Griffin and Mahon 1997; Galbreath and Shum 2012
* **Sensitivity to CFP measurement:** Callan and Thomas 2009; Hillman and Keim 2001; Garcia-Castro et al 2010; (cited in Mattingly, 2017). Consistent finding is that CSP relates positively to accounting-based performance measures (profitability) and inconsistently to market-based measures (stock market performance) (Mattingly, 2017). "different measures of organization performance may reflect categorically distinct meanings" (Mattingly, 2017, p. 825).
* **Time horizon**: Garcia Castro et al 2011 found CSP negatively related to short-term performance and positively related to long-term performance. Flammer's papers attempt to get at this too. Choi & Wang 2009 find similar time-dependency (cites in Mattingly, 2017)

## Modeling CSP

* (Heal, 2005): Claims country characteristics are more important than firm characteristics in explaining variation in KLD ratings. Implies the need to control for country in modeling CSP-CFP relationship. "We find that country factors are muchmore important than firm characteristics in explaining the variations in CSP ratings."
* **Endogenizing country characteristics in explaining CSP**: (Heal, 2005): Theoretical implication of this empirical paper is that country must be in the model of CSP = f(CFP). "We find that country factors are muchmore important than firm characteristics in explaining the variations in CSP ratings. […] Country factors matter for CSP because they affect companies' costs of investing in CSP and the benefits companies derive from such investments. Corporations are likely to adjust their CSP levels as CSP inducements and constraints change, even if the changes are slow." This quote about constraints on investment recalls the working paper (Hong, Kubik, & Scheinkman, 2012) and the argument in (Liang & Renneboog, 2017) that CSR and country legal origin are correlated

# Chapter 1: Metaratings and the CSRHub Database

(Mattingly, 2017, p. 829) identifies the need to address KLD's shortcomings as a measure. Can the CSRHub do better? Generalizing beyond just CSRHub, how can aggregating multiple measures better capture CSR performance? Could I create a composite measure from multiple proprietary measures and make that composite measure public?

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 Barnett & Salomon (2012) and extending to causal inference

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.

## 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

# Chapter 3: The CFP-CSP Relationship Differs by Industry and Stakeholder Group

## Industry

## Stakeholder group

Several studies in the CSR literature indirectly address how CSR for different stakeholder groups affects financial performance differently, but few if any directly assess how the relationship between financial performance and social performance varies by the stakeholder group targeted by CSR. To answer this question, I use CSR data capable of capturing CSR performance for different stakeholder groups. The primary dataset comes from CSRHub. CSRHub creates social performance ratings across several stakeholder group categories by aggregating other ratings scores. CSRHub is a rating of ratings or a "meta-rating" system. The CSRHub data allow me to discriminate between CSR targeting several different stakeholder groups and examine the relationship of social performance for those groups to overall financial performance of the firm.

Barnett (2016:9) distinguishes between "direct influence tactics" and actions that "improve social welfare rather than directly satisfy a stakeholder demand" and argues the latter is CSR while the former is not. Influence tactics seek to make targeted stakeholders believe the firm is more trustworthy and act in ways that benefit the firm. CSR, in contrast, seeks to benefit society. Stakeholders might view CSR and become more trusting of the firm, but the firm's motivation is not to increase trust of some stakeholder group but to instead benefit society in some way.

Whether it pays to be good and engage in CSR depends on many contingencies. An important contingency is the stakeholder group being targeted by the CSR. It is possible that different stakeholder groups respond differently to CSR from firms, suggesting that the way CSR affects financial performance might depend on the particular combination of firm history, social problem being addressed, and stakeholder group caring about the social problem.

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

This study examines how a firm's reputation for CSR is related to its likelihood of implementing a newly-emerging strategy to manage natural resource scarcity.

I use CSRHub data to measure CSR reputation and correlate the measure with firm's implementing resource management coalition strategies.

References

Bansal, P., & Song, H.-C. (2017). Similar But Not the Same: Differentiating Corporate Sustainability From Corporate Responsibility. *Academy of Management Annals*, *11*(1), 105–149. https://doi.org/10.5465/annals.2015.0095

Barnett, M. L. (2016). The Business Case for Corporate Social Responsibility: A Critique and an Indirect Path Forward. *Business & Society*, 1–24. https://doi.org/10.1177/0007650316660044

Barnett, M. L., & Salomon, R. M. (2012). Does it pay to be really good? Addressing the shape of the relationship between social and financial performance. *Strategic Management Journal*, *33*, 1304–1320. https://doi.org/10.1002/smj

Chiu, S.-C., & Sharfman, M. (2011). Legitimacy, Visibility, and the Antecedents of Corporate Social Performance: An Investigation of the Instrumental Perspective. *Journal of Management*, *37*(6), 1558–1585. https://doi.org/10.1177/0149206309347958

Crane, A., Henriques, I., Husted, B. W., & Matten, D. (2017). Measuring Corporate Social Responsibility and Impact: Enhancing Quantitative Research Design and Methods in Business and Society Research. *Business & Society*, *56*(6), 787–795. https://doi.org/10.1177/0007650317713267

Deng, X., Kang, J., & Low, B. S. (2013). Corporate social responsibility and stakeholder value maximization: Evidence from mergers. *Journal of Financial Economics*, *110*(1), 87–109. https://doi.org/10.1016/j.jfineco.2013.04.014

Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: concepts, evidence, and implications. *Academy of Management Review*, *20*(1), 65–91.

Flammer, C. (2013). Corporate Social Responsibility and Shareholder Value: The Environmental Awareness of Investors. *Academy of Management Journal*, *56*(3), 758–781. https://doi.org/10.5465/amj.2011.0744

Flammer, C. (2015). Does Corporate Social Responsibility Lead to Superior Financial Performance? A Regression Discontinuity Approach. *Management Science*, *61*(11), 1–46. https://doi.org/10.1287/mnsc.2014.2038

Flammer, C., & Bansal, P. (2017). Does a long-term orientation create value? Evidence from a regression discontinuity. *Strategic Management Journal*, *38*(9), 1827–1847. https://doi.org/10.1002/smj.2629

Freeman, R. E. (1984). *Strategic Management: A Stakeholder Perspective*. Englewood Cliffs, NJ, USA: Prentice Hall.

Friedman, M. (1970). The Social Responsibility of Business Is to Increase Its Profits. *New York Times Magazine*.

Heal, G. (2005). Corporate social responsibility: An economic and financial framework. *Geneva Papers on Risk and Insurance: Issues and Practice*, *30*(3), 387–409. https://doi.org/10.1057/palgrave.gpp.2510037

Hillman, A. J., Keim, G. D., & Luce, R. a. (2001). Board composition and stakeholder performance: Do stakholder directors make a difference? *Business & Society*, *40*(3), 295–314. https://doi.org/10.1177/000765030104000304

Hong, H. G., Kubik, J. D., & Scheinkman, J. A. (2012). *Financial Constraints on Corporate Goodness* (NBER Working Paper Series No. 18476). *NBER Working Paper Series*. https://doi.org/10.2139/ssrn.1784357

Jiao, Y. (2010). Stakeholder welfare and firm value. *Journal of Banking and Finance*, *34*(10), 2549–2561. https://doi.org/10.1016/j.jbankfin.2010.04.013

Jitmaneeroj, B. (2018). A latent variable analysis of corporate social responsibility and firm value. *Managerial Finance*, *44*(4). https://doi.org/10.1108/MF-08-2017-0303

Liang, H., & Renneboog, L. (2017). On the Foundations of Corporate Social Responsibility. *Journal of Finance*, *72*(2), 853–910. https://doi.org/10.1111/jofi.12487

Margolis, J. D., Elfenbein, H. A., & Walsh, J. P. (2007). *Does it pay to be good? A meta-analysis and redirection of researach on the relationship between corporate social and financial performance*.

Mattingly, J. E. (2017). Corporate Social Performance: A Review of Empirical Research Examining the Corporation–Society Relationship Using Kinder, Lydenberg, Domini Social Ratings Data. *Business and Society*, *56*(6), 796–839. https://doi.org/10.1177/0007650315585761

McGahan, A. M., & Porter, M. E. (2002). What Do We Know About Variance in Accounting Profitability ? *Management Science*, *48*(7), 834–851.

McWilliams, A., & Siegel, D. (2000). Research Notes and Communications Corporate Social Responsibility and Financial Performance: Correlation or Misspecification? *Strategic Management Journal*, *21*(January 1999), 603–609. https://doi.org/10.1002/(SICI)1097-0266(200005)21:5<603::AID-SMJ101>3.0.CO;2-3

Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. *Organization Studies*, *24*(3), 403–441. https://doi.org/10.1177/0170840603024003910

Rost, K., & Ehrmann, T. (2017). Reporting Biases in Empirical Management Research: The Example of Win-Win Corporate Social Responsibility. *Business and Society*, *56*(6), 840–888. https://doi.org/10.1177/0007650315572858

Sahut, J., Tekaya, S. Ben, Mili, M., & Teulon, F. (2016). Financial Impacts and antecedents of CSR: a PLS Path Modelling Approach. *Economics Bulletin*, *36*(2), 736–751.

Shahzad, A. M., & Sharfman, M. P. (2017). Corporate Social Performance and Financial Performance: Sample-Selection Issues. *Business & Society*, *56*(6), 889–918. https://doi.org/10.1177/0007650315590399

Waddock, S. A., & Graves, S. B. (1997). The corporate social performance-financial performance link. *Strategic Management Journal*, *18*(4), 303–319. https://doi.org/10.1002/(SICI)1097-0266(199704)18:4<303::AID-SMJ869>3.0.CO;2-G

Wood, D. J. (1991). Corporate Social Performance Revisited. *The Academy of Management Review*, *16*(4), 691. https://doi.org/10.2307/258977