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**Corporate Responsibility and Financial
Performance: Cost and Revenue
Impacts along Dimensions and Product
Chain Stages**

Leena LANKOSKI
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CORPORATE RESPONSIBILITY AND FINANCIAL PERFORMANCE:
COST AND REVENUE IMPACTS ALONG DIMENSIONS AND PRODUCT CHAIN STAGES

by
Leena LANKOSKI*

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* Visiting Researcher at INSEAD Business in Society Centre, INSEAD, Boulevard de Constance, 77305 Fontainebleau Cedex, e-mail: leena.lankoski@insead.edu

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**CORPORATE RESPONSIBILITY AND FINANCIAL PERFORMANCE:
COST AND REVENUE IMPACTS ALONG DIMENSIONS AND PRODUCT CHAIN STAGES**

The study examines the CR – financial performance relationship with a simultaneous emphasis on comprehensiveness and disaggregation. It covers CR issues in three dimensions and three product chain stages, tests for systematic differences between the financial performance impacts of these issues, and reports separately on the cost-side and revenue-side impacts. The study finds that there are small but systematic differences between CR dimensions and product chain stages as far as revenues and individual cost components are concerned. Economic responsibility issues and supplier issues stand out as less profitable than others. The study discusses the de facto roles of business in society and calls for more research on the economic dimension of corporate responsibility.

INTRODUCTION

To understand and manage the role of business in society, researchers and managers must be sure to include comprehensively the component parts of corporate responsibility (CR) in their analyses, but at the same time also to recognize differences among these components. One important challenge in understanding CR is to understand its relationship with financial performance, not least because how managers perceive CR to influence financial performance is a key driver of how CR is being managed in practice. Within the large body of literature on the relationship between CR and financial performance, however, there are gaps with regard to both comprehensiveness and disaggregation.

First, only two of the three dimensions commonly associated with CR have been examined. A great number of studies exist on the financial performance impacts of corporate environmental responsibility towards the natural environment, as well as on those of corporate social responsibility towards people and their communities, but there has been no corresponding research effort on the impacts of corporate economic responsibility on financial performance. Charitable giving – one component of economic responsibility – is, however, covered in some studies such as those by Peloza (2006) and Wokutch and Spencer (1987), and included as one component of overall CR performance in many others. One explanation for this disparity may be that corporate economic responsibility is sometimes equated with creating wealth to owners and thus with the financial performance itself (see Galbreath, 2006). However, such a view is overly restrictive. The Global Reporting Initiative defines corporate economic responsibility as the organization's impacts on the economic conditions of its stakeholders and on economic systems at local, national, and global levels (GRI, 2006). Many firms are already examining and reporting their performance according to this broader definition, and it is time for research to join in.

Second, a number of studies have focused on the CR activities and outcomes of the firms' own production processes. This picture remains incomplete because in today's globalized business world outsourcing is the rule rather than the exception, and because the CR impacts of a firm are shaped not only by production but also by the consumption of its product. Through supply chain management and product design a firm can have a major influence also on these product chain stages. Hence, corporate responsibility needs to be covered along whole product chains.

Third, only a handful of studies report on the CR – financial performance relationship in a disaggregated manner (see Lankoski, 2006a). Although CR issues may differ from each other in several ways that are relevant for their financial performance impacts, most research still treats CR as one single entity. Furthermore, disaggregation into separate cost-side and revenue-side impacts would be useful to provide more insight into the mechanisms through which the financial performance impacts are created, but is absent from existing studies.

This paper examines the CR – financial performance relationship with an aim to addressing these gaps. It studies CR along three dimensions and three product chain stages and tests whether there are systematic patterns in the cost and revenue impacts of CR issues belonging to different dimensions or product chain stages.

THEORY AND HYPOTHESES

Corporate responsibility issues

There is currently no consensus on the appropriate role of business in society and thus on the issues that fall under CR (see McWilliams, Siegel & Wright, 2006). As this question is always socially constructed, the answer is likely to vary between different respondents or different time periods (see e.g. Maignan & Ferrell, 2003). However, without attempting to answer the normative question, we can still take a look at the *de facto* roles that business plays in society. Business is “multifunctional” (see OECD, 2001): while producing goods and services, it unavoidably also produces a range of other outcomes that arise jointly from its operations.

Making available necessary goods and services is a key role that business plays in society. Although the overlap between necessary goods and services and those provided by business is not perfect – some goods and services provided by firms may not be “necessary”, while some that are may remain underprovided – the market system has in general proved efficient in harnessing resources to produce goods and services to fulfil human needs. These necessary goods and services can contribute to economic, environmental, or social sustainability.

Another role played by business is creating wealth to its owners. With the spreading of the Anglo-Saxon business model, this has become the explicit main objective of an increasing number of firms worldwide, and has also been written into the law as the purpose of business in some countries. The central position of this role is also manifest in the tendency to divide organizations into non-profit and for-profit organizations; a division that we do not find with regard to any other of the roles of business.

Besides the owners, businesses distribute the wealth they create to a number of other constituencies. Wealth is distributed to employees through wages and salaries, and to suppliers through purchases. Further, wealth is distributed to society through taxes and other payments to government (net of government assistance received), as well as through voluntary, philanthropic activities.

In addition to these positive roles, businesses also play a negative role in that they may create harmful environmental and social impacts. The natural environment is affected by businesses’ inputs of materials and energy and outputs of pollution and waste. Harmful social impacts may be created by

unfair labor practices towards employees, inobservation of human rights in activities, and harmful impacts of products and practices on customers and societies.

Broadly speaking, the *de facto* roles of business in society thus include the positive roles of making available necessary goods and services, and creating and distributing wealth to owners, employees, suppliers, and society; as well as the negative roles of producing harmful environmental and social impacts. Strong CR performance, then, translates into promoting the positive roles and minimizing the negative ones.

Financial performance impacts

Superficially, the financial performance impacts of CR issues seem quite straightforward: they can be either positive, negative, or neutral. Indeed, these have been the alternatives examined in existing studies. However, these alternative outcomes may hide different paths through which the costs and revenues of the firm are affected. For example, a certain CR issue may have a neutral financial performance impact if it does not affect the costs and revenues of the firm, but equally well if it entails a significant cost increase and a simultaneous, corresponding revenue increase (Reinhardt, 1999). From a management perspective, these situations have different implications and need to be told apart.

Whereas the revenue impacts all arise through customers, cost impacts can arise from three potential sources (Lankoski, 2006b). Investments and operating cost increases may be originally required to address a CR issue, but these may be offset by efficiency savings in operations (Porter & van der Linde, 1995) and by savings in the costs of maintaining relationships with stakeholders (Jones, 1995). The cost and revenue impacts combine to create the ultimate financial performance impacts. Note that under certain conditions, it is in principle possible for CR activities that do not maximize the present value of the future cash flows of the firm to nevertheless maximize the firm's market value (Mackey, Mackey & Barney, forthcoming), but this perspective is not explored in this paper.

Hypothesis development

The first set of hypotheses concerns economic responsibility compared to environmental or social responsibility. Anecdotal wisdom has it that a firm that announces the weakening of environmental or social responsibility (e.g. large emissions), will see its share price go down, but a firm announcing the weakening of economic responsibility (e.g. large layoffs), will see its share price go up. Economic responsibility thus seems to somehow follow a different logic than environmental and social responsibility. Below, it will be hypothesized that improving economic responsibility (distributing wealth to employees, suppliers, and society) is less profitable than improving environmental or social responsibility because economic responsibility is fundamentally different from

the other dimensions with respect to two of the causal linkages between CR and financial performance: revenues and offsetting efficiency savings.

The revenues obtained from improving CR depend directly on the customers. Customers' responses to CR activities are affected, among other things, by their judgements of what are the moral obligations of the firm to society (Schuler & Cording, 2006). In this respect, situations where the firm is the original cause of the problem may differ from other situations (Margolish & Walsh, 2003). Thus, CR activities to minimize the negative roles of business may be judged differently from CR activities to promote the positive roles of business (Folkes & Kamins, 1999; Lankoski, 2006a). There is also general evidence that customers' reactions to CR activities are asymmetric: the unfavorable reaction to bad performance is greater than the favorable reaction to good performance (Creyer & Ross, 1996; Meijer & Schuyt, 2005; Schuler & Cording, 2006; Wood & Jones, 1995). Economic responsibility differs fundamentally from environmental and social responsibility in that while environmental and social responsibility are concerned with reducing the harmful impacts created by business, economic responsibility is about creating positive impacts. Thus, we may posit the following hypothesis:

H1a: Improving economic responsibility brings smaller revenues than improving environmental or social responsibility

As noted, the net costs of improving CR are the combination of three distinct cost effects. In terms of one of the three, efficiency savings, economic responsibility is again different from environmental or social responsibility. Efficiency may, in principle, be improved either by using fewer or cheaper inputs to produce the same output, or by producing more or more valuable outputs with the same inputs. It has been argued that pollution and waste equal inefficiency (Porter & van der Linde, 1995), and thus their reduction translates into cost savings because fewer purchased inputs such as materials and waste management services are needed, or cheaper alternatives may be substituted for the original materials (Reinhardt, 1999). Social responsibility in the form of employee health and safety and other labor conditions, on the other hand, influences employee motivation and thus productivity (Waddock & Graves, 1997). Such efficiency savings that offset some or all of the direct costs of CR improvements are important factors behind the win-win situations with environmental and social responsibility.

With economic responsibility, however, such gains are less probable. Taxes are collected simply as a share of the profits made. Similarly, charitable giving has no connections to efficiency as long as it is only a question of donating some of the profits earned, although the notion of strategic philanthropy that improves the firm's competitive context is rising (Peloza, 2006; Porter & Kramer, 2002). What regards employees and suppliers, the efficiency of the firm would be improved by employing fewer people, moving operations to lower-wage countries, dropping suppliers or squeezing

their margins – measures that might qualify as weakening rather than improving CR. Hence, while in environmental and social responsibility, responsibility and efficiency seem to share the same underlying logic (Porter & van der Linde, 1995), the case may be the contrary in the case of economic responsibility. Thus, we may hypothesize that:

H1b: Improving economic responsibility brings smaller efficiency savings than improving environmental or social responsibility

The second set of hypotheses concerns CR in the supplier stage compared to CR in the production or product stage. However, whereas in the dimension hypotheses we dealt with a contrary logic for economic responsibility versus environmental and social responsibility, in the hypotheses that are based on product chain stages the question is rather one of differences of degree.

CR is linked to purchasing behavior not only through moral values but also through the availability and quality of information (Reinhardt, 1998; Schuler & Cording, 2006). In order for CR performance to influence purchasing behavior, customers must receive information about it; in other words, the CR performance must be visible to the customers. Visibility is reduced when value chain distance grows (Lankoski, 2000), and suppliers are always one step further up the value chain from the customers' perspective. Thus, the following hypothesis:

H2a: Improving CR through suppliers brings smaller revenues than improving CR in own production or through own products

With respect to two of the cost effects, CR improvements through suppliers differ from those in the other product chain stages. Just as with the production or product stages, the investments or the operating cost increases required to implement a CR measure may be small or they may be large. However, when CR is improved in the supplier stage, the supplier may not be able to fully capture these costs from the buyer. In a similar manner, though, any potential efficiency gains that are achieved in operations remain primarily with the supplier. We can therefore put forward the following two hypotheses:

H2b: Improving CR through suppliers requires smaller investments or operating cost increases than improving CR in own production or through own products

H2c: Improving CR through suppliers brings smaller efficiency savings than improving CR in own production or through own products

DATA AND METHODS

The empirical research population was defined to be those senior executives in global companies who are experts in issues relating to CR. This is an interesting population because senior executives deal with strategic questions and financial performance concerns, and because many CR topics are raised especially in the context of globalization and global business. The empirical sample consisted of the corporate members of the International Chamber of Commerce (ICC) Commission on Business in Society (sample size = 60). The ICC is a global organization to represent world business that operates various policy commissions where representatives of member companies and business associations meet to discuss policy issues. Of these policy commissions, the Commission on Business in Society is the one where CR issues are covered.

A survey questionnaire was designed based on the above discussion on CR issues and financial performance impacts. The purpose of the questionnaire was to measure how the other *de facto* roles of business (wealth distribution to employees, suppliers, and society, environmental impacts, and social impacts) relate to the role of creating wealth to owners, considering the whole product chain. The role of making available necessary goods and services, however, could not be studied with the present research design and should be addressed separately in future research. Thus, the questionnaire covered the following nine issues: (1) environmental effects of own production, (2) environmental effects of suppliers' production, (3) environmental effects of product use and disposal, (4) social effects of own production, (5) social effects of suppliers' production, (6) social effects of product use and disposal, (7) distributing wealth to employees through employment, (8) distributing wealth to society through philanthropic activities (taxation was excluded because it is determined as a share of profits), and (9) distributing wealth to suppliers through purchasing. For the operationalization of these issues in the questionnaire, see the Appendix.

In line with the discussion on financial performance impacts, the respondents were asked to assess separately the cost and revenue implications of the nine CR issues for their company in the medium term on a scale ranging from -2 (significant cost savings / significant negative impact on customers' purchasing decisions) through 0 (no impacts on costs / no impact on customers' purchasing decisions) to 2 (significant cost increases / significant positive impact on customers' purchasing decisions). Moreover, with regard to the costs, the respondents were asked to first assess the extent of the separate cost impacts (investments and operating costs, efficiency savings, and stakeholder cost savings) before giving their overall assessment of the net cost impact. This served both to collect more detailed information on the causal linkages and to improve the quality of the assessment made of the net cost impact as the respondents had to recall various elements affecting the net costs. The wording of the revenue questions was selected so as to cover not only cases where strong CR performance creates supportive behavior in customers (such as the acceptance of a price premium) but also situations

where it helps to avoid adverse customer behavior like a boycott (Pelozo, 2006; Schuler & Cording, 2006).

The ICC administered the survey questionnaire to the sample through e-mails during the fall of 2006. The questionnaire was administered following the tailored design method (Dillman, 2007) with five contacts: a prenotice letter, the questionnaire, and three reminders. The respondents were offered a benchmark analysis of their responses in return for participating in the survey. Of the 60 respondents in the sample, the questionnaire reached 57 persons, of whom 24 responded to the survey. This constitutes a response rate of 40 per cent, which can be considered a very good result, since response rates in similar studies have typically been slightly over 20 per cent (Lankoski, 2006a). However, even though the response rate was good, due to the small size of the original sample the absolute number of responses nevertheless remains low, which must be borne in mind in the interpretation of the results. A check for non-response bias showed no significant differences between respondent groups for 42 of the 45 questionnaire items, and for three items, a marginally statistically significant difference which, however, did not follow any trend.

The financial performance impacts of CR are the product of specific circumstances that relate to firm characteristics on the one hand and issue characteristics on the other hand (Lankoski, 2006a). Statistical analysis with a dependent samples design is a suitable approach to identify and examine such dominant issue-specific financial performance impacts that hold across different firm contexts. To test whether the responses exhibit statistically significant, issue-specific patterns in terms of the cost and revenue implications of the CR issues, the Wilcoxon signed ranks test (a non-parametric, dependent samples test for detecting differences between two groups) was used.

RESULTS

Descriptive results

Figure 1 illustrates the average cost and revenue impacts for the nine issues. It shows that for only one issue (issue 4, social effects of own production), the financial performance outcome is clear-cut: an increase in revenues¹ occurs together with a reduction of costs, and thus the financial performance impact is definitely positive. All the other issues, however, are situated in the upper right-hand quadrant of the figure. This means that they produce some revenue increases but also some cost increases. Thus, the ultimate financial performance outcome is uncertain and depends on the delicate balance of these cost and revenue increases. This fits with the picture of no conclusive results that has emerged from many previous empirical studies (for a review, see e.g. Margolish & Walsh, 2003). Based on the average results in the figure, issue 9 (distributing wealth to suppliers through purchasing)

would fall on the negative side of the dividing line and the remaining issues would fall on the positive side. A more detailed examination of the cost components shows that, again on the average, each of the nine issues require some investments or operating costs, but each of them also provide scope for savings that offset at least half of these direct costs.

A clustering of the nine issues based on their cost and revenue impacts yields two clusters. In the first cluster belong the issues 2, 5, 7, 8, and 9 (the issue numbers are explained in the section on data and methods). In the second cluster, which differs from the first mostly because of the higher revenue impacts, belong the issues 1, 3, 4, and 6. In other words, the issues that relate to economic responsibility and to CR at the supplier stage form a cluster which is different from the one formed by issues that relate to environmental and social responsibility at the production and product stages.

Insert Figure 1 about here

Hypothesis testing

The results of hypothesis testing can be found in Table 1. It shows that improving economic responsibility brings both smaller revenues and fewer efficiency savings than improving environmental or social responsibility, and Hypotheses 1a and 1b are thus supported. Similarly, improving CR through suppliers brings smaller revenues, requires smaller investments and operating costs, and results in fewer efficiency savings than improving CR in own production or through products. Hence, Hypotheses 2a, 2b and 2c are supported, although for Hypothesis 2b the result was only marginally statistically significant. Note that Table 1 shows the results for hypotheses 2a, 2b and 2c without the three economic responsibility issues because their assignment to product chain stages might be debated; including the economic responsibility issues would not change the substantive results.

Insert Table 1 about here

Even though no hypotheses were presented about the net cost impacts, it is nevertheless interesting to examine whether some systematic patterns emerge. There were no statistically significant differences in the net costs between any of the CR dimensions or product chain stages. Truly, since we have a small absolute sample size and a non-parametric test, the risk for a Type II error (detecting no difference where in fact there is one) is large. However, on the revenue side, clear differences were discovered under these same conditions. This leads one to ask whether issue-specificity plays a bigger role on the revenue side than on the cost side. A variance components

¹ Note: The increase in revenues refers to a with-without comparison, not to a before-after comparison.

analysis of the responses confirms this: issue-specific characteristics explain 22 per cent of the variation in the responses for revenues (the remainder can be attributed to firm-specific characteristics and unsystematic firm-issue combinations), but only 2 per cent of the variation in the responses for net costs. Yet, at the level of the three individual cost components, there are systematic issue effects that explain 11 per cent of the investments and operating costs, 20 per cent of efficiency savings, and 1 per cent of stakeholder savings. This suggests that issue-specificity does play a role also with costs, but impacts on individual cost components largely cancel each other out in the aggregation to net costs. The same phenomenon may occur with stakeholder costs, where impacts of one stakeholder group are cancelled out by the impacts of another stakeholder group.

DISCUSSION

This study examined the CR – financial performance relationship with a simultaneous emphasis on comprehensiveness and disaggregation. To be comprehensive, it covered CR issues in three dimensions and three product chain stages. To produce disaggregated results, it sought systematic differences between the financial performance impacts of these issues and reported separately on the cost-side and revenue-side impacts. By doing so, it begins to fill a gap in previous literature, which has not examined the financial performance impacts of economic responsibility in a broad sense, nor separated empirically between the cost and revenue impacts of CR.

The study found that there are small but systematic differences between CR dimensions and product chain stages as far as revenues and individual cost components are concerned. Economic responsibility issues and supplier issues stood out as less profitable than others. This may imply, for example, that one of the topical CR issues in many industrialized countries facing globalization – the outsourcing of production to suppliers in countries with low labor costs and potentially also lower environmental and social standards, and the resulting unemployment in the home country – may be less likely to be resolved through the so-called business case for CR (see e.g. Salzmann, Ionescu-Somers & Steger, 2005) than are some other issues.

It is notable, however, that the differences between the issues were created mainly through revenue impacts. Although there were differences in individual cost components, these disappeared at the level of total costs. Revenue impacts depend on the information available to customers and on customers' willingness to pay for CR performance (Reinhardt, 1998; Schuler & Cording, 2006), and as such may be subject to changes, even dramatic ones, over time. Generally speaking, if the revenue impacts of CR are issue-specific but the cost impacts primarily firm-specific, this would mean that competitive advantage over other firms could be gained rather through costs than through revenues. Thus, of the CR strategies available to firms (Reinhardt, 1999), that of raising rivals' costs would be a more promising one than that of differentiation based on CR. On the other hand, improving the

availability of information to customers or increasing the customers' willingness to pay would be a good strategy for policy-makers to obtain across-the-board sustainability improvements in many firms. However, more research is required before the relative importance of firm- and issue-specificity in the financial performance impacts of CR can be confirmed.

The results presented here are but one step towards improving knowledge of CR from a comprehensive but disaggregated perspective. As such, they invite further research both to address the limitations of this study and to move on to a deeper and more detailed understanding of the questions at hand. For example, the research design in this study relied on surveying manager perceptions. It can be argued that managers possess the best information of the financial performance impacts of CR on their company. Furthermore, manager perceptions are interesting because it is based on these perceptions that companies are run. Yet, management perceptions may also be inaccurate, and the different social desirability bias of the different CR issues may have affected the managers' answers, consciously or not. More research using different designs is therefore required to complement this opening. More research is also called for due to the small empirical sample in this study, and the fact that all respondents were members of a commission specifically dedicated to CR issues, which may make their responses different from those of average managers (such differences, however, are perhaps reflected rather in the descriptive results than in the hypothesis testing results of this study).

While gaining in comprehensiveness, the study necessarily lost something in detail. Within the environmental, social, and economic CR issues at different product chain stages, several specific topics may be identified at a more detailed level. The potential differences between the financial performance impacts of these topics were not covered in the present study. Also, as noted, the role of business as a provider of necessary goods and services and the relationship of this role to the wealth-creating role of business was not examined here but ought to be addressed in future research.

Economic responsibility, which refers to much more than the profits of the firm, has been the forgotten dimension of CR. A balanced picture of CR cannot be obtained if such an important part of relationships that business has with its surroundings is omitted. Economic responsibility deserves similar research attention than that already awarded to social and environmental responsibility, starting from definitions (for example, the line between economic and social responsibility is sometimes blurred) and basic descriptive studies (this task is facilitated by the relatively easy availability of relevant data, e.g. in COMPUSTAT). Research on economic responsibility is all the more called for since economic responsibility seems to differ fundamentally from environmental and social responsibility. Hence, what we already know about environmental and social responsibility may not be directly transferable to economic responsibility.

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FIGURE 1

Average cost and revenue impacts for the nine CR issues and clustering of the issues. Issue numbers are explained in the section on data and methods.

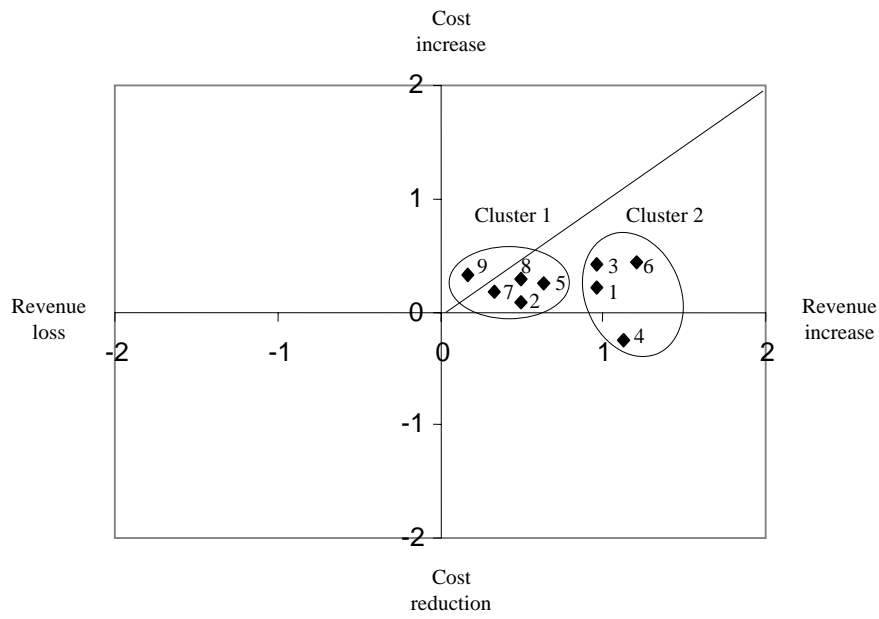


TABLE 1

Results of tests for differences between means.

Group means				Wilcoxon signed ranks test	
		Mean	Std.dev.	Z	Sig. (one-tailed)
H1a	Revenues from improving economic responsibility	0.33	0.54	-3.84	0.000***
	Revenues from improving environmental or social responsibility	0.90	0.43		
H1b	Efficiency savings from improving economic responsibility	0.33	0.40	-3.78	0.000***
	Efficiency savings from improving environmental or social responsibility	0.76	0.29		
H2a	Revenues from improving CR through suppliers	0.56	0.58	-3.64	0.000***
	Revenues from improving CR in own production or through products	1.06	0.42		
H2b	Investments and operating costs required to improve CR through suppliers	0.79	0.39	-2.15	0.016*
	Investments and operating costs required to improve CR in own production or through products	1.02	0.29		
H2c	Efficiency savings from improving CR through suppliers	0.63	0.40	-2.38	0.009**
	Efficiency savings from improving CR in own production or through products	0.83	0.31		

p < 0.001*** highly statistically significant

p < 0.01** statistically significant

p < 0.05* marginally statistically significant

n=24

APPENDIX

Part of the survey questionnaire. The questions in section B were repeated for each of the nine activities covered in section A.

A. It has been argued that customers may react to the corporate responsibility performance of the companies they are buying from. How would you say that the following activities affect the purchasing decisions of your customers in the medium term? Please circle one alternative for each question.

	significant <u>negative</u> impact on customers' purchasing decisions		<u>no</u> impact on customers' purchasing decisions		significant <u>positive</u> impact on customers' purchasing decisions
1. Following environmentally friendly practices in operations	-2	-1	0	1	2
2. Requiring that suppliers follow environmentally friendly practices in their operations	-2	-1	0	1	2
3. Ensuring that the goods or services sold are environmentally friendly to use and dispose of	-2	-1	0	1	2
4. Following good labor practices with employees	-2	-1	0	1	2
5. Requiring that suppliers follow good labor practices with their employees	-2	-1	0	1	2
6. Ensuring that the goods or services sold are healthy and safe to use and dispose of	-2	-1	0	1	2
7. Demonstrating a commitment to provide employment for people	-2	-1	0	1	2
8. Making donations and investments to benefit good causes	-2	-1	0	1	2
9. Demonstrating a commitment to provide business for suppliers	-2	-1	0	1	2

B. It has been argued that corporate responsibility activities may require cost increases, but also that they may lead to the discovery of cost savings through increased efficiency and through favorable stakeholder reactions. Below, you will be asked to consider the cost implications of the following activities for your company. Please consider the fundamental nature of the activities regardless of the extent to which they have been implemented in your company, and circle one alternative for each question.

Following environmentally friendly practices in operations:					
10. How much investments or operating cost increases are required?			None	Some	A lot
11. How much efficiency savings can be obtained in operations?			None	Some	A lot
12. How much cost savings can be obtained through favorable reactions from stakeholders other than customers?			None	Some	A lot
	significant cost <u>savings</u>		<u>no</u> impacts on costs		significant cost <u>increases</u>
13. Overall, what is the medium-term net impact on costs?	-2	-1	0	1	2

Europe Campus

Boulevard de Constance,
77305 Fontainebleau Cedex, France

Tel: +33 (0)1 6072 40 00

Fax: +33 (0)1 60 74 00/01

Asia Campus

1 Ayer Rajah Avenue, Singapore 138676

Tel: +65 67 99 53 88

Fax: +65 67 99 53 99

www.insead.edu

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