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Systematic Review and Meta-Analysis of Links between Corporate Social Responsibility Practices, Employee Engagement Levels, and Corporate Financial Results

Stephanie P. DiBurro

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Abstract

There is an increasing demand on corporations to play a stronger role in the society in which they operate. Many firms have already taken the initiative to declare and publish Corporate Social Responsibility (CSR) strategies. Some of these initiatives and strategies are in reaction to customer and employee pressure. There are other firms, however, that do not see the advantage of operating in a socially responsible manner.

In the hope of providing evidence of the advantages firms will gain by taking an active role in instituting CSR programs, this thesis is a meta-analysis investigating the literature written that makes the connection between CSR practices, employee engagement levels, and corporate financial results.

The meta-analysis in this thesis reviewed fifteen pieces of literature to determine if there was a connection between CSR practices, employee engagement levels, and corporate financial performance. While the findings of this meta-analysis were inconclusive, all fifteen studies did provide a correlation between CSR and corporate financial results. Nine of the studies, sixty percent, demonstrated a link between CSR and employee engagement, and eight of the fifteen studies, fifty three percent, demonstrated a connection between all three, CSR practices, Employee Engagement levels, and corporate financial results.

Dedication

I dedicate this thesis to my husband Peter who has been my biggest supporter over our 31 years of marriage. He encouraged me to seek out my master's degree in International Relations and has provided support and encouragement throughout my master's degree program, which led to the development of my thesis.

Acknowledgements

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Table of Contents

Dedication……...iv

Acknowledgements..... v

I. Introduction to Research Problem..... 1

Origin of Employee Engagement..... 1

Employee Engagement and Financial Results..... 2

Origin of Corporate Social Responsibility..... 3

CSR and Corporate Financial Performance..... 4

Connecting Employee Engagement with CSR and CFP..... 5

II. Definition of Terms..... 7

III, Background..... 10

Employee Engagement..... 10

Corporate Social Responsibility..... 15

Financial Performance..... 21

IV. Research Methodology Approach and Analyses..... 24

Approach..... 24

Literature Reviewed..... 26

Analysis..... 27

Seven-Point Scale..... 28

Meta-analysis..... 30

V. Findings..... 31

Social Issues Management..... 32

Consumer Perspective 40
Human Resource Management 46
Financial Management 63
Human Resource Management and Financial Management 73
VI. Limitations and Future Research 78
Limitations 78
Future Research 79
VII. Conclusions 80
Completed meta-analysis 82
Appendix 84
Appendix I. UWES Questionnaire 84
Bibliography 85

List of Tables

Table 1. Meta-analysis scorecard 30

Table 2. Completed meta-analysis scorecard 82

List of Figures

Fig. 1. Seven Point Scale 28

I.

Introduction to Research Problem

In this chapter I will discuss the history of employee engagement and Corporate Social Responsibility (CSR) programs and how each of them present themselves in a firm's financial performance. I will then explain how employee engagement, CSR and Corporate Financial Performance (CFP are connected.

Origin of Employee Engagement

"Employee engagement" is a relatively new concept and has only been around a little more than a decade. During the 1970s and 1980s, HR departments (or as they were then called, Personnel) focused on employee satisfaction. "But this had little or no connection with performance and was more about the employee than the organization or the employee's relationship with it."[1] During the 1990s the focus was on employee benefits and pay as a motivator.

In the 21st century, HR departments became People and Culture teams and the vernacular changed from job satisfaction to engaging a high-performing workforce. In a 2013 Harvard Business Review Analytic Services report of more than 550 executives around employee engagement, "71% of respondents ranked employee engagement as

1. Tom O. Byrne, "History of employee engagement - from satisfaction to sustainability" HR Zone, November 8, 2013, https://www.hrzone.com/engage/employees/history-of-employee-engagement-from-satisfaction-to-sustainability.

very important to achieving overall organizational success."[2] These engaged employees are the number one source of value creation in most firms today. A key component of any company's strategy is to attract, develop, and retain top talent. Employees who are highly engaged are less likely to leave their jobs and search for new opportunities. Studies have shown that firms with high engagement scores will have lower turnover rates than their disengaged peer companies. Increased retention rates lead to lower recruiting and hiring costs, which in turn helps boost profits.

It is critical to any company's success to understand what the key drivers are to motivate and engage the workforce. The traditional methods of measuring productivity, absenteeism, and turnover may not tell the whole story and results are often difficult to interpret. An employee's commitment to stay at a company through good times and bad is often what is most telling. "Many employees are seeking recognition for their efforts and contributions—not necessarily raises—and are a lot more satisfied working for companies that emphasize timely feedback and praise. Happy employees lead to increased productivity and improved morale."[3] This is particularly true in the ecommerce, pharmaceutical, and software engineering industries.

Employee Engagement and Financial Results

Executives are recognizing that a high-performing workforce is essential in keeping pace with financial demands from shareholders. Retention of these key

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[2] Harvard Business Review Analytic Services, The Impact of Employee Engagement on Performance (2013): 1.

[3] Meghan M. Biro, "10 Reasons Employee Engagement Matters," Huffpost, August 23, 2017, https://www.huffingtonpost.com/entry/10-reasons-employee-engagement-matters_us_599d8e69e4b0b87d38cbe673.

contributors has become a top priority. While trying to understand what motivates their employees, HR analysts are also evaluating the true costs related to hiring and training new employees in a highly competitive talent market.

For more than 30 years, academics and organizational behavior practitioners have studied the connection between employee engagement and the long-term value of a company's stock price. Many of these studies indicate that the more engaged your employees are, the higher the profit margin will be. In one Harvard Business Review Analytic Services report, executives found that many companies find it challenging to measure engagement and tie its impact to financial results: "fewer than 50% of companies said that they are effectively measuring employee engagement against business performance metrics such as customer satisfaction or increased market share."[4]

Origin of Corporate Social Responsibility

While many believe that corporate social responsibility (CSR) is a 20th century concept, there are traces of social responsibility dating back to the late 18th century. The YMCA (Young Men's Christian Association) is a good example of early social responsibility initiatives. The YMCA movement began in London in 1844 and "were supported not only by individuals, but by companies as well. Just before World War I, there appeared growth of company giving for community-related welfare, and social

[4] Harvard Business Review Analytic Services, The Impact of Employee Engagement on Performance (2013): 1.

programs became closely associated with the YMCAs, especially linked to the railroad companies."[5]

CSR as we know it today stemmed from a belief that consumers will remain loyal and reward companies for their socially responsible programs. Initially companies were introducing CSR programs in reaction to negative press or a bad reputation after a damaging event. In fact, some companies implemented programs to avoid negative reactions or boycotting of their products.

CSR and Corporate Financial Performance

Similar to the literature on employee engagement, in the past two decades, academics have researched the interrelationship between CSR and its connection to a firm's financial success. The focus of these studies has primarily been on community and customer demands. Topics range from stakeholder management to environmental responsibility and sustainability. An example of this is illustrated by an experience of McDonald's in the U.K. McDonald's was one of many companies that were targeted by animal rights activists. There was a growing concern about the treatment and use of animals in the firm's products. "Relying on its reservoir of goodwill based on positive CSR, the firm was able to take the time to develop a formal policy on the issue. Although the firm was still compelled to act, had the firm not had a positive reputation built on CSR, it would not have faced pressure to act more quickly."[6]

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[5] Archie B. Carroll, "A History of Corporate Social Responsibility Concepts and Practices," in Andrew Crane, Abigail McWilliams, Dirk Matten, Jeremy Moon, and Donald Siegel, eds., *The Oxford Handbook of Corporate Social Responsibility* (Oxford: Oxford University Press, 2008), 22.

[6] John Peloza, "Using Corporate Social Responsibility as Insurance for Financial Performance," Reasearchgate, *California Management Review*, DOI: 10.2307/41166338 (December 2006): 60.

The Socially Responsible Investing Studies website (sristudies.org), lists over 225 studies that highlight the connection between corporate social responsibility programs, socially responsible investing, sustainable investing programs, and the effect on corporate financial performance (CFP).

Connecting Employee Engagement with CSR and CFP

Companies are recognizing that successful CSR programs must include employee participation and adoption of these programs. In recent years the conversation has turned to drawing a correlation between employee engagement and those companies who operate in a more socially and environmentally responsible manner. There are hundreds of academic studies that claim that the more socially responsible the employees "perceive" the company to be, the higher the employee engagement score. Executives are looking for ways to incorporate CSR into Human Resources practices. The CSR literature is now focusing on developing a better understanding of how engaged employees who value a company's socially responsible behavior impacts business outcomes, productivity, and profitability.

This thesis contributes to the existing literature and enhances the understanding of the relationship between corporate social responsibility, employee engagement, and financial performance of the firm. In this paper I will perform a systematic review and meta-analysis to test if the literature proves that a data triangulation exists between the three. The research used in this exploration will be from a variety of sources, comparing fifteen pieces of literature that draw a connection between effective CSR programs,

engaged employees, and their connection to the long-term value of a company's stock price.

II.

Definition of Terms

Corporate Social Responsibility (CSR): CSR is the alignment of a company's social and environmental activities with its business purpose and values. It can encompass topics such as environmental sustainability; ethical supply chain and product safety; employee safety, health, and welfare; and community support and engagement.

Corporate Financial Performance (CFP): CFP is one measure of a firm's overall financial health. For public companies it is reported quarterly and on the firm's fiscal year. This measure can be used to compare firms across industries or sectors.

Employee Engagement: For the purposes of this paper I will define employee engagement as the emotional commitment the employee has to the organization and its goals. "This emotional commitment means engaged employees care about their work and their company. They don't work just for a paycheck, or just for the next promotion, but work on behalf of the organization's goals."[7]

Environmental, Social, and Governance Factors (ESG): The MSCI ESG Indexes are designed to support common approaches to environmental, social, and governance (ESG) investing, and help institutional investors more effectively benchmark to ESG investment performance as well as manage, measure, and report on ESG mandates.

[7] Kevin Kruse, "What Is Employee Engagement," *Forbes*, June 22, 2012. https://www.forbes.com/sites/kevinkruse/2012/06/22/employee-engagement-what-and-why/#7dbb8a7f3727

MSCI's ESG Indexes also provide institutional investors with transparency into ESG sustainability and values alignment, together with the ability to compare holdings.[8]

Financial Management—High Potentials: In general high-performing employees are considered the top 3-5% of all employees at a company. Companies will have their own definition of what they consider a high potential; for purposes of this paper, high potentials are employees who consistently and significantly outperform their peer groups. They serve as a model for other employees by exhibiting behaviors that encompass the company's culture and values.

High-performance Workplace Systems (HPWS): "Job satisfaction is an output measure—an attitudinal variable that is not directly controlled by management but indirectly affected through changing HRM policies."[9]

Human Resource Management (HRM): This is a formal system that is recognized to describe the management of people within an organization. It is the role of HRM to devise practices to attract, retain, and engage employees. This field can encompass topics like employee relations, benefits, compensation, talent acquisition, and Human Resource Information Systems (HRIS).

Long-Term Value (LTV): LTV is the value of a company stock over an extended period of time generally lasting at least 7-10 years. It takes into consideration the value delivered to shareholders because of management's ability to grow earnings, dividends, and share prices over the long-term.

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[8] MSCI Indexes, https://www.msci.com/esg-indexes.

[9] Brian E. Becker and Mark A. Huselid, "High Performing Workplace Systems and Firm Performance: A Synthesis of Research and Managerial Implications," *Research in Personnel and Human Resources Management* 16 (1998): 53.

Meta-Analysis: This is a statistical approach for combining data from multiple studies. When the literature you are examining has a common theme with similar characteristics that is consistent from one study to the next, a meta-analysis can be used to identify and evaluate this common effect.

Pay-for-performance: This is a financial reward system where employees are rewarded for their performance relative to a stated company objective. The higher the employee performs, the greater the incentive.

Social Issues Management: This is the study of social issues, institutions, interactions, and impacts of management.[10]

Triple Bottom-Line Theory: This is a financial management term that takes into account the economic, social, and environmental factors of a company. This term was first coined by John Elkington in 1994, to take into consideration social factors in addition to the traditional bottom-line theory that only considered the profit or loss of a company.

Utrecht Work Engagement Scale (UWES): The UWES utilizes three scales to determine the level of work engagement: Vigor, dedication, and absorption. It is a test of how to measure work engagement on both an individual and a group level. The original questionnaire was 17 items: 6 vigor items, 5 dedication items, and 6 absorption items. There is also a nine-item scale.

[10] Academy of Management, http://aom.org/Divisions-and-Interest-Groups/Social-Issues-in-Management/Social-Issues-in-Management.aspx.

III.

Background

The background chapter is broken down into three key segments: Employee Engagement, Corporate Social Responsibility (CSR), and Corporate Financial Performance. Within each section I discuss the history, literature, and research surrounding the topic. In the employee engagement and CSR sections I provide insight into what companies are doing today, the tools corporations are using to measure the results, and sample questions they are asking their employees. In the financial section I address the different financial measurements that are being used to validate the success of various CSR and engagement programs and I close this section by discussing the importance of performing a data triangulation.

Employee Engagement

Employee engagement is the emotional commitment the employee has to an organization and its goals and objectives. This emotional commitment means engaged employees will go above and beyond their day-to-day work to help the company be successful. These employees are not working just for a paycheck—they understand that their efforts contribute to the company's success.

It is critical for organizations to understand what drives their employees' engagement. It is difficult, however, for organizations to manage issues they don't know exist. Thousands of companies, who believe that engaged employees are critical to their long-term success, survey their employees each year to evaluate their employees'

engagement level. Some send out pulse surveys quarterly while others look to industry-wide local, national, and international surveys to gauge where their employees' engagement levels are in comparison to competitor or peer companies. Some of the more popular surveys in the United States are Gallup, who have been surveying employers for more than 15 years; *Fortune Magazine's* "100 Best Companies to Work for in America," which has been surveying employees for close to 20 years, and, in Europe, The *Great Places to Work* "100 Best Places to Work in Europe." More than 2,500 companies participate in the *Great Places to Work* survey that identifies the top "125 Best Workplaces in Europe" annually. There are literally hundreds of these types of survey and consulting firms trying to get companies to participate in their surveys. Companies then use these ratings to measure their success. They see these ratings as a badge of honor and they believe this not only helps to attract but also retain high-performing employees.

Another measurement that is commonly used was created by a group of academic researchers called the Utrecht Work Engagement Scale (UWES). This model has two versions: a 9-item and a 17-item questionnaire that is based on more than two-dozen studies with data from over 14,000 employees in 10 different countries. The UWES is in the public domain and can be used without charge, provided that organizations using the tool agree not to charge a fee for its use and to share the raw data collected with the researchers. Various countries have adapted the UWES; Italy, Norway, Japan, and China use their own version to measure engagement.

Companies also run their own customized engagement surveys and try to understand what motivates and drives their employees' engagement. The assumption with these surveys is that the higher the engagement level the less turnover and

absenteeism there will be. Reduced turnover and fewer absent employees leads to a more productive workforce; and productive employees in turn provide a stronger bottom line for the company.

According to a 2013 *Harvard Business Review* (HBR) report, top executives understand that it is critical to have highly engaged, high-performing employees in order for the company to grow and succeed. In this article, 568 executives who run companies of 500 employees or more were surveyed. Seventy one percent of respondents ranked employee engagement as very important to achieving the overall organizational success, yet only 24% say that their employees are highly engaged. These executives recognize that "a highly-engaged workforce can increase innovation, productivity, and bottom-line performance while reducing costs related to hiring and retention in highly competitive talent markets."[11]

Engagement surveys, when done well, aim their questions not only on the physical aspects of the job: work environment, pay, and benefits, but the emotional side as well. They include items like:

1. I am proud to work for this company.
2. I would choose to stay with this company even if offered the same pay and benefits elsewhere.
3. I would recommend this company to others as a great place to work.
4. I am motivated to go above and beyond what is normally expected to help my team be successful.
5. I understand how my own job contributes to achieving my team's goals.

[11] Harvard Business Review Analytic Services, The Impact of Employee Engagement on Performance (2013): 1.

6. Team members can express their opinions to upward management without fear of negative consequences.

Survey data should be treated with a degree of caution, however. Many engagement surveys fail when employees distrust who is reviewing the data. If companies are not transparent with their employees on who has access to the data, employees will lose trust, thus skewing the results. Employees often admit to answering the questions down the mid-point on the survey because they don't want to get in trouble. Companies aren't always clear on who has access to view the responses, which leads to distrust. Additionally, there are problems with how managers communicate the results to their employees. The resulting scores are generally aggregated to measure engagement at the organizational level. Managers are often provided these results and encouraged or even required to develop an action plan to address disengaged top performers. In some companies, managers themselves are rated and rewarded on how engaged their employees are. If the manager approaches their employees with the results, even in aggregate, depending on how it is presented may make employees feel uncomfortable. Employees wanting to avoid that discussion in the future won't be honest in their responses to the surveys going forward.

There is often confusion by management on what motivates employees. Some believe that the more you pay your employees the more productive they will be. While money can be a motivator, and many companies have a pay-for-performance culture, research has shown that "very high incentives result in a decrease in performance"[12]. Ariely et al. performed a set of experiments in the in the U.S. and India in which

[12] Dan Ariely, Uri Gneezy, George Loewenstein, and Nina Mazar, "Large Stakes and Big Mistakes," *Review of Economic Studies* 76 (2009): 451-469.

employees worked on different tasks and received performance-contingent payments that varied in amount from small to very large relative to their typical levels of pay. With some important exceptions, very high reward levels had a detrimental effect on performance.

To further this thinking, research has been done to explore the hypothesis that prosocial behavior improves group functioning. Prosocial behavior is a demonstrated behavior for a concern for the rights, feelings, and welfare of other people. "When organizations give employees the opportunity to spend money on others—whether their co-workers or those in need—both the employees and the company benefit, with increased happiness and job satisfaction, and even improved team performance."[13]. As discussed previously, when employees are happy and feel valued by their employer, their engagement level with the company goes up. Engaged employees will go above and beyond what's asked of them to make the company successful.

The opposing view, however, would say that in order for companies to maximize their profits, they must ensure that employees are paid no more than their competitors. They argue that providing employees with excessive benefits and pay is costly to shareholders. In 2004, Ann Zimmerman, staff reporter for the *Wall Street Journal,* wrote an article titled "Costco's Dilemma: Be Kind to Its Workers, or Wall Street," Zimmerman points out that investors are weary that Costco offers excessively generous pay and benefits to its employees, compared to its frugal competitor Wal-Mart. Many shareholders believe the notion that management practices should be centered on extracting maximum effort from their workers, while minimizing their compensation and

13. Michael I. Norton, Lalin Anik, Lara B. Aknin, Elizabeth W. Dunn and Jordi Quoidbach. "Prosocial Incentives Increase Employee Satisfaction and Team Performance," (2013): 10.

benefits. These companies are not focused on employee engagement; their main concern is profitability and stock prices.

In 2015, the Pew Research Center reported that millennials will surpass Gen Xers as the largest generation in the U.S. labor force. In its 2015 Nielsen Global Corporate Sustainability Report, Nielson found that "66% of global consumers say they're willing to pay more for sustainable brands—up 55% from 2014." It also found that 73% of global millennials are willing to pay extra for sustainable offerings—up from 50% in 2014. As companies begin addressing engagement for the millennials many of them are implementing Corporate Socially Responsible programs as an engagement lever.

Corporate Social Responsibility

Corporate social responsibility (CSR) occurs when companies align their social and environmental activities with their business purpose and values. They implement programs that address environmental sustainability, ethical supply chain, product safety, employee safety, health and welfare, and community support and engagement.

We began hearing about corporate social responsibility in the 1960s with only a few, lesser-known companies acknowledging their social and ecological responsibility. Only when there was a major oil spill, like the *Exxon Valdez* in 1989 or the well-known *Pacific Gas and Electric* company spill where a chemical leak (chromium-6) was contaminating the water in Hinckley, California, causing devastating illnesses among its residents, did companies step up and promote their CSR programs. When people began boycotting companies who were not taking on their responsibility, companies had to react.

In many cases publicly traded companies saw CSR programs increase as a result of a variety of social, environmental, and economic pressures. They saw CSR as a way to improve their company's bottom line. Over the last 10 years or so companies started promoting their CSR programs because their customers, the general public, their investors, and their employees are now expecting them to act sustainably and responsibly.

Many consumers are looking for brands that are conscious about the environment and how they use natural resources. Companies are now using their CSR initiatives as a way of distinguishing themselves in the market. As more and more companies promote these programs, the brand differentiation becomes less of a driver and more of an expectation from the consumer. In the ongoing cola war between Coke and Pepsi they both have adopted similar approaches in packaging—offering bottles made from environmentally sustainable material and finding new ways to use cardboard made from recycled materials. Each company is pushing the other to find new and innovative ways of being environmentally friendly.

Companies who are thinking longer term about their company's stock prices and not the short-term gain are also investing into sustainability as a driver. These sustainability efforts are generally not evident quarter over quarter; they are long-term changes in how a company operates.

Making a connection from the CSR program, to employee engagement and long-term value of the stock prices, companies are recognizing it is equally important to make their employees aware of their CSR efforts and bring them into the discussion. Communicating their CSR program internally as well as externally is crucial to their success.

Companies are now engaging with their employees in their CSR efforts and challenging them to come up with products and services that address CSR concerns. Companies are finding their employees are being more innovative and engaged in their work by asking their employees to be innovative and apply a sustainability lens to their products. Unilever, for example, was able to develop new products such as a hair conditioner that uses less water, saving the environment but also saving the company money. Without sustainability as a driving factor, Unilever employees may never have come up with this product.

Many companies are challenging their employees to find ways to use less energy or packing with their products, which in turn saves money for the company while having the benefit of saving the environment. General Mills in 2011 challenged their employees to reduce energy cost by 20% in less than 4 years. According to its 2011 CSR report, after installing energy monitoring meters on several pieces of equipment in one plant in Covington, Virginia, General Mills was able to save $600,000.

CSR is also about volunteerism and giving employees ways to give back to the community. Some companies give employees paid time off to do volunteer work. The millennials, for example, are very interested in giving back to the community. These volunteer opportunities help employees feel good about themselves and the company they work for.

For companies to know whether or not their CSR programs are perceived as being important to customers, they hire survey firms to run focus groups and test the market. They use empirical data to verify the expense of these programs. When these same

companies are interested in knowing if their employees are appreciating their CSR programs, they survey their team members with items such as the following:

1. I think of this company as a good corporate citizen.
2. It is important to me that my company is a socially responsible company.
3. I am familiar with the social responsibility efforts of the company.
4. This company is genuinely committed to protecting the environment (recycling, preventing pollution, dealing with hazardous materials, etc.).
5. This company has a genuine concern about protecting the environment.
6. I feel good about the ways that my company contributes to the community.

They often tie their results to their engagement survey to extrapolate any connection between the CSR programs offered and their retention efforts.

There are various groups who study corporate social responsibility (CSR) and the role of the employer. Social issues management (SIM) researchers, investment advisors, economists, and consulting firms have traditionally studied CSR and the impact on the economy. Most recently, however, this research has made its way to the human resources and organizational behavior domains.

SIM is the study of social issues, institutions, interactions, and impacts of management decisions. SIM researchers are interested in understanding responsible behavior by companies, the managers, and the employees who work there. They analyze the ethical legitimacy of businesses. Corporate social performance (CSP) is a measurement used by SIM analysts to rate a company's CSR programs.

Investment advisors are responsible for researching investments and providing opinions on which companies are appropriate to invest in. Kinder, Lydenberg and Domini

& Co. (KLD—a social choice investment advisory firm) has made their social performance database available to investors who want to make socially conscious decisions about their investments. They track and report on companies that support as well as violate their social contract. Another firm, Reputation Institute, provides global reputation ranking on the 100 most reputable firms across 15. One concern, however, is that the database ratings are only the opinions of the principles of these particular firms. Investors first need to understand the countries' algorithms the firms use to calculate CSP in order to use the data appropriately.

Economists study, create, and apply philosophical theories on how CSR impacts the economy. Milton Friedman, who won the Nobel Prize in Economics in 1976, wrote "There is one and only one social responsibility of business — to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud." The economist role is to evaluate programs that impact the company's bottom-line. They often argue that CSR conflicts with economic goals.

There is also a plethora of consulting firms that have an interest in corporate social responsibility (CSR) practices. These firms range from management and financial consulting firms to environmental strategy services. In the last 10 years or so, human resource (HR) consulting firms like Aon Hewitt, KPMG, Towers Perrin, and many others have gotten into the business of consulting on CSR and the impact on employee engagement.

HR professionals are paying an increased attention to CSR programs as a way to attract and retain key employees. Specifically, the HR leadership teams are focused on

the millennials who are looking to work for companies that emphasize CSR through employee volunteerism. Only in the last 5 years or so has there been a surge of conference topics and articles written on the millennials and what they are looking for from an employer. Some companies have always been involved in community activities, but that only scratches the surface for what employees are looking for. They want to work for a company that has a solid reputation in the community, that behaves ethically, and that contributes to the community while improving the quality of life of their employees and their families.

Organizational behavior (OB) practitioners are looking at CSR programs that have been implemented at companies across the globe to understand, predict, and respond to the behavior of the employees. Their research informs HR managers and consulting firms on what employees are looking for and what they should take into consideration when implementing new employee programs.

There are many views expressed in this paper regarding the connection between financial performance and corporate social responsibility (CSR). Some argue that positive CSR activities generate positive financial performance. Others argue that when firms, who have a negative social image, engage in CSR activities, they are perceived as disingenuous, atoning for past sins rather than a genuine concern for society. An example of this would be companies who try to offset a negative product image through generous philanthropy.

Financial Performance

Financial performance is determined by looking at a company's profits and losses over a specified period of time. Financial analysis is used to analyze a company's income statements, cash flow, and balance sheets to objectively determine if a particular strategy is effective. By evaluating the financial performance of their business, decision makers can determine if the strategies they employ for their CSR and engagement programs are negatively or positively impacting their bottom line.

There have been hundreds of studies and meta-analyses done on the relationship between CSR activities and financial performance. The majority of these studies have found that there is more with a positive rather than negative relationship between CSR and financial performance. Margolis and Walsh between 2001 and 2003 reviewed almost 100 studies attempting to quantify a CSR-CFP link with the majority of these studies showing a positive correlation. In fact, they point out that the relationship between CSR and financial performance has been empirically examined by one hundred twenty-seven published studies between 1972 and 2002 with different measurement methods.

Many of the studies discussed in this paper support the proposition that if a company has a strong, clearly articulated CSR program, their employees will feel more engaged and committed to working for the company, which in turn will increase profitability. In this meta-analysis of the relevant literature, I propose to determine the extent to which this support is confirmed or refuted. As discussed in the findings section of this paper, the studies vary in the level of sophistication and the detail in which the authors test their hypothesis.

As many studies as there are tying CSR and financial performance, there are even more theories around the importance of an engaged workforce and the company's bottom line. The resource-based view (RBV) of the firm asserts that to maintain a competitive advantage companies must look at the resource side, their employees, rather than solely focusing on the product side. Investing in your resources leads to better retention of key employees.

In 2004, Hewitt Associates, working with Michael Treacy, author of *Double-Digit Growth -How great companies achieve it no matter what*, performed a study on double-digit growth *(DDG)* companies to understand their drivers of employee engagement. In this study they found that DDG companies have higher level of engagement for both employees and executives. The executives are more effective at instilling pride and engender a growth mindset; are passionate about creating a positive work environment; provide greater opportunities and support employee learning and development; and that leaders of DDG have a higher level of engagement than do single digit growth (SDG) companies.[14]

In 2009, Towers Perrin wrote a report titled *Quantifying the value of engaging your workforce*. In this report they assert they have confirmed a definition of engagement that involves both emotional and rational factors relating to work and the overall work experience. They suggest that "an engaged individual is both emotionally involved with an organization 'I really care about the future of my company' and also rationally connected 'I understand how my role is related to my company's overall goals.'" They go on to show a relationship between employee engagement and a company's operating

[14] Michael Treacy, "Employee Engagement at Double-Digit Growth Companies," Hewitt Research Brief (2012): 1.

margin by collecting engagement scores from 5,000 employees at various companies and then comparing those companies' operating margin. Their results prove that companies with higher employee engagement scores have significantly higher operating margins.[15]

[15] Towers Perrin, "Working Today: Understanding What Drives Employee Engagement," The 2003 Towers Perrin Talent Report (2003): 5.

IV.

Research Methodology Approach and Analyses

In this chapter I will first outline my approach of using a meta-analysis. Define what a meta-analysis is and its advantages. I will then confirm the 15 pieces of literature selected for the study, list the questions that were used and provide a sample template for my analysis.

Approach

When embarking upon a research project it is critical to establish a methodology for analysis and to understand its limitations. In this chapter I will first provide information about my research methodology approach, which will entail a meta-analysis. I will then discuss the limitations and pitfalls that may arise during the analysis. This analysis will establish statistical significance using ten studies that may have conflicting results.

I chose to perform a meta-analysis because it is statistically stronger than the analysis of any single study performed. According to Mark W. Russo:

> Meta-analysis is a systematic review of a focused topic in the literature that provides a quantitative estimate for the effect of a treatment intervention or exposure. The key to designing a high-quality meta-analysis is to identify an area where the effect of the treatment or exposure is uncertain and where a relatively homogenous body of literature exists. The techniques used in meta-analysis

provide a structured and standardized approach for analyzing prior findings in a specific topic in the literature.[16]

While a single piece of literature on its own may not be statistically significant, by examining similar studies claiming the same results will provide a stronger conclusion.

There are hundreds of articles claiming that corporate social responsibility (CSR) programs and financial performance are closely tied and that CSR programs drive employee engagement. Also there are other studies that claim employee engagement can increase company stock price. There are fewer studies, however, that take into consideration all three factors. Therefore, I chose to perform a meta-analysis of fifteen studies that claim a correlation between implementing effective CSR programs and employee engagement, CSR and long-term financial results or all three, CSR programs, employee engagement and financial performance.

The articles for this review were identified using Google Scholar, Business Source Complete (EBSCO Host), Harvard Business Review, Researchgate, and the Society of Human Resources Management (SHRM). My search used key words such as employee engagement, corporate social responsibility (CSR), corporate social performance (CSP), stock prices, and financial performance. This research also uses published papers from leading human resource (HR) consulting firms, Aon Hewitt, KPMG, and Price Waterhouse Coopers.

This meta-analysis will be taken from the point of view of the Social Issues Management; Consumer Perspective; Human Resource Management, and Financial Management disciplines.

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[16] Mark W. Russo, "How to Review a Meta-analysis," *Gastroenterology & Hepatology* 3, no. 8 (August 2007): 637.

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Davies, Iain Andrew, and Andrew Crane. "Corporate Social Responsibility in Small- and Medium-Size Enterprises: Investigating Employee Engagement in Fair Trade Companies. Business Ethics." *European Review* 19, no. 2 (April 2010): 26-139.

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Luo, Xueming and C.B. Bhattacharya. "Corporate Social Responsibility, Customer Satisfaction, and Market Value." *Journal of Marketing* 70, no. 4 (October, 2006): 1-18.

Margolis, J.D. and Walsh, J.P. "Misery Loves Companies: Rethinking Social Initiatives by Business." *Administrative Science Quarterly* 48, no. 2 (2003): 268-305.

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Peloza, John. “Using Corporate Social Responsibility as Insurance for Financial Performance.” Reasearchgate, California management review, DOI: 10.2307/41166338 (2006).

Saeidi, Sayedeh Parastoo, Saudah Sofian, Parvaneh Saeid, Sayyedeh Parisa Saeidi, and Seyyed Alireza Saaeidi. “How Does Corporate Social Responsibility Contribute to Firm Financial Performance? The Mediating Role of Competitive Advantage, Reputation, and Customer Satisfaction.” *Journal of Business Research*, 68, no. 2 (2015): 341-350.

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Tang, Zhi E., Clyde Eirikur and Sandra Rothenberg. “How Corporate Social Responsibility Is Pursued Affects Firm Financial Performance.” *Academy of Management Annual Meeting Proceedings* (2011).

Ullman, Arieh A. “Data in Search of a Theory: A Critical Examination of the Relationships Among Social Performance, Social Disclosure, and Economic Performance of U.S. Firms.” *Academy of Management Review* 10, no. 3 (1985): 540-557.

Analysis

The analysis will entail an assessment of the various studies’ strengths and shortcomings. I will assess each piece of literature to determine if it supports the hypothesis that there is a link between CSR practices, employee engagement levels, and corporate financial results.

Using the following questions, I will apply a seven-point scale to each study: clearly false; false; somewhat false; indeterminate; somewhat true; true; clearly true.

1. Are the study objectives clear?
2. Was comprehensive research conducted and sited?
3. Evaluation of the results: Were appropriate statistical methods used?

4. Are the funding source(s) stated and is it clear that there is no conflict of interest?
5. Is the study clinically relevant?
    a) Did the study measure CSR and its effect on financial performance?
    b) Did the study make a direct correlation between CSR and employee engagement?
    c) Did the study validate that high employee engagement with higher CSR ratings increased financial results?

I will assign a number of 0 to 6 to each of the responses—the higher the number, the more relevant the data. When evaluating the first four questions, an affirmative response of clearly true, for example, will receive a rating of 6, while a negative response of clearly false will receive a rating of 0; Figure 1 illustrates how the scale will be applied:

Seven-Point Scale

Clearly True	6
True	5
Somewhat True	4
Indeterminate	3
Somewhat False	2
False	1
Clearly False	0

Fig. 1. Seven Point Scale

All 15 studies selected address corporate social responsibility. Question 5, however, is aimed at validating the hypothesis that corporate social responsibility

practices are linked to employee engagement levels and corporate financial results. Therefore question 5 is the most critical question in this analysis and will receive a higher weight than all other questions. The maximum amount a study can receive in total for question 5 is 18 points (a, b, & c).

Meta-analysis

Table 1. Meta-analysis scorecard

					5) Is the study clinically relevant?			
Literature	1) Are the study objectives clear?	2) Was comprehensive research conducted and sited?	3) Evaluation of the results. Were appropriate statistical methods used?	4) If the Funding source(s) are stated is it clear that there is no conflict of interest?	a) Did the study measure CSR and it's effect on financial performance?	b) Did the study make a direct correlation between CSR and Employee Engagement?	c) Did the study validate that high Employee Engagement with higher CSR ratings increased financial results?	Total
Alt, Elisa, Emilio Pablo D´ez-de-Castro and Francisco Javier Llore´ns-Montes, "Linking Employee Stakeholders to Environmental Performance: The Role of Proactive Environmental Strategies and Shared Vision."								
Bode, Christiane, Jasjit Singh, "Taking a Hit to Save the World: Employee Participation in a Corporate Social Initiative."								
Davies, Iain Andrew and Andrew Crane, "Corporate Social Responsibility in Small-And Medium-Size Enterprises: Investigating Employee Engagement in Fair Trade Companies. Business Ethics"								
Edmans, Alex, "The Link Between Job Satisfaction and Firm Value, With Implications for Corporate Social Responsibility"								
Godfrey, Paul C., Craig B. Merrill and Jarred M. Hansen, "The relationship between Corporate Social Responsibility and shareholder value: An empirical test of the risk of Management Hypothesis"								
Gupta, Neha and Vandna Sharma "The Relationship Between Corporate Social Responsibility and Employee Engagement and Its Linkage to Organizational Performance: A Conceptual Model"								
Luo, Xueming and C.B. Bhattacharya , "Corporate Social Responsibility, Customer Satisfaction, and Market Value"								
Saeidi, Sayedeh Parastoo, Saudah Sofian, Parvaneh Saeid, Sayyedeh Parisa Saeidi, and Seyyed Alireza Saaeidi, "How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction"								
Tang, Zhi E., Clyde Eirikur and Sandra Rothenberg, "How Corporate Social Responsibility is pursued affects firm financial Performance"								
Ullman, Arieh A., "Data in Search of a Theory: A Critical Examination of the Relationships Among Social Performance, Social Disclosure, and Economic Performance of U.S. Firms"								
Buciuniene, Ilona, and Ruta Kazlauskaite "The linkage between HRM, CSR and performance outcomes"								
McWilliams, Abagail and Donald Siegel, "Corporate Social Responsibility: A theory of the firm perspective"								
Schneider, Benjamin, William H. Macey, Karen M. Barbera and Nigel Martin, "Driving Customer Satisfaction and Financial Success through Employee Engagement"								
Aras, Guler, Aslı Aybars, and Ozlem Kutlu, "Managing corporate performance investigating the relationship between corporate social responsibility and financial performance in emerging markets."								
Peloza, John "Using Corporate Social Responsibility as Insurance for Financial Performance"								

V.

Findings

When validating the results of a meta-analysis, it is critical to understand the type of methodology and approach used by, and the perspective of, the researcher(s). The sample size location and industry should also be taken into consideration. When reviewing these studies, it is important to check for bias. "Bias occurs when "systematic error [is] introduced into sampling or testing by selecting or encouraging one outcome or answer over others." As some degree of bias is nearly always present in a published study, readers must also consider how bias might influence a study's conclusions."[17]

In this chapter I will identify the study; describe what the study was intended to do; outline each hypothesis; note the sample size; state if the authors proved their hypothesis; and then discuss how they answered the questions listed above in the analysis section of Research Methodology Approach and Analyses chapter.

As mentioned in the background chapter, there are various groups who study corporate social responsibility (CSR), employee engagement, and financial performance. Social issues management (SIM) researchers, investment advisors, economists, human resources and organizational behavior experts along with consulting firms have all written literature on these topics and outlining their findings. While it wasn't always clear which perspective it was written from, I grouped the results of this meta-analysis into four main categories: Social Issues Management, Consumer Perspective, Human Resource Management, and Financial Management.

[17] Christopher J. Pannucci and Edwin G. Wilkins, "Identifying and Avoiding Bias in Research," PMC US National Library of Medicine National Institutes of Health, NCBI Resources (August 2010): https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2917255/.

Social Issues Management

Three of the fifteen studies were in the field of social issues management. Alt et al., "Linking Employee Stakeholders to Environmental Performance: The Role of Proactive Environmental Strategies and Shared Vision"; Tang et al., "How Corporate Social Responsibility Is Pursued Affects Firm Financial Performance"; and Ullman, "Data in Search of a Theory: A Critical Examination of the Relationships Among Social Performance, Social Disclosure, and Economic Performance of U.S. Firms."

The first study I reviewed was "Linking Employee Stakeholders to Environmental Performance: The Role of Proactive Environmental Strategies and Shared Vision," written by Elisa Alt, Emilio Pablo Díez-de-Castro and Francisco Javier Lloréns-Montes. Their study examined the effect of employees as stakeholders and their involvement in a company's environmental strategy. They set out to explore the likelihood of a firm seeing increased environmental performance and to prove the following hypotheses:

1. A capability of integrating employee stakeholders will be positively associated with a firm's proactive environmental strategies.
2. A firm's proactive environmental strategies will be positively associated with its environmental performance.
3. A firm's proactive environmental strategies will mediate the relationship between employee stakeholder integration and environmental performance.

   4a. A shared vision capability will be positively associated with a firm's proactive environmental strategies.

4b. The greater a firm's shared vision, the stronger the positive effect between employee stakeholder integration and proactive environmental strategies.

4c. The greater a firm's shared vision, the stronger the positive effect between proactive environmental strategies and environmental performance.

4d. Shared vision will moderate the positive and indirect effect of employee stakeholder integration on a firm's environmental performance through proactive environmental strategies. Specifically, a firm's proactive environmental strategies will mediate the indirect effect when shared vision levels are high but not when they are low.

Alt, Díez-de-Castro, and Lloréns-Montes used a multi-industry, cross-country sample consisting of 170 firms. This list was narrowed down from the original 5,216 companies considered, eliminating those firms who were not relevant to their study or declined to participate. The focus of this article was explicitly on employees as stakeholders and did not concern itself with external stakeholders. This also helped to exclude factors that may have influenced the results.

Additionally, through a variety of surveys, Alt, Díez-de-Castro, and Lloréns-Montes validated that when managers share the vision of the company's CSR initiatives and involve employees in creating their proactive environmental strategies (PES), employees are more engaged in the process and the company's success. While this study did not meet one criterion for this meta-analysis, that CSR increases financial performance, they do intimate that environmental performance serves as a competitive advantage for attracting and retaining high potentials because it increases efficiencies and stimulates innovation. They also provided context for other studies that prove the link

between CSR and financial performance. I therefore gave them partial credit for this question.

As for the requirements of this meta-analysis, using the seven-point scale discussed in the Research Methodology Approach and Analyses chapter, I rated this study as follows:

The authors not only pointed out the methodologies they used but also why they considered, and then discounted, other established methodologies. Their approach was clearly defined and their hypotheses were well established. Alt, Díez-de-Castro, and Lloréns-Montes also described when their hypothesis was successful and where they failed, for example: Hypothesis 4b didn't produce the results they were expecting. This helped to establish their objectivity. Therefore, I gave test 1, are the study objectives clear, and test 2, was comprehensive research conducted and sited, a rating of Clearly True (6). When applying test 3, were appropriate statistical methods used, I gave them a rating of True (5).

As to whether the study was clinically relevant for this meta-analysis, the study alluded to the relationship between CSR and financial performance, for test 5(a) they received a rating of Somewhat True (4). Alt, Díez-de-Castro, and Lloréns-Montes made a connection between CSR and employee engagement; I therefore rated 5(b) True (5). As for question 5(c), did the study validate that high employee engagement with higher CSR ratings increased financial results, I gave the authors a rating of Somewhat True (4).

The next study in the category of social issues management is "How Corporate Social Responsibility Is Pursued Affects Firm Financial Performance" by Zhi E. Tang, Clyde Eirikur, and Sandra Rothenberg. They begin the paper by arguing that it in order to

understand the effects that CSR has on the financial performance of a firm you need to examine four aspects of corporate social responsibility: pace, relatedness, consistency, and path. Tang, Eirikur, and Rothenberg hypothesized that:

1. Pace: CSR engagement pace negatively moderates the CSR-CFP relationship. Specifically, the faster a firm upgrades its CSR ratings, the weaker the positive relationship between CSR and short-term financial performance.
2. Relatedness: When a firm engages in multiple CSR dimensions, the more related these dimensions are, the stronger the relationship between CSR and the short-term performance.
3. Consistency: Consistent CSR engagement positively moderates the CSR-CFP relationship. The more regularly a firm engages in CSR, the stronger the positive relationship between CSR and short-term financial performance.
4. Path: The CSR-CFP relationship will be stronger for firms engaging in CSR by following the path from internal dimensions to external dimensions than it will for firms engaging in CSR by following the external-to-internal path.

They draw a correlation between employee engagement and CSR programs in their second and third hypotheses. Here Tang, Eirikur, and Rothenberg suggest that a consistent, relatable rollout of CSR programs may improve employees' commitment to the organization. In hypothesis four they speak to the internal (employee) and external (stakeholders) and the impact it has on how the CSR commitment is viewed. If a company appears to care about societal issues but then has internal programs and benefits that contradict that perception, there may negative consequences on financial performance.

Their methodology and measurements were sound. Their sample size was 130 companies with a total collection of 1,300 cases. They used industry data collected between 1998 and 2007 from environmental, social, and governance factors (ESG) database provided by Morgan Stanley Capital International (MSCI). They then matched this data against Compustat, a globally recognized dataset that contains market information on active and inactive companies since 1962.

In their analysis, Tang, Eirikur, and Rothenberg, applied a GLS fixed-effects (FE) model to account for any bias. They acknowledged that their first hypothesis, the faster a firm upgrades its CSR ratings the weaker the positive relationship, failed. The other three hypotheses—relatedness, consistency, and path—were all successful. While noting their limitations, Tang, Eirikur, and Rothenberg confirm that it is critical for a firm to focus on the details of their CSR program rather than on other contextual variables. They conclude with suggesting that consistency and longevity of the CSR program will drive financial performance.

As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated this study as follows:

Tang, Eirikur, and Rothenberg's objectives were clearly outlined in the beginning. They mapped out what they were going to discuss and then broke out each section systematically. Their methodology was sound, and their research was comprehensive and sited. For test 1, are the study objectives clear, test 2, was comprehensive research conducted and sited, and test 3, were appropriate statistical methods used, all three tests received a rating of True (5).

As the title suggests, the focus of this study was to examine when a specific firm's CSR program is pursued how it will affect the firm's financial performance. Tang, Eirikur, and Rothenberg did not set out to draw a correlation between employee engagement and CSR programs, but one can infer by their findings that CSR does promote employee satisfaction; therefore, for this thesis, the criteria for connecting higher CSR ratings with higher employee engagement and increased financial results was not directly met. For test 5(a), did the study measure CSR and its effect on financial performance, I gave a rating of True (5); however, test 5(b), did the study make a direct correlation between CSR and employee engagement and test 5(c), did the study validate that high employee engagement with higher CSR ratings, only received a rating of Somewhat True (4).

The third and final study reviewed from the perspective of social issues management perspective was written by Arieh A. Ullman, "Data in Search of a Theory: A Critical Examination of the Relationships Among Social Performance, Social Disclosure, and Economic Performance of U.S. Firms." Ullman begins by examining the relationship between social disclosure, social performance, and economic performance of U.S. corporations. He suggests that the findings from previous studies have been inconsistent and believes the reason for those inconsistencies are a lack in theory, inappropriate definition of key terms, and deficiencies in the empirical databases currently available.

1. Ullman hypothesized that: the quantity and quality of a firm's social disclosure is positively correlated with its social performance.
2. Three correlating hypotheses are:

a. Social performance is positively correlated with economic performance.
b. Social performance is negatively correlated with economic performance.
c. Extreme levels of social performance are associated with low economic performance.

3. Combining Hypothesis 1 with the three versions of Hypothesis 2, the following hypotheses are obtained:
   a. Social disclosures reduce investors' informational uncertainty.
   b. Higher levels of social disclosure are positively correlated with economic performance (Hypothesis 1 & Hypothesis 2).
   c. Higher levels *of social* disclosure are negatively correlated with economic *performance* (Hypothesis 1, & Hypothesis 2b).
   d. Extreme levels *of social* disclosure are associated with poor economic performance (Hypothesis 1, & Hypothesis 2c)

Ullman's initial review uncovers many inconsistencies and he therefore examines each question in detail. He begins with social performance and social disclosure. After reviewing various approaches to measuring social performance and social disclosure, Ullman concludes that studies are highly questionable when social disclosure is used as a proxy for social performance. While some studies may be more detailed than others, all of them reach inconclusive results.

Ullman goes on to examine the relationship between social performance and economic performance. Here, again, he quotes various studies and their inconsistencies. He introduces us to reputational scales and pollution performance as a substitute for social performance. While the reputational scales found no correlation with economic

performance, there continued to be inconsistent findings with both a negative and positive correlation when looking at pollution performance and economic performance.

Lastly, Ullman tests the relationship between social disclosure and economic performance. Depending on the type of social disclosure, i.e., annual reports, pollution disclosure, etc., the results again varied from having no correlation to a positive correlation and in one case seeing a significant correlation with the net price decrease on one and two days prior to release with the largest decrease for the worst reported polluters. To these inconsistencies, Ullman offers a three-dimensional model to explain these contradictions: stakeholder power, strategic posture, and economic performance.

As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated this study as follows:

As with other studies examined in this meta-analysis, Ullman's work was thorough, clearly stated, and based on sound methodologies. For test 1, are the study objectives clear, test 2, was comprehensive research conducted and sited, and test 3, were appropriate statistical methods used, all three tests received a rating of True (5).

The purpose of Ullman's framework wasn't to prove a correlation between corporate social responsibility (CSR) and a company's financial performance nor was it intended to address CSR and employee engagement. Ullman's framework was to inform future research practices. Therefore, for test 5, is the study clinically relevant, all three received an indeterminate (3) rating.

All three of the social issues management analyses considered multiple industries; however, the geographic location for the three were different. The first one, "Linking Employee Stakeholders to Environmental Performance: The Role of Proactive

Environmental Strategies and Shared Vision," focused on countries in the European Union. The second study, "How Corporate Social Responsibility Is Pursued Affects Firm Financial Performance", was a longitudinal data study collected from 130 firms across the globe. The third study, "Data in Search of a Theory: A Critical Examination of the Relationships Among Social Performance, Social Disclosure, and Economic Performance of U.S. Firms" was focused on companies that reside in the United States.

Consumer Perspective

There are two studies that look at CSR from the consumer perspective. They are: Luo and Bhattacharya, "Corporate Social Responsibility, Customer Satisfaction, and Market Value" and Saeidi et al., "How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction."

The first of the two studies selected was "Corporate Social Responsibility, Customer Satisfaction, and Market Value" prepared by Xueming Luo and C.B. Bhattacharya which was first published in 2006. The study builds on early work that suggested CSR had an effect on customer loyalty but differs in building a conceptual framework that predicts the following:

1. Customer satisfaction partially mediates the relationship between CSR and firm market value (i.e., Tobin's q and stock return).
2. Corporate abilities (innovativeness capability and product quality) moderate the financial returns to CSR.
3. These moderated relationships are mediated by customer satisfaction.

As with other studies in this thesis, Luo and Bhattacharya begin by quoting a myriad of companies where CSR has taken a foothold. They tell us that as many as 90% of the Fortune 500 companies now have explicit CSR initiatives. They, like others, discuss not only the importance of funding CSR initiatives but that the communicating and advertising of those programs are key to both engagement and customer loyalty. They share studies where customers' attitudes toward a product can change with the recognition of CSR programs.

Luo and Bhattacharya go on to share the opposing research where the market returns on CSR have been positive, other studies where it had a negative reaction, and a third set pf studies where the relationships between CSR and financial performance had definitively mixed reviews. They provide two plausible reasons for this variance. The first is that when companies are looking at CSR programs they are not forwarding thinking but in fact looking backward at profitability. The second factor they consider is that the "equivocal link between CSR and firm performance may be due, in part, to extant strategy and finance literature having largely omitted the underlying processes or contingency conditions that may explain the range of observed relationships."[18]

Luo and Bhattacharya draw a direct connection between CSR and customer satisfaction. They point out that customers' perception of a product is key to their satisfaction. If customers believe that the product they are purchasing was created in a socially acceptable manner and if CSR is important to that customer, customer satisfaction will be higher. Higher customer satisfaction often translates to customer loyalty and loyal customers are often willing to pay higher prices. They point to other

18. Xueming Luo and C. B. Bhattacharya, "Corporate Social Responsibility, Customer Satisfaction, and Market Value," *Journal of Marketing* 70, no. 4 (October 2006): 2.

stakeholders that may play a part in driving market value such as employees and shareholders. Improving employee morale and productivity can also have a positive effect on market share. Lastly, they correlate a company's inability to innovate, generate, or improve upon products and services as having a negative impact on customer satisfaction and therefore lowering the market value.

To test their hypothesis, using the fortune 500 publicly traded companies, Luo and Bhattacharya broke out each area, CSR, corporate abilities, customer satisfaction, and market value, separately. After merging the data from these four key areas, they were able to exam 113 firms during 2001-2004. Their study suggests that customer satisfactions has a direct relationship to the company's CSR initiatives and its market value. They further prove that when a company has the right combination of CSR programs and proven ability to innovate, customer satisfaction and therefore market value is higher.

As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated this study as follows:

Like many of the studies selected for this thesis, Luo and Bhattacharya's objectives were clearly stated, their research was comprehensive, and their methodology was sound. Therefore, for test 1, are the study objectives clear, test 2, was comprehensive research conducted and sited, and test 3, were appropriate statistical methods used, I gave the study a True (5).

The authors make a clear connection between CSR and its effect on financial performance and so, again, Luo and Bhattacharya's study achieved a rating of Clearly True (6). While they did meet the objectives of their study, they only hint at a relationship

between CSR and employee engagement but don't definitively prove it for my thesis. Therefore, 5(b), did the study make a direct correlation between CSR and employee engagement and test 5(c), did the study validate that high employee engagement with higher CSR ratings could not be determined and received a rating of Indeterminate (3).

The second piece of literature that fell in the consumer perspective category was, Sayedeh Parastoo Saeidi, Saudah Sofian, Parvaneh Saeid, Sayyedeh Parisa Saeidi, and Seyyed Alireza Saaeidi's "How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction." The authors set out to explore the relationship between CSR, financial performance, and customer satisfaction.

Saeidi et al. begin their paper by discrediting previous studies on the topic with a provocative statement: "The findings [direct relationship between CSR and firm performance] are rather inconclusive and misleading." They go on to say that their study will seek to extend previous studies by answering the question: "Are competitive advantage, reputation, and customer satisfaction mediators in the relationship between CSR and firm performance?" They stress that customer satisfaction, reputation, and competitive advantage must be looked at as a whole rather than three separate inputs.

Saeidi, et al. point out that previous studies focused on connecting CSR and financial performance in developed societies such as Europe and North America, but have failed to look at developing countries. This study adds a new dimension by bringing in a sample from Iran. They define corporate social responsibility (CSR) by stating that a company's environmental strategy must meet the expectations of the society in which

they operate. They go on to draw similarities with Iran and other developed countries. Saeidi et al. have three hypotheses:

1. CSR is positively associated with firm performance.
2. CSR and firm performance have a mediated rather than direct relationship.
3. In the mediated relationship between CSR and firm performance, competitive advantage and reputation act as the mediating factors via improving customer satisfaction.

Unlike other studies which used widely published databases that report on the *Fortune* 500 companies, Iran does not have these types of reporting mechanisms and so Saeidi et al. created a survey after an extensive literature review. They then asked 10 executives from firms that were not used in the survey to validate their questions. Based on feedback they tweaked the questions and sent out the survey. Their focus was on firms that were in industrial manufacturing and consumer products. Surveys went to senior managers at 1,250 firms of which 16.4% responded. This response rate is consistent with other surveys sent to high-level managers in developing countries on the topic of CSR. After removing unusable responses, they focused on 205 survey respondents of which roughly 118 were from industrial manufacturing companies and 87 were from the consumer products manufacturing industry.

While many will agree that there is not one universal way to measure CSR, in addition to the survey, Saeidi et al. looked to establish methods that measured the company's perception of each CSR dimension (ethical, economic, discretionary, and legal).

As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated this study as follows:

Saeidi et al.'s study objectives were clear and they used appropriate statistical methods in their study, therefore I gave test 1, are the study objectives clear, test 2, was comprehensive research conducted and sited, and test 3, were appropriate statistical methods used, I gave the study a True (5).

After analyzing the results of the study, Saeidi et al. declared that all three of their hypotheses were met. For this thesis, however, the only question that was affirmatively met was that CSR does impact financial performance. It does not address employee engagement but fails in the other two questions. Therefore, test 5(a), did the study measure CSR and its effect on financial performance received a rating of Clearly True (6) and 5(b), did the study make a direct correlation between CSR and employee engagement and test 5(c), did the study validate that high employee engagement with higher CSR ratings could not be determined and received a rating of Somewhat False (2).

While both studies took an approach from the consumer perspective, the similarities stopped there. The first study "Corporate Social Responsibility, Customer Satisfaction, and Market Value" had a broad global perspective and analyzed companies in a variety of industries. "How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction" had a narrow focus on a single country, Iran, and the authors limited their research to two industries, manufacturing and consumer products.

Human Resource Management

The largest grouping out of the four categories was under human resource management; six of the fifteen studies fall under this domain. The six pieces of literature were: Bode and Singh, "Taking a Hit to Save the World: Employee Participation in a Corporate Social Initiative"; Davies and Crane, "Corporate Social Responsibility in Small- and Medium-Size Enterprises: Investigating Employee Engagement in Fair Trade Companies. Business Ethics"; Gupta and Sharma, "The Relationship Between Corporate Social Responsibility and Employee Engagement and Its Linkage to Organizational Performance: A Conceptual Model"; Buciuiene and Kazlauskaite, "The linkage between HRM, CSR and performance outcomes"; Schneider et al., "Driving Customer Satisfaction and Financial Success Through Employee Engagement"; and Aras, Aybars, and Kutlu, "Managing corporate performance investigating the relationship between corporate social responsibility and financial performance in emerging markets."

The first study in the HRM field, "Taking a Hit to Save the World: Employee Participation in a Corporate Social Initiative." by Christiane Bode and Jasjit Singh, focused on a single leading management consulting firm and their corporate social initiative (CSI). In this study the authors stated that since "both managers and academics have argued that CSR can go hand in hand with commercial performance" there is no need to prove that theory, but instead focus on "how integrating social engagement with business strategy can create value from a human capital perspective". Their hypothesis had five components:

1. The interest in and willingness to sacrifice for participation in a corporate social initiative will be greater for female employees.
2. The interest in and willingness to sacrifice for participation in a corporate social initiative will be greater for younger employees.
3. The interest in and willingness to sacrifice for participation in a corporate social initiative will be greater for employees with a track record of prosocial behavior.
4. The interest in and willingness to sacrifice for participation in a corporate social initiative will be greater for employees with a higher expectation of achieving social impact.
5. The interest in and willingness to sacrifice for participation in a corporate social initiative will be greater for employees with a higher expectation of deriving private benefits.

The firm that was used in the study introduced a CSI program that had to be financially viable on its own. The program provided consulting services for clients who had a social agenda and may not be able to afford their traditional services. The employees who wanted to participate in the program had to commit to a 25%-50% pay cut and apply to be part of the program.

Bode and Singh surveyed 6,182 employees at the consulting firm; 665 employees responded, and 87% of the 655 were willing to take a reduction in pay. The survey consisted of both participants and non-participants in the CSI program. The survey asked a variety of questions aimed at answering their hypotheses stated above. All five hypotheses were affirmed with the exception on the first supposition; the interest in and

willingness to sacrifice for participation in a corporate social initiative will be greater for female employees. To this they make a judgment that "women selecting into consulting are not representative of women in general and tend to be more similar to men in this industry."

As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated this study as follows:

Bode and Singh clearly stated their hypotheses and their results were well established. As for test 1, are the study objectives clear, and test 2, was comprehensive research conducted and sited, I gave the study a rating of True (5). When applying test 3, however, were appropriate statistical methods used, I gave them a rating of Somewhat True (4). Similar to the first study, our second study also did not meet the criteria that CSR increases financial performance, as required in this meta-analysis. They did, however, establish that CSI programs can be financially self-sustaining, which in turn could provide a profit to the company, but that was neither discussed nor implied. Therefore, when evaluating Question 5, is this study clinically relevant, for test 5(a) they received a rating of Somewhat True (4), for 5(b) I rated it Clearly True (6), because the main focus of this study was establishing the relationship between CSR and higher employee engagement. As for question 5(c), did the study validate that high employee engagement with higher CSR ratings increased financial results, I gave the authors a rating of Indeterminate (3) as there wasn't enough evidence to link all three together.

The second paper in the meta-analysis presented from the perspective of HRM domain was "Corporate Social Responsibility in Small- and Medium-Size Enterprises: Investigating Employee Engagement in Fair Trade Companies" authored by Iain Andrew

Davies and Andrew Crane. From the offset of the article it was clear that the type of organizations studied were small and medium-size enterprises (SME). Throughout the document they often highlighted when the SME replicated or diverged from formal processes of large companies.

Davies and Crane selected three fair trade SMEs to take part in their longitudinal study. They performed more than 500 hours of interviews over a 4-year period. The companies that agreed to be in the study were: Divine Chocolate Company (DC), a confectionery company set up in 1998 and part owned by Ghanaian cocoa growers co-operative, Kuapa Kokoo; Equal Exchange (EE), a workers co-operative that grew out of a 1980s fair trade campaign organization called Campaign Coffee, which manages a large range of fair trade consumables such as coffee, tea, nuts, spreads, and oil; and Café direct (CD), the U.K.'s fifth biggest coffee brand and pioneer of mainstream fair trade.[19]

Traditional CSR practices are generally focused on an organizations' ability to move away from bottom-line thinking to instead focusing on social issues such as environmental protection, educational programs, and involvement in the community. What was interesting about this analysis, versus the others reviewed in this thesis, is that by virtue of these companies being a fair-trade company, they are already focused on social societal issues. Therefore, one could assume that they were attracting employees who were already invested in the idealism of corporate social responsibility. In fact, these companies invested in human resource practices to attract and retain the right type of employees who were effective at the 'triple bottom line', economic, social, and

[19] Iain Andrew Davies and Andrew Crane, "Corporate Social Responsibility in Small-And Medium-Size Enterprises: Investigating Employee Engagement in Fair Trade Companies. Business Ethics," *European Review* 19, no. 2 (April 2010): 130.

environmental issues. While their missions may be more socially inclined than other industries, attracting and retaining the right talent was no different than that of larger companies in other industries.

The study successfully looked at (i) how such an orientation ('triple bottom line') is developed in small- and medium-sized firms and (ii) how this is inculcated through human resource (HR) practices. One key difference with working at a Fair Trade organizations is that employees' compensation levels at non-profit organizations tend to be less than other for-profit organizations of similar size. Finding the right talent who instinctively understand and believe in the triple bottom line may not be willing to accept a pay cut to work at a non-profit.

The interviews performed by Davies and Crane with senior-level managers at these three organizations concluded that employee engagement is key to the success in embedding CSR into their organizations. It additionally provided insights as to the criticality of involving employees in understanding the triple bottom line philosophy and utilizing human resources management tools to attract and retain key talent.

As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated this study as follows:

Davies and Crane's objectives were clear, and they used appropriate statistical methods in their study, therefore I gave test 1, are the study objectives clear, and 3, were appropriate statistical methods used a rating of True (5). When applying test 2, was comprehensive research conducted and sited, while the sample size of three both small and medium sized fair-trade companies in Europe, seems limiting, the authors did spend

approximately 500 hours of observing participants during a 4-year period. Therefore, I also gave test 2 a rating of True (5).

While the overall study didn't set out to prove that there is a connection between employee engagement, CSR and financial results, they did stress the importance of employees' involvement and focus on economic, social, and environmental issues and loosely showed a connection among the three. Therefore, when evaluating question 5, is this study clinically relevant, they received similar ratings to "Linking Employee Stakeholders to Environmental Performance: The Role of Proactive Environmental Strategies and Shared Vision," test 5(a), did the study measure CSR and its effect on financial performance I gave Davies and Crane's report a rating of Somewhat True (4), test 5(b), did the study make a direct correlation between CSR and employee engagement, a rating of Clearly True (6) and question 5(c), did the study validate that high employee engagement with higher CSR ratings increased financial results, I gave the study a rating of Somewhat True (4).

The third paper that represents the HR perspective is "The Relationship Between Corporate Social Responsibility and Employee Engagement and Its Linkage to Organizational Performance: A Conceptual Model", written by Neha Gupta and Vandna Sharma. This is one of the more recent (2016) publications written on this topic. This study addresses how corporate socially responsible practices can accelerate employee engagement levels and increase overall performance of the company. Gupta and Sharma begin by investigating three key questions:

1. What are the dimensions of CSR responsible for enhancing the engagement level of employees toward the organization?

2. Is CSR acting as one of the antecedents or predictors of employee engagement?
3. What is the procedure through which CSR and engagement lead to organizational effectiveness?

They first break down CSR, employee engagement, and organizational performance independently and then illustrate their connectivity. Gupta and Sharma look at CSR from two different perspectives: internal and external stakeholders. They refer to previously written literature that states:

> Internal CSR is a combination of attributes like values, norms and rules on the corporations to address various stakeholder issues. The external dimension of CSR, on the other hand, refers to those activities that an organization does outside its boundaries. The scope of external CSR incorporates society, community and all external stakeholders. (Gupta and Sharma, 2016, 62)

When discussing employee engagement, Gupta and Sharma use a common definition of engagement first used by Kahn in the early 1990s in his "Psychological Conditions of Personal Engagement and Disengagement at Work." They discuss how the Gallup organization, with its extensive data collection process in the field of employee engagement, has transformed how companies across the globe think about engaging their workforce. Gupta and Sharma nicely tie engagement to financial performance and explicitly discuss that this is when companies began to take notice. An engaged employee will contribute to the success of the organization and be an advocate and spokesperson for the company, its products, and its services. With motivated employees there is less turnover, greater individual productivity, and better customer service, which leads to customer loyalty and stronger profit margins. Once employee engagement philosophies

were tied to organizational outcomes it not only gained attention from the human resources discipline, but chief financial officers began to take notice.

In their conclusion Gupta and Sharma tie CSR, employee engagement, and financial performance together and note that while there are many drivers of employee engagement, both internal and external CSR practices will have an impact on the level of engagement which will in turn drive organizational performance. Gupta and Sharma suggest that CSR interventions in the community will attract committed employees and that these committed employees will help drive performance. They recommend that organizations be more explicit and vocal about their programs. Public perception and community outreach are key to attracting and retaining an engaged, dedicated talent pool which will in turn drive company performance.

As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated this study as follows:

Similar to my meta-analysis, Gupta and Sharma perform a literature review connecting CSR, employee engagement, and financial performance of an organization. Their methodology and goal of their study, however, was to establish an exploratory framework for CSR, employee engagement, and organizational performance. Their objectives were stated in a clear and transparent way, their research was comprehensive, and the methodology of using a meta-analysis was sound. Therefore, for test 1, are the study objectives clear and test 2, was comprehensive research conducted and sited, and test 3, were appropriate statistical methods used, I gave the study a True (5). As the objectives stated they made a connection between CSR, employee engagement, and financial performance, and therefore, test 5(a), did the study measure CSR and its effect

on financial performance, 5(b), did the study make a direct correlation between CSR and employee engagement and test 5(c), did the study validate that high employee engagement with higher CSR ratings increased financial results, receive a Clearly True (6) rating.

The fourth HR study was "The linkage between HRM, CSR and performance outcomes" prepared by Ilona Buciuniene and Ruta Kazlauskaite. In this study Buciuniene and Kazlauskaite look at the relationship between CSR, HRM developments, and organizational performance outcomes. What makes this study different than the others in this paper is that this study focuses on companies in Lithuania.

Buciuniene and Kazlauskaite reviewed 119 medium to large sized Lithuanian based companies with a minimum of 100 employees. They discuss prior research that proves CSR programs have an impact on financial performance and expand the topic to include HR related outcomes. The focus of their study is the relationship between HRM and CSR. They began with two hypotheses:

1. HRM development in the organization has a positive impact on CSR, i.e., organizations with more developed HRM systems will have better developed CSR policies.
2. CSR has a positive impact on the overall organizational performance (HR related, organizational, and financial performance outcomes).

As discussed previously in this meta-analysis there are different definitions of corporate social responsibility (CSR) and reasons companies may decide to engage in CSR programs. Some companies choose to engage in CSR activities without any self-interest or expectations for reward—they do it because it is the "right thing to do." Others

have a specific purpose and may focus on products or specific activities such as preventing harmful chemicals in natural resources. Buciuniene and Kazlauskaite chose to focus on CSR as a voluntary engagement of an organization in activities leading to the resolution of some social and/or environmental concern(s) associated with any of the stakeholder groups.

Their study evaluated companies who are actively engaging employees in CSR activities. They discuss how HRM strategies play a part in the success of the CSR programs and describe organizations that have a defined strategy on recruiting, attracting, and retaining employees who have certain moral principles or encourage employee participation in social activities.

Their sample size was 119 firms with 100 or more employees. Their data was taken from the Cranfield Network of International Human Resource Management (Cranet) survey. Cranet when launched in 1989 focused on best practices in Europe, but has now expanded beyond Europe and is globally recognized. Buciuniene and Kazlauskaite focused solely on Lithuanian companies who were surveyed in 2008 and 2009.

Buciuniene and Kazlauskaite's research reviewed a plethora of programs relating to the life cycle of an employee, recruitment, training, and career progression. They evaluated these HRM strategies through the lens of disadvantaged people as minority ethnics, older workers (aged 50 and plus), people with disabilities, women, women returners, low-skilled labor, and younger workers (aged under 25); flexible management of working time and job rotation; communication; profit sharing and share ownership schemes; employee health and well-being; practices intended to reconcile working life

and family life (improved childcare provision in particular). Performance outcomes included absenteeism and labor turnover (HR-related outcomes), service quality, level of productivity, rate of innovation, environmental matters (organizational outcomes), and profitability (financial outcomes).

Buciuniene and Kazlauskaite acknowledged that both of their hypotheses were only partially met. The research in Lithuania is still in its infancy and much more could be done to prove out their hypothesis.

As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated their study as follows:

Buciuniene and Kazlauskaite's work is the only research used in my meta-analysis that achieves a True (5) in each of the tests, one through three and test five. Their objectives were clear and although their research was limited to one small country, Lithuania, their research was comprehensive, and their statistical methods were sound. Their study validated that high employee engagement with higher CSR ratings increased financial results.

The fifth study reviewed in the HR domain was "Driving Customer Satisfaction and Financial Success Through Employee Engagement" by Benjamin Schneider, William H. Macey, Karen M. Barbera and Nigel Martin. In this paper the authors perform two studies:

Study 1: Customer-focused employee engagement

Study II: Employee engagement and financial returns

In study 1, Schneider et al. test the relationship between customer-focused behaviors and the financial success of a company. To gauge customer satisfaction, like

other studies, the authors surveyed employees to test the level of customer engagement. What makes this paper different is that the authors use a four-item survey to measure customer-focused engagement of their colleagues. They survey employees to report about the way in which they observe their co-workers going out of their way to satisfy customers and whether these employees believe their colleagues go above and beyond what is expected to serve customers well.

Schneider et al. used 44 service firms, such as airlines, telecommunications, retail stores, hotels, and banks in their study. To normalize the data and to test for financial success, the authors used the American Customer Satisfaction Index (ASCI). Since 1994, on a quarterly basis, ACSI selects 200 of the Fortune 500 companies, and runs a survey using a random sample of 250 customers from these 200 companies. This provides a standardized measure of customer satisfaction. To test for product and service quality, the authors used *Fortune Magazine's* review of the Fortune 500 companies. *Fortune* rates these companies on a variety of issues including product and service quality they are perceived to deliver to their customers.

Schneider et al. took their survey of customer- focused engagement and compared it to the competitive effectiveness for their chosen 44 service firms. When comparing the top 25 and bottom 25 they found there was a direct correlation.

In study II, Schneider et al. looked at employee engagement and financial returns. Here they expanded their engagement measure beyond customer-focused engagement behaviors by adding two additional measures that address generic feelings of engagement. The first engagement measure focuses on the typical engagement captured on surveys where you measure the feelings and belonging one has for their own

company. The second measure looks again at how employees view their colleagues' behaviors; the distinction here is how they view their colleagues taking on new responsibilities when asked to.

This time Schneider et al reviewed 65 companies in the manufacturing and service industries. Taking these two new measurements, they obtained the financials of these same companies. Using return of assets (ROA), profits as a percent of revenues, and Tobin's q., the authors explain that "Tobin formulated q to capture the likelihood that the financial performance of a company will improve in the future."[20] Schneider et al.'s findings show that engaged employees produce ROA, profits, and a market value (Tobin's q) that exceeds the replacement costs of assets. Additionally they infer that when employees feel their coworkers are engaged they report that they themselves have higher level of engagement and better relationships with their coworkers, they are treated with fairness, and they work for a supervisor who has high credibility.

Schneider et al. took the work from these two studies and applied the findings to a single employer, Harrah's entertainment. Harrah's operates 50 casinos worldwide. Harrah's began an employee engagement initiative that focused on employee engagement as a vehicle for competitive advantage. The early results showed gains in employee opinion surveys and reductions in turnover rates.

As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated this study as follows:

The objectives of this study were clear. Schneider et al. stated at the beginning that they were going to describe what drives employee engagement, show the links

[20] Benjamin Schneider, William H. Macey, Karen M. Barbera and Nigel Martin, "Driving Customer Satisfaction and Financial Success through Employee Engagement," *People & Strategy* 32, no. 2 (2009): 25.

between employee engagement and customer satisfaction and financial performance, and illustrate what one organization did to impact customer satisfaction through employee engagement. They met their objectives and used appropriate statistical methods in their study; therefore I gave test 1, are the study objectives clear, and test 2, was comprehensive research conducted and sited, a rating of True (5). When applying 3, were appropriate statistical methods used I gave this study a rating of somewhat true (4). Their study only applied to a single employer and while it showed positive results, a single subject doesn't statistically validate the results. As to whether the study was clinically relevant for this meta-analysis, the study alluded to, but did not specifically measure CSR and financial performance nor did it measure CSR and employee engagement, therefore I rated them as Indeterminate (3). Schneider et al. did however draw a conclusion between financial results and employee engagement.

For the sixth and final study in the HR category I chose a study by Guler Aras, Aslı Aybars, and Ozlem Kutlu, titled "Managing corporate performance investigating the relationship between corporate social responsibility and financial performance in emerging markets." Like other studies in this paper, the authors looked at the relationship between corporate social responsibility and financial performance. What makes this study different from others in this paper is that this study is focused on companies in developing countries.

Aras, Aybars, and Kutlu begin by stating the empirical data that has been produced on connecting CSR and financial performance in developed countries. They point out that when looking at developing countries, like Istanbul, is it critical to note that stakeholders are primarily concerned with a company's financial performance. Investors

generally don't take into consideration long-term sustainability and corporate responsibility in these markets. Therefore, it is not easy to find the link between CSR and financial performance.

After evaluating previous work correlating CSR and financial performance, Aras, Aybars, and Kutlu determined that CSR is both a predictor and consequence of the financial performance of firms, which led to their following hypothesis:

1. Better financial performance results in improved CSR.
2. Improved CSR leads to better financial performance.
3. There is a neutral relationship between financial performance and CSR.

As a starting point, Aras, Aybars, and Kutlu, used the Istanbul Stock Exchange (ISE) 100 index companies and their social responsibility policy and financial indicators between the years 2005 and 2007. The ISE was launched in 1985 and began trading securities publicly in 1986 and started publishing its benchmark stock index, the ISE-100 in 1987. They selected 40 companies who were on the ISE for the four years leading up to December 31, 2006. They reviewed the annual reports of these 40 companies to obtain their social and environmental disclosures.

To determine the degree of CSR in any of these companies, Aras, Aybars, and Kutlu performed a detailed content analysis that began with counting the number of sentences related to corporate social responsibility disclosed in the companies' annual reports. Understanding that this could lead to subjectivity, they used a checklist to determine which words are specifically related to CSR. The researchers recorded the amount of CSR in various categories listed below:

1. Theme: environment, energy, products/consumers, community, and employee health and safety, employee other, general.
2. Evidence: monetary quantification, non-monetary quantification, and declaration.
3. News type: good, bad, and neutral news.
4. Amount: number of sentences.

To measure the financial achievement risk of the company and measure the effect of the financial policy on performance, Aras, Aybars, and Kutlu analyzed the ratio of debt to total assets (DTA) as a control variable. DTA evaluates the total liabilities of a company as a percentage of its total assets. It is calculated by dividing the total debt or liabilities by the total assets and determines how many assets should be sold to pay off the total debt of the company. They also reviewed other variables that measure economic performance, earnings per share (EPS), stock price change, price per share change, return on equity (ROE), average ROE, Price-Earnings (P/E) ratio, net income, net profit margin, operating earnings/assets, operating earnings/sales, etc.

The results of their analysis were mixed. Their first hypothesis, better financial performance results in improved CSR, and second hypothesis, improved CSR leads to better financial performance, failed and found no significant relationship between CSR and financial performance. As for their third hypothesis, there is a neutral relationship between financial performance and CSR, so Aras, Aybars, and Kutlu added research and development (R&D) intensity as an independent variable. Two of the forty firms did not include R&D in their reports, so the authors tested their third hypothesis on 38 firms.

Even adding this additional variable, the authors found no significant correlation between CSR and financial performance.

As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated this study as follows:

The objectives of this study were clear, Aras, Aybars, and Kutlu stated at the beginning that they were going to investigate the relationship between corporate social responsibility and firm financial performance, therefore I gave test 1, are the study objectives clear, and test 2, was comprehensive research conducted and sited, a rating of Clearly True (6). When applying test 3, were appropriate statistical methods used, I gave them a rating of True (5). At times it was difficult to follow all of the references to other works that had been done in this field, which is why I did not achieve a rating of Clearly True (6).

As to whether the study was clinically relevant for this meta-analysis, the study specifically measured CSR and financial performance and achieved a rating True (5) for test 5(a). Aras, Aybars, and Kutlu's study did not set out to review a connection with employee engagement; however, their content analysis did include employee health and safety, which loosely ties CSR and employee engagement. Based on this connectivity, I gave test 5(b), do they correlate CSR with higher employee engagement, and 5(c), did the study validate that high employee engagement with higher CSR ratings increased financial results, Somewhat True (4).

Of the six HR focused studies, there were three that focused on a single country, Turkey, Lithuania, or the United States, "The Relationship Between Corporate Social Responsibility and Employee Engagement and Its Linkage to Organizational

Performance: A Conceptual Model"; "The linkage between HRM, CSR and performance outcomes"; "Driving Customer Satisfaction and Financial Success through Employee Engagement"; and "Managing corporate performance investigating the relationship between corporate social responsibility and financial performance in emerging markets", respectively. The other three studies presented a multi-country perspective.

The difference in these six HR studies was in the number of corporations used to test their hypothesis. Two studies, "Taking a Hit to Save the World: Employee Participation in a Corporate Social Initiative." and "Driving Customer Satisfaction and Financial Success Through Employee Engagement" focused on a single employer study while the other four used a multi-employer approach.

Financial Management

While the majority of the fifteen studies made a connection between CSR and a company's financial results, only three studies looked at it from the financial management perspective. The three studies were: Godfrey, Merrill, and Hansen, "The relationship between Corporate Social Responsibility and shareholder value: An empirical test of the risk of management hypothesis"; McWilliams and Siegel, "Corporate Social Responsibility: A theory of the firm perspective"; and Peloza, "Using Corporate Social Responsibility as Insurance for Financial Performance".

For the first study from the financial management perspective I chose "The relationship between Corporate Social Responsibility (CSR) and shareholder value: An empirical test of the risk of management hypothesis", written by Paul C. Godfrey, Craig B. Merrill, and Jarred M. Hansen. The study looks to answer the question of when do

shareholders gain if a firm's strategies include disbursing corporate resources through participation in social initiatives? They focus on the concept that CSR programs can act as 'insurance like' protection when negative events occur. They propose that CSR programs provide an insurance mechanism to preserve corporate financial performance (CFP). In other words they looked at CSR programs as a risk management proposition. Godfrey, Merrill, and Hansen's hypotheses are:

1. In the context of a negative event, the decline in shareholder value is smaller for firms that engage in CSR activities than for firms that do not.
2. In the context of a negative event, the shareholder value-loss mitigating property of CSR engagement is greater for institutional CSR activities than for technical CSR activities.
3. In the context of a negative event, the shareholder value-loss mitigating property of CSR engagement is greater for firms with higher levels of intangible assets than for firms with lower levels of intangible assets.
4. In the context of a negative event, the shareholder value-loss mitigating property of CSR engagement is greater for larger firms than for smaller firms.
5. In the context of a negative event, the shareholder value-loss mitigating property of CSR engagement is less for firms with more negative social impacts than for firms with fewer negative social impacts.
6. In the context of a competitively based negative event, the decline in shareholder value is unrelated to engagement in CSR activities.

7. In the context of a stakeholder based negative event, the decline in shareholder value is smaller for firms that engage in CSR activities than for firms that do not.
8. In the context of an integrity based negative event, declines in shareholder value are smaller for firms that engage in CSR activities than for firms that do not.

The authors understood that when a negative event occurs investors look to see how the stakeholders are going to react. If a company has a positive reputation and long proven CSR programs, stakeholders are more likely to see this as a single event and therefore not have an immediate negative reaction. However, the reverse can also happen: When a company is not known or has a negative reputation then stakeholders are more likely to assume *mens rea* or criminal intent.

They introduce the concept of institutional corporate social responsibility (ICSR) versus technical corporate social responsibility (TCSR). They describe the TCSR activities as programs that target the firm's primary stakeholders and ICSR are the secondary stakeholders when rolling out CSR programs. While prior studies may have found that there is a distinction in these two stakeholder groups, Godfrey, Merrill, and Hansen maintain that the CSR activities are not necessarily different in scope but that the perception of the motivation behind their behaviors is different.

Like other studies in this thesis, the authors Godfrey, Merrill, and Hansen intimate that size of the organization matters in that the larger the organization the greater the risk and the higher the need for authentic CSR programs. While small companies do incur risk, larger companies, by virtue of their size, have more actors in the market acting on

their behalf and therefore more opportunities for something to go wrong. This can lead to greater media attention and public scrutiny. The public perception as to why the firm is involved in a particular CSR activity is also key to their findings. When it is perceived that a company is involved in a program to pay for past sins, or to hide/complement other practices, as Godfrey, Merrill, and Hansen point out (e.g., tobacco companies that try to offset their negative product image through generous philanthropy) this can be particularly damaging to the company.

To test their hypothesis, Godfrey, Merrill, and Hansen reviewed the *Wall Street Journal* articles published between 1992 and 2003 against the stock prices of the 160 firms they were sampling. This search yielded 254 possible events, with 99 firms experiencing an event and 61 firms not experiencing an event. Seven negative events could be the initiation of a lawsuit against the firm by a customer, third party, or competitor, or the announcement of regulatory action. They discounted normal variations in stock market fluctuation by analyzing the stock of the 160 firms by reviewing the stock prices from 128 to 8 days just prior to the negative event. They then looked at the 8 days prior to and after the event to determine if there were any negative consequences out of the norm during that period. To understand the CSR standings for the 160 firms, the authors used the Socrates dataset that is publicly available and created by KLG, a leader in social research for institutional investors.

As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated this study as follows:

Godfrey, Merrill, and Hansen's objectives were clear from the very beginning. They had eight clearly defined hypotheses and outlined their limitations. Their research,

which included 160 firms, was comprehensive. I gave test 1, are the study objectives clear and test 2, was comprehensive research conducted and sited a rating of Clearly True (6). As for test 3, were appropriate statistical methods used, I gave the study a True (5) rating.

Godfrey, Merrill, and Hansen demonstrated a connection between corporate social responsibility (CSR) and shareholder value, as the title indicates and earned a Clearly True (6) for test 5(a), did the study measure CSR and its effect on financial performance. For test 5(b), did the study make a direct correlation between CSR and employee engagement and test 5(c), did the study validate that high employee engagement with higher CSR ratings increased financial results, I gave the study an Indeterminate (3) rating. While the study references employees as stakeholders, neither the intent nor the results draw a clear line between employee engagement, CSR ratings, and financial results.

The second study in my meta-analysis that focused on the financial management perspective was "Corporate Social Responsibility: A theory of the firm perspective" by Abagail McWilliams and Donald Siegel. McWilliams and Siegel's work is based on the supply and demand theory. They consider the demand side, or how much of a product (CSR) or service is desired from its stakeholders, versus the supply side, a certain good producers are willing to supply when receiving a certain price. As in other studies, McWilliams and Siegel point out that these stakeholders and their interest can vary among customers, employees, suppliers, community groups, stockholders, and government agencies. They hypothesize that a firm's level of CSR will depend on its size, level of diversification, research and development, advertising, government sales,

consumer income, labor market conditions, and stage in the industry life cycle. McWilliams and Siegel's study is through the lens of the manager and attempts to answer the question of how much should a firm spend on CSR? They propose that managers can answer this question in the same way they would make other financial decisions, through a cost benefit analysis.

Below are McWilliams and Siegel eleven hypotheses:

1. There is a positive correlation between the level of product differentiation (a proxy for which is the ratio of R&D expenditures to sales) and the provision of CSR attributes.
2. Because consumers rely more on firm reputation when purchasing experience goods than when purchasing search goods, CSR attributes are more likely to be associated with experience than with search goods.
3. Because consumers must be made aware of the existence of CSR attributes, there will be a positive correlation between the intensity of advertising in an industry (a proxy for which is the ratio of advertising to sales) and the provision of CSR.
4. Because CSR attributes are normal goods, there will be a positive correlation between consumer income and the provision of CSR attributes.
5. There is a positive correlation between the price of substitute goods and the demand for goods with CSR attributes.
6. There is a positive correlation between unionization of the workforce and the provision of CSR; that is, in industries that are highly unionized, there will be more CSR provided.

7. There is a positive relationship between the shortage of skilled workers in an industry and the provision of CSR; that is, in industries with shortages of skilled labor, more CSR will be provided.
8. There is a positive correlation between government contracts and the provision of CSR.
9. Firms that provide CSR attributes will have higher costs than firms in the same industry that do not provide CSR attributes.
10. The presence of scale economies in the provision of CSR attributes results in a positive correlation between firm size and the provision of CSR attributes.
11. The presence of scope economies in the provision of CSR attributes results in a positive correlation between the level of diversification of a firm and the provision of CSR attributes.

While McWilliams and Siegel provide some compelling examples, from the resource view of the firm, to test their hypotheses, they do not include any empirical data to suggest that their hypotheses are met. They acknowledge this fact and provide a rationale for not meeting their hypothesis. McWilliams and Siegel suggest that there is a lack of data on the demand for and supply of CSR, which makes it impossible to test. They recommend that future researchers begin collecting and reporting on the social characteristics of products and CSR activity at the firm and industry level.

As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated this study as follows:

The objectives of this study are clearly stated at the beginning, McWilliams and Siegel provide hypotheses that are consistent with the stated objective, and they

summarize their findings and state their shortcomings. Therefore I gave test 1, are the study objectives clear, a rating of True (5). McWilliams and Siegel did not produce enough information to determine if comprehensive research was done, therefore I gave test 2, a rating of Indeterminate (3). Appropriate statistical methods were used, supply and demand theory as an example was the basis for their work, for test 3, were appropriate statistical methods used, I gave them a rating of True (5).

As to whether the study was clinically relevant for this meta-analysis, the study alluded to, but did not specifically measure CSR and financial performance nor did they measure CSR and employee engagement, therefore I rated them as Indeterminate (3) for all three tests 5a, 5b, and 5c.

The third and last study in this meta-analysis written from the financial managmenet perspective was created by John Peloza, "Using Corporate Social Responsibility as Insurance for Financial Performance." In this study Peloza examines CSR as a corporate financial and in-kind support for charities and social causes. He points out that corporate support for charity is often expected to deliver financial returns, societal recognition, and is used to define the social agenda of the firm.

As in other papers in my meta-analysis, Peloza begins by quoting previous research on the relationship between corporate social responsibility (CSR) and corporate financial performance (CFP). He then offers four perspectives on the relationship between CSR and CFP and attempts to answer the question "Does CSR complement or conflict with economic objectives?" The four persepectives on the relationship between CSR and CFP are:

1. Short term managerial perspectives conflicting with financial performance.

2. Short term managerial perspectives complimentary to financial performance.
3. Long term managerial perspectives conflicting with financial performance.
4. Long term managerial perspectives complimentary to financial performance.

Peloza plots the different pieces of literature on a chart. The horizontal axis depicts the conflicting points of view over the ability of CSR to contribute to the finacial well-being of the firm. To the extreme left are the opponents of CSR who argue that any social investments by the firm are diametrically opposed to the firm's profit-maximizing objective. To the extreme right are proponents of CSR as a means of supporting the economic goals of the firm. The vertical axis makes a distinction between long-term managerial perspectives on CSR (i.e., adopting a longitudinal approach to evaluating the impact of social initiatives) and the static, cross-sectional perspectives that focus more on immediate impacts or do not explicitly consider the time dimension as a relevant managerial parameter.

Taking a similar approach to plotting the relationship between CSR and CFP, Peloza charts the impact of CSR on CFP. Again reviewing previous research, Peloza positions the horizontal axis by considering the manner in which researchers view how CSR influences CFR. The vertical axis evaluates the potential of CSR in terms of positively affecting financial performance. What was interesting about this research is that many firms reported that they used human resources (HR) practices in order to legitimize their CSR initiatives by following or even staying ahead of legislation. When employees are involved in the CSR activities it benefits the firms by improving morale and commitment to the organization.

The third and final topic Peloza discussed in his research is the impact of insurance value on the CSR/CFP relationship. He talks about insurance as mitigating the reputational effects of a negative event. The insurance benefits received by firms in the form of reputational capital could actually be greater than the incremental gains expected from CSR, since a negative event is more likely than a lack of positive behavior to affect the financial performance of the firm. He offers managers an approach on how to determine the need and type of insurance and suggest that CSR can be a wise investment. He concludes by asserting that CSR programs can provide incremental gain during good times and subsequent mitigation of negative publicly.

As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated this study as follows:

The objectives of this study were not completely clear from the onset; I found myself going back to the beginning of the article to make sure I understood the intentions. I gave test 1, are the study objectives clear, a rating of Somewhat True (4). When applying test 2, was comprehensive research conducted and sited, and test 3, were appropriate statistical methods used, I gave them a rating of True (5). While Peloza did provide a methodology to plot the literature, I would have liked to see the exercise completed as an example instead of just the methodology.

As to whether the study was clinically relevant for this meta-analysis, the study specifically measured CSR and financial performance and achieved a rating Clearly True (6) for test 5(a) are the study objectives clear. Peloza's study did not intend to review a connection with employee engagement; however, his discussion did include specific ties to employee morale and commitment to the organization. Therefore, I gave test 5(b), do

they correlate CSR with higher employee engagement, and 5(c), did the study validate that high employee engagement with higher CSR ratings increased financial results, True (5).

All three of the studies that were written from the financial management perspective were global in nature and used a multi-industry selection.

Human Resource Management and Financial Management

There was one study in this meta-analysis that combined both the human resource and financial management perspectives: "The Link Between Job Satisfaction and Firm Value, with Implications for Corporate Social Responsibility," by Alex Edmans. Edmans' methodology is to not only prove a correlation between job satisfaction and firm value, but also measure against false causality that employees are generally happier working for a successful company or that strong stock prices allow management to increase wages and benefits, which in turn makes employees stay longer at these companies. It also addresses the need to measure the firm's market value rather than the firm's performance.

This study was unlike the others discussed above in that it takes financial management theories and applies them contextually into human resources management (HRM) practices. By studying the satisfaction of employees in one year with stock market prices in the following year Edmans was able to eliminate the false causality that employees are generally happier working for a prosperous company.

Edmans uses two external sources in his analysis. He selects his subjects, or companies, from a well-known established authority, the list of the "100 Best Companies

to Work for in America." This survey was first established in 1984 and is now published annually in the January issue of *Fortune* magazine. The survey looks at overall job satisfaction through a variety of questions. Edmans breaks down the questions asked in the survey and establishes the credibility of using this approach. The second source stated is the Center for Research in Security Prices (CRSP). The CRSP is a research center at the University Of Chicago Graduate School Of Business. The center makes available historical time series data on securities broken down by year. CRSP is a non-profit organization that provides data to academic, commercial, and government agencies and reports out on variables such as price, dividends, and rate of return on certain stocks.

Edmans' results prove that a positive relationship exists between the engagement scores of the "100 Best Companies to Work for in America." and financial performance. After proving job satisfaction is linked to firm value, Edmonds goes on to look at the implications this may have on corporate social responsibility (CSR). He begins by acknowledging that the literature on CSR and firm value loosely parallels the literature on job satisfaction and firm value. As discussed in this paper, while there are more studies proving a positive relationship with financial performance rather than a negative correlation, Edmans points out that there are still concerns of causality. To overcome this causality Edmans once again looks to the stock market for answers.

Edmans points out the contradiction in literature between finance management and human resource management. In general, the literature written by finance management theorists finds that the CSR programs have no or even a negative impact on stock returns whereas the HRM theorists find a positive correlation. This is in line with the findings in my thesis as well.

The third and final test that Edmans addresses in his study is the mispricing of intangible assets. Here Edmans disavows the theory that you cannot measure assets that are not physical in nature. He counters this theory by stating that the best companies list measures satisfaction (an output) rather than expenditure on employee-friendly programs (an input). This best companies list is tangible since it has been a highly marketed public document since 1998.

In this paper Edmonds had three objectives, to prove that: job satisfaction results in stronger financial performance; CSR can improve stock returns; and you can measure intangible assets when they independently verified and publicly made available. All three objectives were established. As for the requirements of this meta-analysis, using the seven-point scale discussed above, I rated this study as follows:

Edmans' objectives were clear and he used appropriate statistical methods in the study, therefore I gave test 1, are the study objectives clear, test 2, was comprehensive research conducted and sited, and 3, were appropriate statistical methods used, a rating of Clearly True (6).

As the title suggests, "The Link Between Job Satisfaction and Firm Value, with Implications for Corporate Social Responsibility," Edmans' study's objective was to focus on employee engagement and financial performance and he met that object. The title also implies that there are implications for CSR. Therefore, I rated all three, 5(a), did the study measure CSR and its effect on financial performance, test 5(b), did the study make a direct correlation between CSR and employee engagement, and test 5(c) did the study validate that high employee engagement with higher CSR ratings increased financial results a rating of Clearly True (6).

It is important to note that only one study "The Link Between Job Satisfaction and Firm Value, with Implications for Corporate Social Responsibility", by Alex Edmans, achieved a rating of Clearly True (6) for each of the questions asked for a total of 39 points. Gupta and Sharma's "The Relationship Between Corporate Social Responsibility and Employee Engagement and Its Linkage to Organizational Performance: A Conceptual Model", came in a strong second for a total 36 points.

In this findings chapter I reviewed fifteen separate pieces of literature and categorized them across four separate disciplines: Social Issues Management; Consumer Perspective; Human Resource Management, and Financial Management. Some of these studies, like "Linking Employee Stakeholders to Environmental Performance: The Role of Proactive Environmental Strategies and Shared Vision," had a broad focus in both industry and geographic location. While others had a tightly defined population like the study on "The linkage between HRM, CSR, and performance outcomes" whose focus was solely on Lithuania and "How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction." where the focus was purposefully on Iran.

When evaluating, I tested these studies against the following questions:

1. Are the study objectives clear?
2. Was comprehensive research conducted and sited?
3. Evaluation of the results: Were appropriate statistical methods used?
4. If the funding source(s) are stated is it clear that there is no conflict of interest?
5. Is the study clinically relevant?

a) Did the study measure CSR and its effect on financial performance?
b) Did the study make a direct correlation between CSR and employee engagement?
c) Did the study validate that high employee engagement with higher CSR ratings increased financial results?

The one question that is notably missing from each of the literature reviews discussed above is question number 4 if the funding source(s) are stated is it clear that there is no conflict of interest? The funding sources were never established in these studies and therefore a limitation of this thesis.

VI.

Limitations and Future Research

In this chapter I will highlight the limitations that were discovered during my literature review. These limitations then inform my recommendations for future research.

Limitations

The boundaries that were set for this meta-analysis included: the literature had to discuss at least one of the following topics: corporate social responsibility, employee engagement or corporate financial results; only full-length publicly available papers were used; and there was no limitation set on the type of study or discipline from which the study was explored.

In order to conduct a thorough meta-analysis, the research studies selected were required to meet at least the minimum standards that would be expected of a well-designed controlled study. One of the limitations of the studies selected is that the funding mechanisms of the studies were not clearly stated in the literature. This information would helpful in future research to eliminate the concern of publication bias. "Meta-analyses are subject to publication bias because studies with negative results are less likely to be published and, therefore, results from meta-analyses may overstate a treatment effect."[21]

[21] Mark W. Russo, "How to do a Met-analysis" *Gastroenterology & Hepatology* 3, no. 8 (August 2007): 641.

Future Research

While there are literally hundreds of studies that could have been used, this meta-analysis was limited to 15 studies with no restriction on geographic location or industry. To get the attention of employers who still need convincing, future research could benefit from limiting the focus to a specific industry or region.

One example of a country that needs to be explored further is India. Dale Carnegie Training reported that Indian employees are more engaged than their global counterparts. "The report states that the number of fully engaged working professionals in the Indian workforce stands at 46% while the global average for the same is 34% and that of the US is at 30%. "[22]

[22] Shirish Deodhar, " Employee Engagement-India Tops the Charts, but That's Not the Full Story," Sapience Analytics (2017), http://sapience.net/employee-engagement-india-tops-the-charts-but-that-s-not-the-full-story/.

VII.

Conclusions

In this chapter, I will present the conclusions of my meta-analysis and discuss opportunities for future research.

This meta-analysis set out to determine if there is a link between corporate social responsibility (CSR) practices, employee engagement levels and corporate financial results. The studies were identified using Google Scholar, Business Source Complete (EBSCO Host), and the Society of Human Resources Management (SHRM), Harvard Business Review, Researchgate and Forbes databases.

My search used key words as employee engagement, corporate social responsibility (CSR) corporate social performance (CSP), stock prices and financial performance.

The meta-analysis included the following five questions:

1. Are the study objectives clear?
2. Was comprehensive research conducted and sited?
3. Evaluation of the results. Were appropriate statistical methods used?
4. Are the funding source(s) stated and is it clear that there is no conflict of interest?
5. Is the study clinically relevant?
    a) Did the study measure CSR and its effect on financial performance?

b) Did the study make a direct correlation between CSR and Employee Engagement?

c) Did the study validate that high Employee Engagement with higher CSR ratings increased financial results?

I applied the following seven-point scale to each of the studies:

Clearly True	6
True	5
Somewhat True	4
Indeterminate	3
Somewhat False	2
False	1
Clearly False	0

All fifteen studies provided a correlation between CSR and Corporate Financial Performance. Nine of the studies demonstrated a link between CSR and Employee Engagement and eight of the fifteen studies demonstrated a connection between all three, Corporate Social Responsibility (CSR) practices, Employee Engagement levels and Corporate Financial results.

While the findings of this meta-analysis were not conclusive in connecting all corporate social responsibility (CSR) practices, employee engagement levels and Corporate Financial results, it did confirm that when companies are genuine in establishing their CSR programs with the aim of improving society, whether it is human rights, environmental or consumer concerns, there is a direct correlation with improving employee's morale. We can also can also infer from thus analysis that companies that have highly engaged employees coupled with higher CSR ratings will see increased financial results.

Completed meta-analysis

Part 1 of 2

Table 2. Completed meta-analysis scorecard

					5) Is the study clinically relevant?			
Literature	1) Are the study objectives clear?	2) Was comprehensive research conducted and sited?	3) Evaluation of the results. Were appropriate statistical methods used?	4) If the Funding source(s) are stated is it clear that there is no conflict of interest?	a) Did the study measure CSR and it's effect on financial performance?	b) Did the study correlate CSR with higher Employee Engagement?	c) Did the study validate that high Employee Engagement with higher CSR ratings increased financial results?	Total
Alt, Elisa, Emilio Pablo D´ez-de-Castro and Francisco Javier Llore´ns-Montes, "Linking Employee Stakeholders to Environmental Performance: The Role of Proactive Environmental Strategies and Shared Vision."	6	6	5	3	4	5	4	33
Bode, Christiane, Jasjit Singh, "Taking a Hit to Save the World: Employee Participation in a Corporate Social Initiative."	5	5	4	3	4	6	3	30
Davies, Iain Andrew and Andrew Crane, "Corporate Social Responsibility in Small-And Medium-Size Enterprises: Investigating Employee Engagement in Fair Trade Companies, Business Ethics"	5	5	5	3	4	6	4	32
Edmans, Alex, "The Link Between Job Satisfaction and Firm Value, With Implications for Corporate Social Responsibility"	6	6	6	3	6	6	6	39
Godfrey, Paul C., Craig B. Merrill and Jarred M. Hansen, "The relationship between Corporate Social Responsibility and shareholder value: An empirical test of the risk of Management Hypothesis"	6	6	5	3	6	3	3	32
Gupta, Neha and Vandna Sharma "The Relationship Between Corporate Social Responsibility and Employee Engagement and Its Linkage to Organizational Performance: A Conceptual Model"	5	5	5	3	6	6	6	36
Luo, Xueming and C.B. Bhattacharya , "Corporate Social Responsibility, Customer Satisfaction, and Market Value"	5	5	5	3	6	3	3	30
Saeidi, Sayedeh Parastoo, Saudah Sofian, Parvaneh Saeid, Sayyedeh Parisa Saeidi, and Seyyed Alireza Saaeidi, “How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and	5	5	5	3	6	2	2	28

Completed meta-analysis

Part 2 of 2

					5) Is the study clinically relevant?			
Literature	1) Are the study objectives clear?	2) Was comprehensive research conducted and sited?	3) Evaluation of the results. Were appropriate statistical methods used?	4) If the Funding source(s) are stated is it clear that there is no conflict of interest?	a) Did the study measure CSR and it's effect on financial performance?	b) Did the study correlate CSR with higher Employee Engagement?	c) Did the study validate that high Employee Engagement with higher CSR ratings increased financial results?	Total
Tang, Zhi E., Clyde Eirikur and Sandra Rothenberg, "How Corporate Social Responsibility is pursued affects firm financial Performance"	5	5	5	3	5	4	4	31
Ullman, Arieh A., "Data in Search of a Theory: A Critical Examination of the Relationships Among Social Performance, Social Disclosure, and Economic Performance of U.S. Firms"	5	5	5	3	3	3	3	27
Buciuniene, Ilona, and Ruta Kazlauskaite "The linkage between HRM, CSR and performance outcomes"	5	5	5	3	5	5	5	33
McWilliams, Abagail and Donald Siegel, "Corporate Social Responsibility: A theory of the firm perspective"	5	3	5	3	3	3	3	25
Schneider, Benjamin, William H. Macey, Karen M. Barbera and Nigel Martin, "Driving Customer Satisfaction and Financial Success through Employee Engagement"	5	5	4	3	3	3	3	26
Aras, Guler, Aslı Aybars, and Ozlem Kutlu, "Managing corporate performance investigating the relationship between corporate social responsibility and financial performance in emerging markets."	6	6	5	3	5	4	4	33
Peloza, John "Using Corporate Social Responsibility as Insurance for Financial Performance"	4	5	5	3	6	5	5	33

Appendix

Appendix I. UWES Questionnaire

It includes 7 response options whereby 0=never to 6=always

Vigor	Dedication	Absorption
• At my work I feel like bursting with energy. • At my job I feel strong and vigorous. • When I get up in the morning, I feel like going to work. • I can continue to work for long periods of time. • At my job, I am mentally resilient. • At my job, I always persevere, even when things do not go well.	• I find the work that I do meaningful and purposeful. • I am enthusiastic about my job. • My job inspires me. • I am proud of the work that I do. • My job is challenging enough.	• Time flies when I am at work. • When I work, I forget everything else around me. • I feel happy when I work intensively. • I am immersed in my work. • I get carried away when I work. • It is difficult to detach myself from my job.

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