The effects of time on managers and investors in corporate social responsibility

Tang, B.

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CO-AUTHOR STATEMENT

Statement of co-authorship regarding Chapter 3, by Prof. dr. Alan Muller

This chapter, co-authored by Binqi Tang, builds entirely on ideas that Binqi developed on his own during his first years as PhD student. The idea arose from his thoughts on managerial cognition and CSR, and how different patterns of cognition could lead to different ideas about CSR, and thus the strategic choices managers make with respect to, CSR. The idea for the interviews, as well as their execution, was entirely Binqi’s own. My role as second author was simply to push him harder in terms of conceptual clarity; to help with the crafting and writing of the chapter.
ENGLISH SUMMARY

Both academics and practitioners have devoted growing attention to corporate social responsibility (CSR) in the past few decades. Recently, an emerging body of literature has started to examine the cognitive drivers and financial outcomes of CSR. This Ph.D. research aims to shed light on the overall research question: How do the time perspectives of managers and investors affect their actions with respect to CSR? The dissertation consists of three empirical studies (in addition to introductory, literature review and concluding chapters).

Specifically, the first empirical study explores how managerial cognition influences the CSR strategies of Chinese small and medium enterprises (SMEs). An analysis of qualitative data obtained through interviews showed that integrative complexity and temporal orientation work together to shape managers’ strategic goals with respect to CSR, and hence lead to differences in CSR strategies.

The second empirical study examines the impact of top executives’ time horizons on the CSR disclosures of publicly listed Chinese firms. The analysis of a sample of 2,341 firm-year observations from 482 listed Chinese firms during the period of 2010 to 2014 showed that as executives’ time horizons shorten, a firm discloses more CSR information. Furthermore, I investigated how this relationship is moderated by resource dependence mechanisms.

The third empirical study examines the responses of institutional investors to the corporate social responsibility and irresponsibility of listed U.S. firms. Institutional investors differ in their investment horizons. In particular, dedicated institutional investors are long-term focused and transient institutional investors are short-term focused. The analysis of a dataset comprising 11,280 quarterly observations from 670 listed U.S. firms over the period 2007-2014
showed that firms that behave responsibly experience an increase in dedicated institutional ownership, whereas firms that behave irresponsibly face a decrease in transient institutional ownership.

Jointly, these three empirical studies indicate that the temporal aspects of cognition affect decision-making related to CSR. Besides having implications for management practice, this dissertation is relevant to researchers who are interested in the cognitive drivers of CSR in China.
Zowel academici als beleidsbepalers en managers zijn de afgelopen decennia meer steeds meer aandacht gaan besteden aan maatschappelijk verantwoord ondernemen (MVO). Hoewel er al heel lang veel onderzoek plaatsvindt naar dit onderwerp, zijn de cognitieve drijfveren van MVO pas recentelijk opgekomen als wetenschappelijk interessegebied. Dit proefschrift sluit hierbij aan en als doel inzicht te geven in de algemene onderzoeksvraag: Hoe beïnvloeden de tijdperspectieven van managers en beleggers hun acties met betrekking tot MVO? De dissertatie bestaat uit drie empirische studies (naast een inleidend en concluderend hoofdstuk, alsmede een overzicht van relevante literatuurstudies).

In de eerste empirische studie onderzoek ik hoe de cognitie van leidinggevenden de MVO-strategieën van Chinese kleine en middelgrote ondernemingen beïnvloedt. Een analyse van kwalitatieve data verkregen via interviews toonde aan dat integratieve complexiteit en temporele oriëntatie gezamenlijk de strategische MVO-doelen van managers vormgeven, en daarmee leiden tot verschillen in MVO-strategieën.

De tweede empirische studie onderzoekt de impact van de tijdshorizon van topmanagers op de openbaarmaking van MVO beleid door beursgenoteerde Chinese bedrijven. De analyse, die gebaseerd is op 2.341 bedrijf-jaarobservaties van 482 beursgenoteerde Chinese bedrijven in de periode van 2010 tot 2014, toonde aan dat naarmate de tijdshorizon van leidinggevenden korter wordt, een bedrijf meer MVO-informatie verschaft. Verder heb ik onderzocht hoe deze relatie wordt gemodereerd door zogenaamde ‘resource dependency’ mechanismen.
De derde empirische studie onderzoekt de reacties van institutionele beleggers op de maatschappelijke verantwoordelijkheid en onverantwoordelijkheid van beursgenoteerde Amerikaanse bedrijven. Institutionele beleggers verschillen in hun beleggingshorizon. Terwijl toegewijde institutionele beleggers met name gericht zijn op de lange termijn, zijn tijdelijke institutionele beleggers vooral gericht op de korte termijn. De analyse van een dataset met 11.280 kwartaalobservaties van 670 beursgenoteerde Amerikaanse bedrijven over de periode 2007-2014 toonde aan dat bedrijven die zich verantwoordelijk gedragen een toename van het toegewijd institutionele eigendom tonen, terwijl bedrijven die zich onverantwoordelijk gedragen gekenmerkt worden door een afname van tijdelijk institutioneel eigendom.

Gezamenlijk geven deze drie empirische studies aan dat de temporele aspecten van cognitie invloed hebben op besluitvorming met betrekking tot MVO. Dit proefschrift is relevant voor onderzoekers die geïnteresseerd zijn in de cognitieve antecedenten van MVO in diverse contexten, en biedt ook inzichten voor de praktijk en beleid.
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CURRICULUM VITAE

Binqi Tang was born on 11 June 1989, in Mishan, Heilongjiang, China. He received his BSc in Materials Science and Engineering from Tongji University in 2011 and his MSc in Business (cum laude) from Tongji University in 2014. Binqi moved to Amsterdam in August 2014 when he started his PhD at the International Strategy & Marketing section, Amsterdam Business School, University of Amsterdam. His doctoral research was supervised by Prof. Dr. Ans Kolk and Prof. Dr. Alan Muller. His general research interests center around corporate social responsibility and managerial cognition. Since 2019, he has been working as an Assistant Professor at Nanjing University, China.