7-2017

The effect of CEO background characteristics on corporate philanthropy and firm diversification profile

Wonsuk Cha
The University of Texas Rio Grande Valley

THE EFFECT OF CEO BACKGROUND CHARACTERISTICS ON CORPORATE PHILANTHROPY AND FIRM DIVERSIFICATION PROFILE

A Dissertation

by

WONSUK CHA

Submitted to the Graduate College of
The University of Texas Rio Grande Valley
In partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

July 2017

Major Subject: Business Administration

THE EFFECT OF CEO BACKGROUND CHARACTERISTICS ON CORPORATE PHILANTHROPY AND FIRM DIVERSIFICATION PROFILE

A Dissertation
by
WONSUK CHA

COMMITTEE MEMBERS

Dr. Michael A. Abebe
Chair of Committee

Dr. Jorge Gonzalez
Committee Member

Dr. Wanrong Hou
Committee Member

Dr. Reto Felix
Committee Member

July 2017

ABSTRACT

Wonsuk, Cha, The Effect of CEO Background Characteristics on Corporate Philanthropy and Firm Diversification Profile, Doctor of Philosophy (Ph.D.), July, 2017, 200 pages, 21 tables, 7 figures, references, 310 titles.

During the past three decades, the practice of corporate philanthropy (CP), as an important dimension of Corporate Social Responsibility (CSR), has evolved from a morally-driven initiative to a more strategic perspective that addresses both business and societal objectives. During this time, there has been a growing scholarly interest on the relationship between organizational leadership contexts and CP. Despite the apparent significant influence of CEOs on CP, whether CEO background characteristics (i.e. CEO founder status, functional background, civic engagement, and education) influence CP has not received much attention in the literature. In addition, the effect of CEO background characteristics on CP might be constrained as the firm matures and decision-making authority is diffused among other members of the dominant coalition. In this dissertation, I focused on the important moderating role of firm age on the relationship between CEO background characteristics and the level of CP. Furthermore, the research on whether and how firms proactively engage in CP to strengthen their business and corporate strategies (such as the level of unrelated diversification and global strategic posture) is under-developed.

Drawing from the key arguments of the Upper Echelons and Neo-Institutional theories, I proposed theoretically-driven hypotheses on the relationships among CEO background characteristics, CP, corporate strategies as well as firm performance. I empirically tested these hypotheses using a secondary data collected from 178 publicly-traded, large U.S. corporations between 2010-2014. The results provided mixed support for my predictions. I make several contributions to research and practice. First, drawing from the theoretical development and empirical findings, I addressed the growing scholarly interest on understanding the governance predictors (i.e. CEO background characteristics) and CP. Second, I extended the scholarly understanding of the interrelationship between CP and mainstream corporate strategies. Third, I offered a new attempt to empirically examine the link between corporate philanthropy and a specific form of corporate strategy-an unrelated diversification. Fourth, I provided managers with a promising notion that corporate philanthropy can help firms with market entry strategies. Finally, I provided insights on business legitimacy by suggesting that firms are seen as legitimate actors by multiple stakeholders to the extent they engage in corporate philanthropy.

DEDICATION

I would not have finished my journey toward doctoral studies without the love of God who always strengthens me. In addition, I want to thank my family and friends for supporting me through the past five years. More specifically, I want to give my appreciation and thanks to my wife Miyoung who wholeheartedly inspired, motivated and supported me by all means to accomplish this degree. Thank you for your love and patience.

ACKNOWLEDGEMENTS

I would like to express my special thanks to my advisor and chair of my dissertation committee, Dr. Michael A. Abebe for his mentor and advice. Your advice on both research as well as on my career have been priceless. I would also like to thank my dissertation committee members: Dr. Jorge Gonzalez, Dr. Wanrong Hou, and Dr. Reto Felix. Their brilliant comments and suggestions on my dissertation helped to ensure the quality of my intellectual work. Lastly, I would like to extend my sincerest thanks to Professor Joo Jung who made my doctoral life be a meaningful and enjoyable moment.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER I

INTRODUCTION

1.1 Corporate Social Responsibility & Firm Performance-"Doing Well by Doing Good"

According to the Committee Encouraging Corporate Philanthropy (CECP)[1] 2014, a non-profit coalition of 150 CEOs of the world's largest companies, the amount of corporate donations among the majority of U.S. corporations listed in Fortune 500 has been increasing steadily in the last decade and is expected to increase in the coming years. Walmart Stores Inc., for instance, spent more than $ 311 million in corporate donations in 2013. Similarly, Chevron Corporation spent upwards of $274 million in corporate donations in 2013. The largest U.S. firms and their CEOs are responding to the growing emphasis on social responsibility to give something back to their employees, the community, and society at large. Commonly referred to as "doing well by doing good" (Embley, 1993; Falck & Heblich, 2007), such efforts can help businesses address stakeholders' demand for social as well as economic goals. There is a belief that ongoing engagement in corporate social responsibility (CSR) has a positive impact on people around the world while contributing to corporations' business success. Such belief in the importance of CSR has become a major business trend among U.S. corporations.

CSR as a business practice and philosophy has taken an important place in the way businesses operate and serve their stakeholders. CSR refers to "context-specific organizational

1. Committee Encouraging Corporate Philanthropy. *Giving in Numbers 2014 ed.* (New York: CECP). Retrieved from http://cecp.co/home/resources/giving-in-numbers/?tid=90/

actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance" (Aguinis, 2011, p. 855). This definition indicates that businesses should have responsibility beyond their immediate economic concern and should act in a way that contributes and enhances broader societal goals. CSR primarily embraces economic, legal, ethical, and philanthropic responsibilities and the dimensions of CSR include the obligations a business has to its stakeholder's groups (Carroll, 1991). Over the past half century, CSR has increasingly been integrated into mainstream business thinking, and nowadays, most U.S. publicly-traded firms (e.g., Microsoft, Google, and Walt Disney) claim to engage in some form of CSR. The main benefits of engaging in CSR include generating intangible assets, including building corporate reputation and employee commitment, and tangible assets, including the positive impact on financial performance. Research in this area suggests that being a socially responsible business helps create goodwill, build a positive organizational image, differentiate them from their competitors, and, as a result, promote long-term profits for business (Boynton, 2013). Indeed, more firms increasingly embrace CSR as their employees demand their firms to be socially responsible, customers expect better business practices, and investors realize the economic rewards of sustainable business models. Beyond the immediate task environment, business CSR engagement also serves the needs of communities around the world and fulfills the responsibilities businesses have to the public.

1.2 The Importance of Corporate Philanthropy

Corporate philanthropy is considered one of the core dimensions of CSR (Aguinis & Clavas, 2012; Carroll, 1991; Porter & Kramer, 2002). The origin of corporate philanthropy in the U.S. dates back to the rise of industrial age in the 19th and early 20th century, when businessmen like Henry Ford and John D. Rockefeller established philanthropic foundations (Dietlin, 2011).

Corporate philanthropy has since been transformed from piecemeal individual philanthropic acts (e.g., philanthropy mainly driven by morality) to a major aspect of corporate CSR practices. Corporate philanthropy is, nowadays, a widespread business practice in large multinationals as well as small-and medium-sized firms across the globe. Despite the dominant altruistic orientation, corporate philanthropy has increasingly complemented the firm's strategic activities and enhanced the firm's social and financial performance (Porter & Kramer, 2002). Therefore, it can be argued that corporate philanthropy has evolved dramatically from a basic moral obligation to a strategically-driven activity of the firm. As Porter and Kramer (2002, p. 58) put it, "True strategic giving, by hand, addresses important social and economic goals simultaneously, targeting areas of competitive context where the company and society both benefit because the firm brings unique assets and expertise."

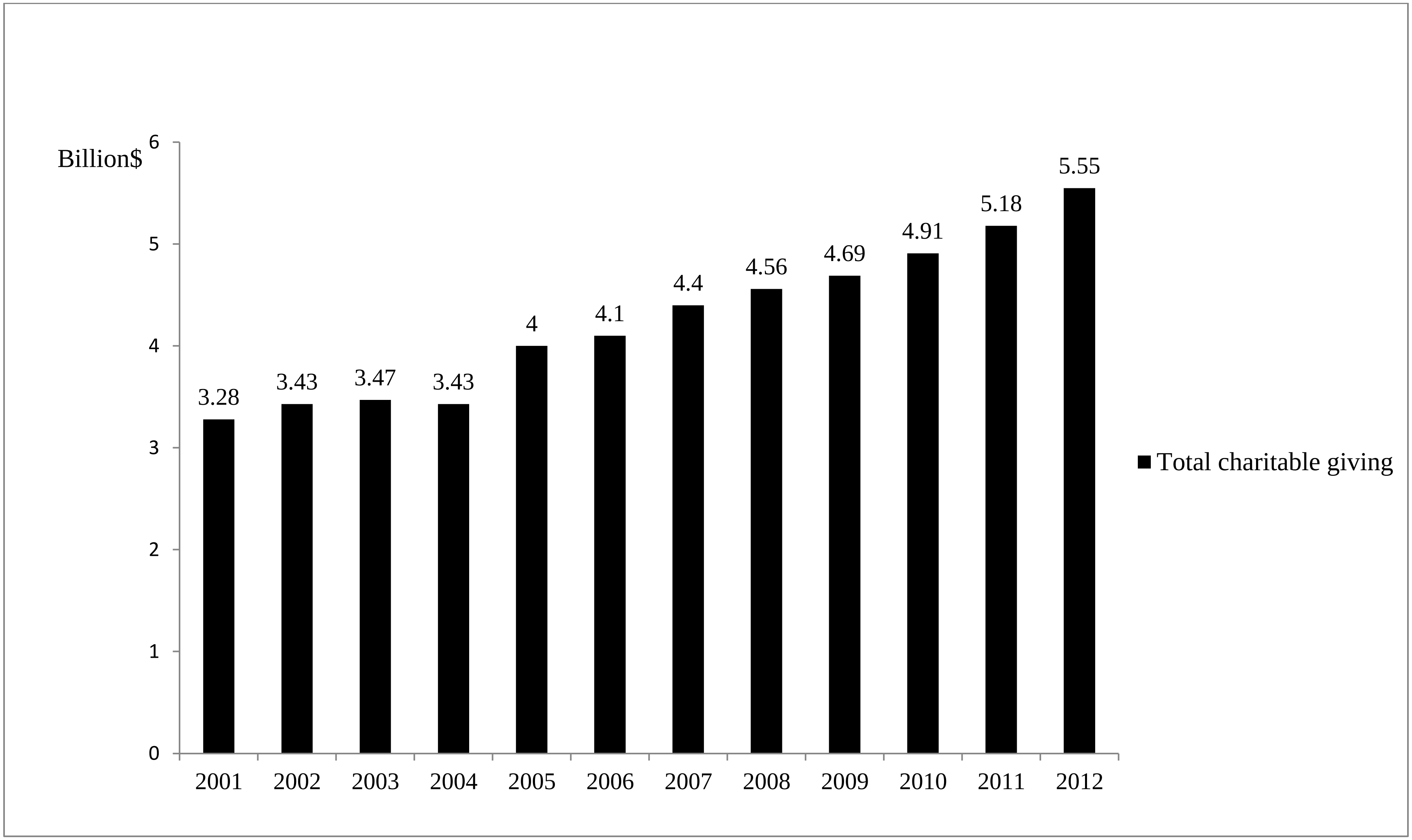
Corporate philanthropy can often be "the most cost-effective way for a firm to improve its competitive context" (Porter & Kramer, 2002, p. 9). Many firms invest a significant amount of resource expenditures on philanthropy in order to build a strong company image. For example, a 2013 report from the Committee Encouraging Corporate Philanthropy[2] indicates that 59 percent of the largest Fortune 100 firms donated significantly more in 2012 compared to 2007, the year before the global recession sets in, and aggregate giving rose by 42% ($4.48 billion) from 2007 to 2012. The ten largest U.S. corporations donated over 2.1 billion dollars in 2013 and this figure has increased in 2014. Many firms provide support to nonprofits and social causes primarily through company-sponsored foundations as well as corporate direct giving, both of which are closely tied with the parent company's business interests. As shown in Figure 1 below,

2. Committee Encouraging Corporate Philanthropy. *Giving in Numbers 2013 ed.* (New York: CECP). Retrieved from http://cecp.co/home/resources/giving-in-numbers/?tid=91/

the largest U.S. firms and their foundations have increased charitable giving during the past decade (2001-2012). Similarly, as shown in Figure 2 below, the largest 100 U.S. corporations have increased total charitable giving both as a percentage of pre-tax profit and as a percentage of revenue especially after the global recession in 2008.

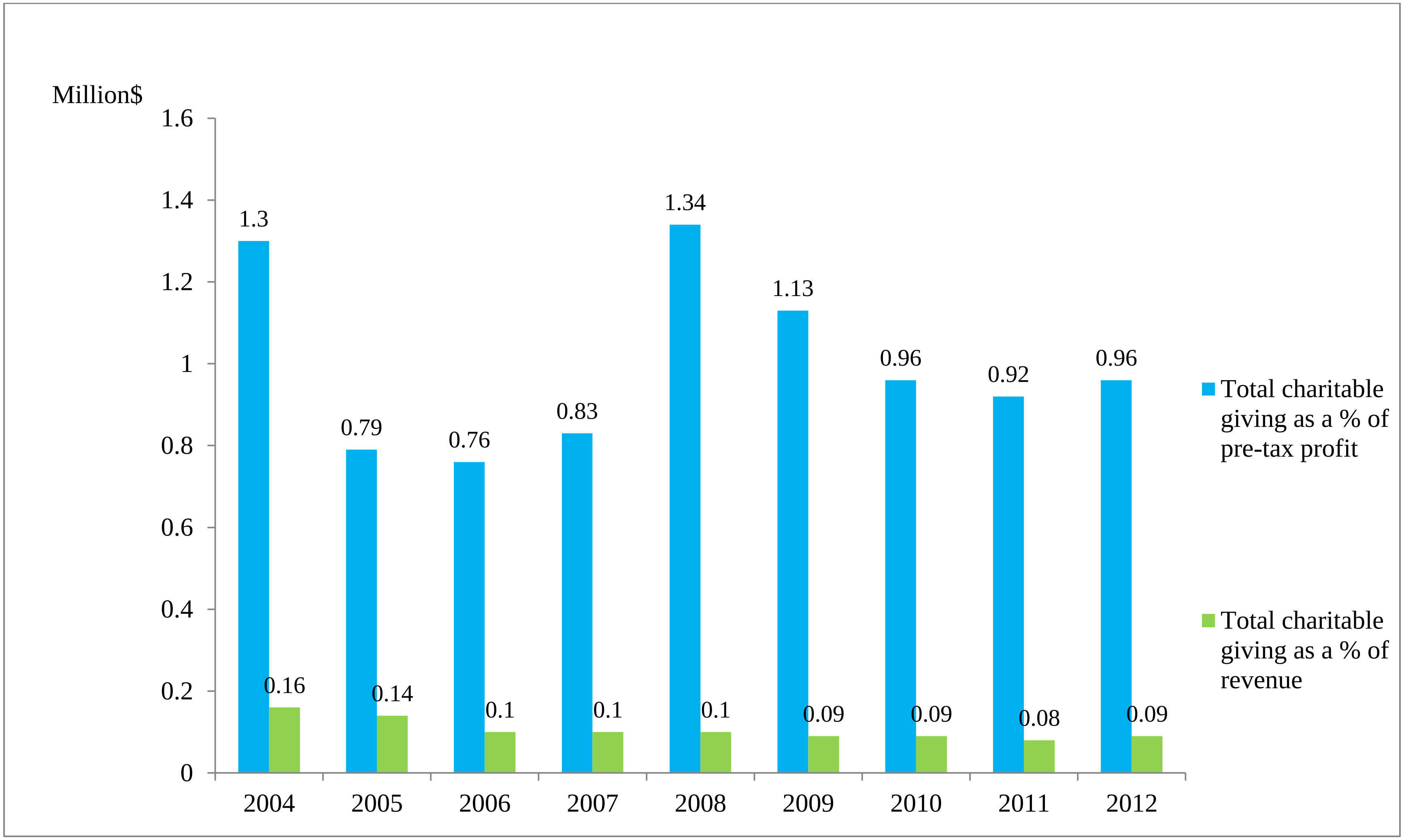
Indeed, the increasing commitment of corporate resources to philanthropic causes reflects a widely-held belief among business executives that philanthropy can be "strategic" in that it can make a substantial impact on society while improving business value and reputation for the firm (Carroll & Shabana, 2010; Walker, 2002). According to a 2010 survey by CECP, 77 percent of CEOs noted that "the most important action they can take to prepare for 2020 is to embed social engagement into business strategy and organizational structure." For example, Ronald A. Williams, the CEO of Aetna noted that that "public companies can move the collective needle by using their human and financial resources to innovative in ways that benefit both private interests and the public good" (Weiss, Kerdahy & Kneale, 2008, p. 5). Ivan Seidenberg, Chairman and CEO, Verizon Communications Inc., commented in CECP that "our belief is that corporate philanthropy expands the business. You can expand the capabilities of your customer base, business and society by doing the right thing." These and other executive views also highlight an important fact that corporate philanthropy can be driven by leadership values and studying leaders' background can help extend our knowledge of the role of corporate philanthropy in improving firm performance.

Figure 1. U.S. Corporate Foundation Philanthropic Giving from 2001 to 2012 (2,629 Corporate Foundations)



Source: The Foundation Center as of January 27, 2015

Figure 2. Total Charitable Giving among Fortune 100 Firms between 2004 and 2012



Source: Committee Encouraging Corporate Philanthropy as of January 27, 2015

Despite the stated purpose of enhancing a firm's public visibility and reputation by engaging in corporate philanthropy, firms face some criticisms from stakeholders on the tangible benefits of philanthropy. Some scholars (e.g. Devinney, 2009; Friedman, 1970) have supported this skeptical perspective arguing that a firm exists primarily to generate economic returns, not to solve societal problems. Friedman (1970, p. 6) argues that the single social responsibility of business is to "engage in business activities designed to increase its profit." On the contrary, other scholars (e.g. Godfrey, 2005; Wang & Qian, 2011) have strongly supported the positive role of corporate philanthropy in improving firm performance. These scholars argue that corporate philanthropy can generate positive stakeholder support which in turn improves a firm's financial performance. In an effort to address the critics' concerns on the use of corporate resources toward charitable contributions, firms are increasingly turning to the strategic use of philanthropy. Research suggests that strategic philanthropy can play a key role in developing value-creating relationships with primary stakeholders and enhancing a company's image (Buchholtz, Amason & Rutherford, 1999; Saiia, Carroll & Buchholtz, 2003). Strategic philanthropy can also serve as "a common meeting ground for the opponents and proponents of corporate philanthropy" (Buchholtz et al., 1999, p. 169). Large firms are fundamentally responsible for strategic philanthropy in practice because they have systematic structures (Marquis & Lee, 2013). For example, large firms have corporate foundations, employee committees to oversee corporate giving, and staff functions devoted to the effort to manage their social responsibilities (McAlister & Ferrell, 2002). In marketing practice, strategic philanthropy has been often associated with cause-related marketing to support social responsibility (File & Prince, 1998; Vanhamme, Lindgreen, Reast & van Popering, 2012; Varadarajan & Menon, 1988). Both practices have some dissimilarities in terms of primary focus, time frame, and costs

(McAlister & Ferrell, 2002). Strategic philanthropy focuses on organizing itself, is ongoing, and tends to require moderate to high resource commitment. On the other hand, cause-related marketing focuses on the firm's products, has a limited duration, and involves minimal resource commitment. Both strategic philanthropy and cause-related marketing help enhance societal welfare and improve the reputation of a firm. Stakeholder theory (Freeman, 1984) offers an important theoretical support for the relationship between corporate philanthropy and firm performance, suggesting that favorable social performance is a requirement for business legitimacy, and tends to be positively associated with firm performance over the long term. Donaldson and Preston (1995, p. 82) also suggest that firms respond to "ethical considerations (e.g. engaging in philanthropy) which are often consistent with long-run increases in profit and value."

Importantly, the positive effect of corporate philanthropy on the firm provides a reason why there is a need to examine the relationship between CEO characteristics and corporate philanthropy. Since corporate philanthropy has become an important strategic tool that organizational senior leaders manipulate, they are more involved in assessing and shaping corporate strategies (Porter & Krammer, 2002). In addition, past research argues that a firm's social activities should be met by corporate goals determined by CEOs who constantly make strategic decisions and choices (Choi & Wang, 2007; Wood, 1991). Furthermore, it has been suggested that CEOs are the primary decision-makers of the organization such that an examination of CEOs' attitudes and values toward philanthropy provides needed insight into the social responsibility actions in general and philanthropic function in particular (Dennis, Buchholtz, & Butts, 2009). Accordingly, it can be suggested that the relationship between CEO characteristics and corporate philanthropy should receive much attention. In the following section, I will provide a brief discussion on the major research gaps that I seek to address in order to advance the understanding of the leadership predictors of corporate philanthropy and the implications for firm performance.

1.3 Statement of the Problem

Previous studies have focused on why firms engage in corporate philanthropy (Adams & Hardwick, 1998; Brammer & Millington, 2005; Fombrun & Shanley, 1990; Godfrey, 2005; Turban & Greening, 1997; Wang & Qian, 2011; Williams & Barrett, 2000). These studies have shown that engagement in corporate philanthropy can lead to increased employee loyalty (e.g., employee commitment), favorable community image (e.g., corporate reputation), and positive media coverage (e.g., recovering tarnished reputation). As such, it can be suggested that consequences of corporate philanthropy have been extensively explored to answer the question, *"why should a firm give?"* Meanwhile, antecedents of corporate philanthropy have been explored to answer the question, *"what drives firms to give?"* The predominant discussion among scholars has been on the managerial (e.g. Buchholtz et al., 1999; Choi & Wang, 2007; Marquis & Lee, 2013; Wang & Coffey, 1992), organizational (Adams & Hardwick, 1998; Brammer & Millington, 2006; Seifert, Morris & Bartkus, 2003), and industry (Amato & Amato, 2007, 2012; Useem, 1988) drivers of corporate philanthropy. Specifically, past research suggested that firms engage in corporate philanthropy as a means to simultaneously and directly benefit business interests and those of a beneficiary organization (Saiia et al., 2003; Marx, 1999). The extent to which firms engage in corporate philanthropy can vary depending on organizational factors, such as firm size, organizational slack, and advertising intensity (Dennis et al., 2009; Saiia et al., 2003; Wang & Qian, 2011). Past research on corporate philanthropy has generally discussed the intersection of business goals and the larger societal good help improve the firm's competitive position (Maas & Liket, 2011; Saiia et al., 2003). In sum, it can be argued that previous studies of corporate philanthropy have developed from three aspects, "*why give,*" "*what leads to give,*" *and* "*give strategically.*"

Unlike the extensive discussion on firm-level predictors, managerial perspective on corporate philanthropy has not received much attention (e.g., how, why, and to what degree individuals, such as CEOs, engage in corporate philanthropy). This line of inquiry is consistent with a recent study's (Aguinis and Glavas, 2012) observation that corporate social activities, including corporate philanthropy, research is virtually absent from journals devoted to organizational behavior and micro-level human resources management. Therefore, there is a need to focus more on the micro level (e.g., do characteristics of individuals influence firms' philanthropic engagement?) than on the macro level (e.g. are organizational outcomes of corporate philanthropy beneficial to the firm?). In addition, there might be some link between CEO characteristics and corporate philanthropy. Several scholars suggest that CEOs think strategically about philanthropy to enhance brand name recognition, employee productivity, and even to overcome regulatory obstacles (Seifert et al., 2003; Smith, 1994). Despite the growing interest in the effect of CEO characteristics on CSR in general and philanthropy in particular, the relationship between CEO characteristics and corporate philanthropy is under-developed and has not received close empirical scrutiny.

Past research (e.g. Choi & Wang, 2007; Godfrey, 2005) has focused more on CEOs moral background and characteristics, such as CEOs' integrity and altruism, to explain a firm's philanthropic decisions. These studies, however, leave room for further explanation as to whether CEO characteristics predict corporate philanthropy. This is because corporate philanthropy can be driven not only by non-business community issues related to CEO altruism but also by business-related issues, both of which benefit the firm's strategic position. To fill this research gap, I draw from the upper echelon theory (Carpenter, Geletkanycz & Sanders, 2004; Hambrick & Mason, 1984) to explore how leaders' background characteristics might influence their firms' engagement in corporate philanthropy. Thomas and Simerly (1994) suggest that the demographic characteristics of CEOs (e.g., age, functional background, and education) offer reliable proxies for visible social activities of CEOs. Pedersen and Neergaard (2009) also suggest that managerial perceptions of corporate social activities, including corporate philanthropy, are influenced by a great deal of heterogeneity (e.g., age, gender, education, and functional backgrounds). In addition, it might be that founder CEOs have wide strategic options and more power over their boards (Mousa & Wales, 2012) and such status can influence corporate philanthropy. Despite the practical importance of the relationship between founder status and corporate philanthropy, that relationship has not received empirical investigation.

Firm size, organizational slack, and advertising intensity have been explored as important organizational factors that influence corporate philanthropy (Dennis et al., 2009; Seifert et al., 2003; Wang & Qian, 2011). What scholars argue is that bigger firms with more slack resources and advertising intensity have a positive association with corporate philanthropy. What is missing from these discussions is firm age as an important organizational context. In other words, the relationship between firm age and corporate philanthropy has not received much scholarly attention. For instance, Logsdon, Reiner and Burke (1990) observed in an exploratory study that firm age might be significant in explaining placement of corporate philanthropy. Particularly, past research has suggested that older firms tend to be increasingly inflexible so that firm age may be an important indicator of reduced executive discretion (Finkelstein, Hambrick & Cannella, 2009). Although the individual CEO's influence on corporate philanthropy might vary as a firm grows, the role of firm age on the relationship between CEO background characteristics and corporate philanthropy has not received much attention. Therefore, it is worth exploring this relationship.

Although corporate philanthropy has developed from a wide range of theoretical frameworks, scholars have not yet given much thought to whether firms proactively engage in corporate philanthropy to strengthen their business and corporate strategies. Particularly, the relationship between corporate philanthropy and unrelated diversification is under-developed. Unrelated diversification is one of core business strategies which help firms expand new markets. For example, when firms pursue unrelated diversification strategies, they usually experience a wide range of varying demands from stakeholders in distant industries or their subsidiaries (Chatterjee & Wernerfelt, 1991). Corporate philanthropy can generate reputational assets in the new market (Hess, Rogovsky & Dunfee, 2002), strengthen marketing and branding initiatives (Lii & Lee, 2012; Ricks Jr, 2005), and improve relations with local governments (Wang & Qian, 2011). From this phenomenon, it can be suggested that firms can consider philanthropic activities as part of long- term competitiveness and a means to strategically open new markets.

In addition, it is likely that the pressure for engaging in corporate philanthropy would increase among international firms with business activities across countries and culture. Deresky (1997) suggests that the philanthropic activities of multinational corporations that operate in foreign countries may be characterized as strategic, clearly targeted, and linked to the overall objectives of the firm. In addition, when firms expand their businesses in a foreign market (Sharfman, Shaft & Tihanyi, 2004), they experience a wide range of stakeholder' pressures. Corporate philanthropy can be used as a means of reducing these challenges. Despite the importance of corporate philanthropy on a firm's internationalization, there is a lack of theoretical explanation and empirical evidence as to whether corporate philanthropy advances a firm's internationalization strategy. Similarly, expansive global strategic posture (in terms of geographic market diversification) can help firms leverage R&D costs and knowledge across countries (Carpenter & Fredrickson, 2001; Kim & Mauborgne, 1991). It has been suggested that corporate philanthropy may be an opportunity for internationally operating firms, but also for investing in legitimacy in a region considered to be the main emerging market for the country (Bohnsack, 2012; Whiteman, Muller, Van der Voort, Wijk, Meijs, & Pique, 2005). It is reasonable to expect that firms are encouraged to engage in corporate philanthropy to develop a commanding international presence. In sum, I explore how CEOs' background characteristics predict the degree of firms' engagement in corporate philanthropy and the complimentary theoretical relationship between corporate philanthropy and a firm's diversification profile (such as unrelated diversification and global strategic posture).

1.4 Purpose of the Study & Research Questions

In this dissertation, I examine the effect of CEOs' background characteristics on corporate philanthropy and firm diversification profile. More specifically, I examine the relationships between CEOs' background characteristics and corporate philanthropy. In doing so, I focus on four aspects of CEO background characteristics (i.e. CEO founder status, functional background, civic engagement, and education) and examine whether they are associated with the degree of firms engagement in corporate philanthropy.

First, what is the relationship between CEO founder *status and corporate philanthropy?* Founder CEOs are likely to hold a psychological bond with their firms (Peterson, Galvin & Lange, 2012). Founder CEOs' intrinsic motivation could lead them to engage in socially responsible activities that meet various stakeholder demands, such as corporate philanthropy. *Second, what is the relationship between CEO functional background and corporate philanthropy?* Corporate social performance can be a reflection of CEO functional background (Melo, 2012). Thus, it might be anticipated that a certain aspect of a CEO's past work experience in jobs within functional areas of organizations can influence corporate philanthropy. *Third, what is the relationship between CEO civic engagement and corporate philanthropy?* CEOs often serve as active members in community groups or associations and they participate in civic affairs as part of their strategic mission. Doing so can be motivated by a desire to create the local community development and a more stable political environment that ensures their business profitability. *Fourth, what is the relationship between CEO education and corporate philanthropy?* Bennett (2012) argues that better educated people have wider mental horizons that cause individuals to recognize the value of charities concerned with the external environment. Therefore, it is expected that CEOs' education can play an important role in determining the choice and emphasis on corporate philanthropy. In addition, I examine the moderating role of firm age on the relationship between CEO background characteristics and corporate philanthropy. Although older firms would be expected to be more well-known and have greater philanthropic engagement, it is reasonably expected that a CEO's influence on corporate philanthropy varies as a firm grows.

Furthermore, I examine the role of corporate diversification profile on corporate philanthropy and firm performance. Past research suggests that firms increase philanthropic expenditures strategically as a means to open new markets where they are not familiar with and the pressures for engaging in corporate philanthropy increase among international firms (Merz, Peloza & Chen, 2010). Specifically, I examine a firm's diversification strategy as the mechanism through which corporate philanthropy influences firm performance. Since the ultimate goal of a firm's social activities, including corporate philanthropy, is to maximize performance, it is worth exploring the interaction, including corporate philanthropy – firm performance relationship through the mechanism of corporate diversification profile.

In sum, there are four major under-developed research areas in the literature that will be explored in this dissertation. First, there is a need to examine the relationship between CEO background characteristics and corporate philanthropy. Second, the role of firm age on the relationship between CEO background characteristics and corporate philanthropy should receive much attention. Third, whether firms proactively engage in corporate philanthropy to strengthen their unrelated diversification strategies should receive an empirical investigation. Fourth, the relationship between corporate philanthropy and firm performance needs to be examined particularly under corporate diversification profile (e.g. how corporate philanthropy influences firm performance through unrelated diversification and global strategic posture). I intend to answer the following three research questions:

1) Do CEO background characteristics influence the level of corporate philanthropy? If so, why?

2) Does firm age moderate the relationships between CEO background characteristics and the level of corporate philanthropy?

3) Does corporate diversification profile mediate the relationship between the level of corporate philanthropy and firm performance?

1.5 Significance & Contributions of the Dissertation

1.5.1 Contributions to Corporate Philanthropy Research

In this dissertation, I offer several contributions for research. First, this dissertation contributes to the growing scholarly interests in terms of CEOs' influence on corporate philanthropy. It has been suggested that CEOs are requiring greater strategic accountability in corporate giving programs (Saiia et al, 2003) and that corporations undertake strategic philanthropy as long as direct economic benefits can be gained by doing so (Sánchez, 2000). Therefore, an examination of whether CEO background characteristics influence corporate philanthropy helps to fulfill research interests.

Second, I extend the literature on corporate philanthropy to examine the strategic use of philanthropy. It has been suggested that traditional altruistic models of philanthropy are becoming less relevant because it is generally considered a non-strategic explanation of corporate giving which ignores the profit maximization goal and other strategic goals of the firm (Neiheisel, 1994; Sánchez, 2000). Corporate giving activities have evolved into far more strategically market-oriented approaches like targeted grants intended to optimize economic return as well as social returns per philanthropic dollar (Sherblom, 2007).

Third, drawing upon the institutional and stakeholder perspectives, I offer a new attempt to empirically examine the link between corporate philanthropy and unrelated diversification. For example, faced with various challenges (e.g., social, legal, and regulatory), corporate diversification increases a variety of stakeholder pressures in the firm's external environment that arise (Brammer, Millington & Pavelin, 2006; Sharfman et al., 2004). In addition, highly diversified firms not only suffer from a lack of coherence in terms of underlying resources (Montgomery & Wernerfelt, 1988) but they also have to deal with heavy stakeholder demands.

These pressures might be mitigated when engaging in corporate social activities through which unrelated diversifiers can manage a wide range of stakeholders' demands.

Fourth, although previous studies (Markides & Williamson, 1994; Palepu, 1985; Rumelt, 1974) suggest a negative relationship between unrelated diversification and (short-term) financial performance, this dissertation provides a different perspective to corporate diversification strategy. For example, corporate philanthropy helps to generate reputation and branding initiatives in the new markets so that it can improve the firm's market positions (Hess et al., 2002; Ricks Jr, 2005). In this dissertation, I provide scholars with a promising suggestion that unrelated diversification may not necessarily be an inferior strategy for the firm.

1.5.2 Contributions to Practice

In this dissertation, I offer several contributions for practice. First, understanding of how CEO background characteristics (e.g., CEO status, functional background, civic engagement, and education level) can be applied to corporate philanthropy helps to explain the rationale behind decisions to engage in corporate philanthropy. Therefore, I answer what leads CEOs to engage in corporate philanthropy and further why some CEOs engage in more corporate philanthropy than others. Second, I provide managers with practicability of corporate philanthropy. For example, strategic use of philanthropic expenditures can support a community project in developing countries (Porter & Kramer, 2002; Sánchez, 2000) because better community conditions are good for business (e.g., when the standard of living is increased, product demand is increased).

Third, I provide managers with a promising notion that engaging in corporate philanthropy can help firms with diversification and market entry strategies. Scholars argue that a firm's philanthropic engagement in developing countries can enhance the firm's reputation and get easier access to the market (Bohnsack, 2012; Brammer et al., 2006). There might be a positive relationship between corporate philanthropy and international presence. In addition, it is suggested that corporate philanthropy can offer an opportunity for internationally operating firms as well as for investing in business legitimacy. In this dissertation, I can provide managers with practicability that international firms can strengthen their competitive context by engaging in corporate philanthropy. Fourth, I provide insights on business legitimacy by suggesting that firms are seen as legitimate actors by local stakeholders to the extent they engage in corporate philanthropy. Goyal (2006) and Wang and Qian (2011) suggest that philanthropic activities of multinational firms in the host countries would be a signaling device to demonstrate that they have long-term intentions consistent with the local expectations. Thus, I suggest that firms can receive supportive responses from the host countries governments by engaging in corporate philanthropy.

1.6 Definition of Key Terms

Corporate social responsibility (CSR) refers to "context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance" (Aguinis, 2011, p. 855).

Diversification refers to "the entry of a firm or business unit into new lines of activity, either by processes of internal business development or acquisition, which entail changes in its administrative structure, systems, and other management processes" (Ramanujam & Varadarajan, 1989, p. 525). There are two types of diversification, such as related diversification and unrelated diversification. Related diversification refers to a diversification built around a core organizational capability (Ramanujam, 1987; Rumelt, 1982). It occurs when firms expand their areas closely related to their primary activities and areas of technical expertise. Unrelated diversification refers to a diversification that drives to move into unrelated lines of business (Ramanujam, 1987; Rumelt, 1982). It occurs where firms expand their operations into markets or products beyond current resources and capabilities.

Corporate philanthropy refers to the practice of "giving firm resources to invest in business-related issues and non-business community issues that also benefit the firm's strategic position and, ultimately, its bottom line" (Saiia et al., 2003, p. 170). This definition helps to explain why some firms still donate in non-business areas more than others. They do so because they believe that giving non-business issues would enhance their public image which can be used for gaining business legitimacy in developing countries (Wang & Qian, 2011).

Global strategic posture (GSP) refers to "the degree to which a firm is dependent on foreign sales and production and to the geographic dispersion of this dependence" (Carpenter, Sanders & Gregersen, 2001, p. 497). It has been suggested that GSP reflects the relative significance of foreign markets and operations in sustaining the firm as well as their geographic dispersion (Sullivan, 1994). Therefore, GSP can be used for measuring firm internationalization (Carpenter & Fredrickson, 2001; Levy, 2005). GSP are normally measured by three dimension originally developed by Sullivan (1994): foreign sales, foreign production, and geographic diversity. Foreign sales reflect the relative significance of foreign market. Foreign production reflects the degree to which a firm depends on foreign-owned assets and resources. Geographic diversity reflects the extent to which a firm has subsidiaries associated with globalization of operations and markets. Several scholars used GSP to explain a firm's internationalization strategy (Carpenter et al., 2001; Carpenter & Fredrickson, 2001; Levy, 2005).

1.7 Organization of the Dissertation

This dissertation consists of six chapters. The first chapter provides an introduction about the importance of corporate philanthropy, statement of the problem, major research questions as well as the contributions of the dissertation. Chapter two presents a comprehensive and extensive review of the literature on corporate social responsibility and the antecedents and consequences of corporate philanthropy with the role of leadership in corporate philanthropy. Chapter three presents the research model, theoretical foundations, and summary of theoretically-driven hypotheses. Chapter four presents the research design including target sample, measures, as well as statistical techniques. Chapter five presents and highlights the results of statistical analyses, including summary of findings and summary of hypotheses. Chapter six discusses the results from Chapter five, the implications to research and practice, limitations, future research directions, and conclusion.

CHAPTER II

LITERATURE REVIEW

This chapter provides a comprehensive review of the corporate philanthropy research. The first section begins with a systematic review of the literature on the relationship between Corporate Social Responsibility (CSR) and firm performance as well as the leadership determinants of CSR. In the second section, I discuss the theoretical conceptualizations of corporate philanthropy with a comparative review of the traditional and strategic philanthropy literatures. In the third section, I discuss the managerial, organizational and industry level antecedents and consequences of corporate philanthropy with a particular emphasis on the link between leadership attributes and corporate philanthropy. In the fourth section, I present a comprehensive review of research on the link between corporate philanthropy and corporate strategy. The chapter then concludes with a contingency view of corporate philanthropy.

2.1 How Does Corporate Social Responsibility (CSR) Influence Firm Performance?

CSR refers to "context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance" (Aguinis, 2011, p. 855). Specifically, the demand for business CSR initiatives has been significantly higher around the world over the last several decades. Accordingly, firms nowadays are expected to act more proactively to fulfill their CSR expectations as responsible corporate citizens to the society (Wang & Hsu, 2011). Since engaging in CSR is considered a socially responsible investment for the firm, how CSR influences firm performance has been an important issue among organizational scholars (Agle, Mitchell & Sonnenfeld, 1999; Aguinis & Glavas, 2012; Orlitzky, Schmidt & Rynes, 2003). Even though there are some debates as to whether CSR helps to improve firm performance, an extensive line of research has empirically explored how CSR boosts firms' competitive advantage, thereby ensuring value creation and satisfaction for stockholders and customers (Cox, Brammer & Millington, 2004; Lev, Petrovits & Radhakrishnan, 2010).

The topic of whether CSR can have a positive effect on firm performance has generated extensive discussions among scholars and practitioners. Friedman (1970) provides the classical economic perspective that management has one responsibility and that is to maximize the profits of its shareholders. Past research suggests that socially responsive firms incur higher direct costs and reap lower profits than socially unresponsive firms (Aupperle, Carroll & Hatfield; 1985; Devinney, 2009). In addition, some scholars have used agency theory that "good social performance comes at the expense of good financial performance because social performance makes use of firm resources in ways that confers significant managerial benefits rather than returning those resources to shareholders" (Brammer & Millington, 2008, p. 1329). They argued that firms would better spend their resources on value-added internal projects or return to shareholders rather than invest in CSR. Despite these perspectives, there has been a growing institutional and societal pressure on businesses to pursue a socially responsible operation for the last couple of decades and a number of institutional approaches can explain this trend. Jones

(1995) suggests that firms facing repeated transactions with stakeholders based on trust and cooperation are encouraged to be honest, trustworthy, and ethical because they believe that the returns to such behavior are high. In addition, a majority of empirical evidence suggests a significant positive relationship between CSR and financial performance (Aguinis & Glavas, 2012; Peloza, 2009). For example, Peloza (2009) reviewed 128 studies that explored the relationship between CSR and financial outcomes and found that, almost 60 % showed a positive relationship, less than 15 % a negative relationship and mixed findings from the rest of the studies. Recently, Aguinis and Glavas (2012) summarized the overall empirical evidence on CSR-performance relationship in a wide range of organizational fields as follows (p. 947):

> "Working for socially responsible companies leads to increased organizational identification (Carmeli, Gilat, & Waldman, 2007), employee engagement (Glavas & Piderit, 2009), retention (Jones, 2010), organizational citizenship behavior (Lin, Lyau, Tsai, Chen, & Chiu, 2010), employee commitment (Maignan, Ferrell & Hult, 1999), employee creative involvement (Glavas & Piderit, 2009), and improved employee relations (Glavas & Piderit, 2009)."

In the 21th century, the influence of CSR on a firm performance is an important concern to a firm's stakeholders so that firms should consider CSR as part of their strategies (Lantos, 2001). Given the ultimate responsibility of firms meets the needs of stakeholders, firms should fulfil stakeholders' demands while also devoting resources to CSR. Such seemingly contrasting demands are leading more firms to embrace strategic CSR or strategic use of philanthropy. Carroll (2001), for instance, argues that strategic CSR can accomplish strategic business goals, including good deeds, are believed to be good for business as well as for society. Several scholars have discussed strategic aspects of CSR. Porter and Kramer (2006) argue that CSR should be seen as one of core business strategies in a firm, indicating that the firm can benefit from its social investment. Maignan et al. (2005) also argue that CSR can serve as an attractive, valuable resource offering competitive advantage for enhancing business performance because it can be used as a means of conducting business strategies.

2.1.1 What Role Do Organizational Leaders Play in Fostering CSR?

In an attempt to link organizational leaders (e.g., CEOs) to CSR, scholars have focused on three aspects of CEO background characteristics: values, compensation levels, and personal attributes (experiences). For example, CEO integrity can be relevant to CSR such that leader vision and integrity will increase CSR values to shareholders. Waldman and Siegel (2008) argue that leader integrity to personal morality can yield positive outcomes for business and may actually be the driver of CSR strategies in organizations. Ketola (2006) also argues that leader integrity is an important component in his or her successful promotion of CSR activities at the firm. In addition, the relationship between CEO compensation and CSR has received some attention. For instance, McGuire, Dow and Argheyd (2003) empirically examined the relationship between the level of CEO compensation and corporate social performance (CSP) but they did not find any positive relation. However, Jiraporn and Chintrakarn (2013) using a sample of 1,370 firms found that when the CEO power (as measured by the total compensation) goes beyond a certain threshold, more powerful CEOs significantly reduce CSR investments. Furthermore, several scholars examined the professional background of CEOs and corporate social performance (Mazutis, 2014; Simerly, 2003; Thomas & Simerly, 1994). They found that corporate social performance can be interpreted as a reflection of CEOs' professional background.

Do organizational leaders play a role in promoting CSR? This question has long attracted extensive research (Fabrizi, Mallin & Michelon, 2014; Jiraporn & Chintrakarn, 2013). As senior leaders, CEOs and their top management teams are charged with the responsibility of formulating business and sustainability strategy (Strand, 2013; Wood, 1991). Indeed, today's corporate leaders play an important role in pursuing an effective CSR agenda (Bielak, Bonini & Oppenheim, 2007; Fabrizi et al., 2014;Godos-Díez, Fernández-Gago & Martínez-Campillo, 2011; Mazutis, 2014). For example, CEOs engage in CSR related activities in response to growing pressures from key stakeholders groups, such as customers and employees (Bielak et al., 2007). In addition, while pressures from employees, customers, and other stakeholders can play a crucial role in CEOs' willingness to engage in CSR, CEOs recognize that CSR can give their firms an opportunity to gain a competitive advantage as well as address societal needs (Bielak et al., 2007). In addition, Godos-Díez et al. (2011) using a sample of 149 CEOs found that those closer to the steward model are more inclined to attach great importance to ethics and CSR, and to implement CSR practices. Fabrizi et al (2014) using a sample of 597 U.S. firms extended the role of CEO's incentives on CSR and found that non-monetary incentives have a positive effect on CSR. Mazutis (2014) using a sample of 349 firms found the link between CEO open executive orientation (such as a liberal worldview and output functional experiences) and positive CSR initiative adoption over time. In this sense, it can be argued that the relationship between leadership and CSR has become an important topic of research in the area of leadership studies (Bielak et al., 2007; Godos-Díez et al., 2011; Fabrizi et al., 2014; Mazutis, 2014).

Transformational leadership helps represent the understanding of CSR in particular. Transformational leadership is comprised of four major components (Avolio, Bass & Jung, 1999; Bass & Riggio, 2006): (1) Idealized Influence (ability of leader to attract admiration and respect and desire to follow from subordinates), (2) Inspirational Motivation (ability of leader to communicate clear vision and create enthusiasm about future), (3) Intellectual Stimulation (ability of leader to encourage creativity and unconventional and status quo-challenging problem-solving among followers), and (4) Individual Consideration (ability of leader to accept individual differences and actively provide feedback and interaction with followers). Organizational scholars argue that transformational leadership has been found to influence CSR behavior among some firms (Du, Swaen, Lindgreen & Senthat, 2013; McWilliams, Siegel & Wright, 2006).

McWilliams et al (2006), for instance, suggest that strategic leadership theory can be applied to CSR and that transformational leadership will be positively correlated with the tendency of companies to engage in CSR. They explored the degree of transformational leadership using CEOs of 112 large US and Canadian firms and found that intellectual stimulation (which is one dimension of transformational leadership components) was a predictor of the firm's propensity to engage in strategically oriented CSR that were more likely to be related to the firm's corporate and business-level strategies (e.g., differentiation and reputation building). In addition, Du et al. (2013) in a survey of 440 U.S firms found that firms with greater transformational leadership are more likely to engage in institutional CSR practices, whereas transactional leadership is not associated with such practices. Furthermore, it has been suggested that charismatic leadership with self-concepts of followers can be related to CSR. For example, leaders have values and moral justifications which provide followers with motivational effects such that charismatic leaders can help connect one's identify with greater social causes (Shamir, House & Arthur, 1993).

In conclusion, the empirical evidence on the relationship between CSR and firm performance seems to be inconclusive (Peloza, 2009). However, more recent studies suggest that there is a positive association between CSR and firm performance (Aguinis & Glavas, 2012; Chen & Wang, 2015). In addition, since some firms consider CSR as part of their core corporate strategy and CEOs are charged with the responsibility of formulating corporate strategy, the relationship between leadership characteristics and CSR is particularly important. Furthermore, it can be suggested that understanding of three aspects of CEOs (values, compensation, and experiences) helps to link CEO background characteristics and CSR. As mentioned in section 2.1.1, there is a certain interrelationship between CEOs and CSR. Table 1 below provides an overview of research on the role of leadership in fostering CSR.

Table 1: Overview of Research on the Role of Leadership in Fostering CSR

Study	Leadership Theory Used	Sample	Key Findings/Arguments
Angus-Leppan, Metcalf & Benn (2010)	Sense making	A major Australian bank	Explicit CSR is linked to an autocratic leadership style, whereas implicit CSR is more closely aligned with emergent and authentic styles.
Beauchamp & O'Connor (2012)	Stakeholder	50 most admired U.S. companies in 2008	CEOs describe CSR primarily in performance and shareholder driven language.
Bielak et al (2007)	Stakeholder	Conceptual	CEOs recognize that CSR could give them an opportunity to gain a competitive advantage while helping to address social programs.
Brammer & Millington (2008)	Stakeholder Institutional	A sample of 537 firms existed in the period 1990 to 1999	The relationship between CSR and financial performance is curvilinear.
Du et al (2013)	Transformational leadership	A sample of 440 U.S firms	Firms with greater transformational leadership are more likely to engage in CSR practices, but transactional leadership is not associated with these CSR practices.
Flammer (2013)	Stakeholder	S& P 1,500 firms and 500 widely held firms between 1997 to 2011	The adoption of CSR proposals is associated with an increase in labor productivity and sales growth. Therefore, CSR improves employee satisfaction and helps companies cater to customers that are responsive to sustainable practices.
Jiraporn & Chintrakarn (2013)	Agency	A sample of 1,370 firms between 1995 to 2007	When the CEO power (as measured by the total compensation) goes beyond a certain threshold, more powerful CEOs significantly reduce CSR investments.
Maon, Lindgreen, & Swaen (2008)	Stakeholder	Conceptual	This highlights the central influence of executives' perceptions on the development of CSR strategic agendas. E.g., CEOs' perceptions about the CSR concept depend on their functional orientation and field of managerial knowledge.

Mazutis (2014)	Upper echelons	A sample of 349 firms between 1991 to 2009	Firms run by CEOs with output functional backgrounds have significantly higher initial levels of positive CSR initiatives over time.
McWilliams et al (2006)	Transformational leadership	A sample of 112 large U.S. and Canadian firms	Intellectual stimulation would be a predictor of the firm's propensity to engage in strategically oriented CSR that were more likely to be related to the firm's corporate and business-level strategies.
Peloza (2009)	Stakeholder	A review of 128 studies	59% found a positive relationship between CSR and financial performance, 27% a mixed or neutral relationship, and 14% a negative relationship.
Porter & Kramer (2006)	Stakeholder	Conceptual	CSR should be seen as one of core business strategies in a firm, indicating that the firm could benefit from its social investment.
Shamir et al (1993)	Charismatic leadership	Conceptual	Charismatic leadership with self-concepts of followers can be related to CSR.
Thomas & Simerly (1994)	Upper echelon	305 U.S Firms	Organizations are a reflection of their top managers, and encourage further systematic research of the influence of key executives in developing and implementing CSP.
Waldman et al (2006)		561 firms in 15 countries	CEO leadership in the form of "visionary leadership and integrity were uniquely predictive of CSR values associated with stakeholders and to lesser extent CSR values pertaining to community welfare" (p 832).
Waldman & Siegel (2008)	Stakeholder	Conceptual	Leader integrity to personal morality can yield positive outcomes for business and may actually be the driver of CSR strategies in organizations.
Wu, Kwan, Yim, Chiu & He (2013)	Upper echelon	A sample of 242 Chinese firms	CEO ethical leadership positively influences CSR via organizational ethical culture. CEO founder status strengthens while firm size weakens the direct effect of CEO ethical leadership on organizational ethical culture and its indirect effect on CSR.

2.2 Conceptualization of Corporate Philanthropy as a Dimension of CSR

Corporate philanthropy has traditionally focused on how a firm would voluntary allocate its slack resources to charitable or social causes that are not typically business-related (Carroll, 1991; Wartick, Wood & Czinkota, 1998). Friedman (1970, p. 8) points out the problem of corporate giving for the following statement and argues, “Firms operate under a moral mandate to make as much money for the stakeholders as they can in order to solve problems that the corporation did not cause.” He treats corporate giving as a waste of corporate resources. In addition, several scholars have suggested that traditional philanthropic activities may not purposely align with the strategic goals and resources of the organization (Marx, 1998, 1999; McAlister & Ferrell, 2002). Notably, the traditional ways of corporate philanthropy have since early 1990s shifted more dominantly towards strategically motivated giving, called *strategic philanthropy*. For example, firms having a strong sense of CSR are turning away from traditional giving and toward a more market-driven, strategic, and bottom-line approach to philanthropy (Saiia et al., 2003). Given this phenomenon, there is a need to conceptualize corporate philanthropy in a way that distinguishes traditional philanthropy from the strategic kind. In doing so, I will focus on two areas. First, how was philanthropy viewed by businesses historically? Second, how has this traditional view changed over time and become an integral part of business operation – *strategic philanthropy*? Third, what are the benefits of corporate philanthropy?

Traditional philanthropy is different from strategic philanthropy in two ways. First, traditional philanthropy is generally considered a non-strategic explanation of corporate giving (Sharfman, 1994). It has the singular goal of helping others that may not be linked to corporate interests so that it is considered independent from the operating pressures of generating profit (Sánchez, 2000). On the other hand, strategic philanthropy involves the close alignment of philanthropic activities with specific business objectives, including strategic outcomes and financial targets (Logsdon et al., 1990; Maas & Liket, 2011). Firms implement strategic use of philanthropy in order to "enhance their name recognition among customers, boost employee productivity, reduce R&D costs, overcome regulatory obstacles, and foster synergy among business unites" (Smith, 1994, p. 105).

Second, traditional philanthropy would be mainly driven by altruistic motives with which firms allocate percentage of sales donations to social causes (McAlister & Ferrell, 2002). Philanthropy that is created through pure donations, however, makes it difficult for a business to actually change what it wants to change. How was traditional philanthropy viewed by businesses historically and why did it emphasize moral obligation? Past research has suggested that institutional and industry newsletters, including Corporate Philanthropy Report and the Chronicle of Philanthropy website, place heavy emphasis on the social and ethical obligations to industry (Shaw & Post, 1993). This institutional rule forced firms to engage in altruistic and morally-driven philanthropy. In addition, executives seem to be more favorably disposed to act upon philanthropic requests that reflect contemporary perceptions of the duty of the corporation to the community to become a good corporate citizen (Shaw & Post, 1993). Vartorella (1992) found that when executives were asked why they engage in corporate philanthropy, the dominant response was corporate citizenship (91%), followed by enhancing image (65%), media coverage (35%), production promotion (28%), and increasing sales (20%). This evidence suggests that firms engage in traditional philanthropy motivated by virtue and ethics in order to become a good corporate citizen.

Firms aim to accomplish measurable business activities (e.g., plan for philanthropic engagement) that are good for society. Firms might inappropriately spend time and resources when engaging in traditional philanthropy. Past research has suggested that philanthropic practices are diffused and unfocused so they are disconnected from the firm's core business and their targets are outside the firm (Porter & Kramer, 2002). Therefore, executives have started to think how their firms can maximize the effect of philanthropic activities and ensure some form of economic return. They want to have a guarantee that their firms' giving activities can align with organizational goals and business strategies so as to benefit the firm as well as the society. Strategic philanthropy involves systematically integrating philanthropic activities into the formal organizational processes, systems and structure (McAlister & Ferrell, 2002). Large firms have developed "formal organizational units or structures to manage their social responsibilities so that they view philanthropy related expenses as no different from budget allocations for advertising, human resources and other expenses" (McAlister & Ferrell, 2002, p. 3). Brammer and colleagues (2006), in their study of philanthropic activities of British firms, observed that most firms in their sample tend to have formal budgeting procedure, direct involvement by the board of directors as well as dedicated staffs. From this phenomenon, it can be said that unlike traditional philanthropy, strategic philanthropy is part of systematically formalized corporate strategic plans.

2.2.1 The Benefits of Corporate Philanthropy

Firms reap the benefits of corporate philanthropy in a variety of settings in business, including company image, credibility in the local community, development of corporate and community alliances, and positive publicity (Logsdon et al., 1990; McAlister & Ferrell, 2002; Ricks Jr, 2005). All the benefits of corporate philanthropy can provide shareholders with insurance-like protection for a firm's relationship-based intangible assets (Godfrey, 2005) and generate a firm's competitive advantage (Porter & Kramer, 2002). The main reasons for engaging in corporate philanthropy is building a positive reputation and developing political connections (Fombrun & Shanley, 1990; Williams & Barrett, 2000). For example, firms might gain political legitimacy from government officials through corporate philanthropy, which enables them to get access to political resources often critical to their development (Wang & Qian, 2011). Firms practice philanthropy to gain and hold power and legitimacy in the political and institutional sense (Sánchez, 2000). For instance, Wang and Qian (2011) argue that firms that are "politically well-connected could have benefits more from philanthropy, as gaining political resources is more critical for firms" (p. 1159). Firms often engage in corporate philanthropy as a means by which they reasonably restore good name following the commission of illegal acts. Past research has supported that corporate philanthropy might offset the negative impact of illegal activities on reputation to some extent and help reduce the negative repercussions (Muller & Kräuss, 2011; Williams & Barret, 2000). In sum, traditional philanthropy can be conceptualized as quite contrary to strategic philanthropy in its intent and implementation. Strategic philanthropy is part of systematic and formalized corporate strategic plans. In addition, the literature suggests that the main reasons for engaging in corporate philanthropy are building a positive reputation, making political connections, and offset the negative impact of corporate wrongdoing, all of which help increase business legitimacy.

2.3 Antecedents & Consequences of Corporate Philanthropy

The managerial, firm and industry level antecedents of corporate philanthropy have been extensively explored in literature. The major discussion of *"what leads to giving"* has been on the managerial (Bear, Rahman & Post, 2010; Buchholtz et al., 1999; Chin, Hambrick & Treviño, 2013; Choi & Wang, 2007; Dennis et al., 2009; Marquis & Lee, 2013; Wang & Coffey, 1992), organizational (Adams & Hardwick, 1998; Brammer & Millington, 2006; Seifert et al., 2003), and industry level drivers (Amato & Amato, 2007; Chiu & Sharfman, 2009). Corporate philanthropy requires firms to allocate their limited resources to important societal causes that also meet shareholders' concerns, including maximizing business interests. Therefore, *"why should a firm give?"* is the most commonly examined research question in the corporate philanthropy literature (Brammer & Millington, 2005; Gautier & Pache, 2015; Godfrey, 2005). The specific consequences of corporate philanthropy have been on financial performance and reputation (Lev et al, 2010; Seifert, Morris & Bartkus, 2004; Wang, Choi & Li, 2008; Wang & Qian; 2011). In the following section, I will extensively review the antecedents and consequences of corporate philanthropy. I will specifically emphasize the role of leader characteristics as important managerial antecedents of corporate philanthropy. Following that, I will review other organizational and industry level antecedents and consequences of corporate philanthropy.

2.3.1 Managerial Antecedents of Corporate Philanthropy

Organizations are social entities where decisions are made by actors with various interests (Gautier & Pache, 2015). Specifically, corporate social activities should be met by corporate goals determined by organizational leaders (Wood, 1991; Godfrey, 2005). Therefore, it can be argued that organizational leaders have played a crucial role in influencing corporate philanthropy. In addition, since CSR has emerged as significant theme in the business community (Porter & Kramer, 2002), organizational leaders have begun to consider CSR as an important consideration in their formulation of corporate strategy. What drives organizational leaders to engage in corporate philanthropy? First, organizational leaders believe that corporate philanthropy can be modeled as profit maximization (Boatsman & Gupta, 1996; Fry, Keim & Meiners, 1982). They want to make sure that the benefits from corporate giving outweigh the costs. Second, corporate philanthropy is part of strategies that organizational leaders implement to gain approval and respect from local business elites (Atkinson & Galaskiewicz, 1988). Corporate philanthropy can be used as a tool that organizational leaders use to manipulate business environment (e.g., supporting charitable giving to gain government support). The predominant discussion of organizational leaders and corporate philanthropy has been on CEOs (Dennis et al., 2009; Chin et al., 2013; Jiraporn & Chintrakarn, 2013; Li, Song & Wu, 2014; Zu & Song, 2009), board of directors (Bear et al., 2010; Brown, Helland & Smith, 2006; Coffey & Wang, 1998; Ibrahim & Angelidis, 1995; Kabongo, Chang & Li, 2013; Wang & Coffey, 1992; Williams, 2003), and top managers in general (Choi & Wang, 2007; Pedersen & Neergaard, 2009).

Importantly, the CEO is widely recognized as the primary decision maker of the organization. As such, understanding the CEOs' attitude toward corporate philanthropy can explain what leads them to determine corporate philanthropy. First, CEOs engage in philanthropic initiatives to the extent that the potential direct and indirect economic benefits of such action outweigh the anticipated costs. For example, past research found that the CEOs' economic attitude toward philanthropy is positively related to the level of corporate philanthropy in their firms (Dennis et al., 2009). Second, CEO network can explain what drives CEOs to engage in corporate philanthropy. For example, CEOs serving on outside boards as part of their network might have a similar norm and interest with serving firms' philanthropic decisions. Network among organizations within a field can drive organizations toward isomorphism (DiMaggio & Powell, 1983; Galaskiewicz & Burt, 1991; Zucker, 1987) and "individuals in structurally similar positions are expected to express similar perceptions and attitudes" (Galaskiewicz & Burt, 1991. p. 89). Past research also suggests that corporate philanthropic engagement can diffuse through executive networks, as executive mimic the philanthropic practices of their peers (Atkinson & Galaskiewicz, 1988).

To what extent do CEOs implant their values or motives into charitable giving decisions? This question is practically important because it emphasizes the importance of CEOs' preferences in shaping corporate philanthropy. It is suggested that the CEO's personal values and priorities often shape the giving practices in many public companies such that CEOs' influence over the specific of corporate giving is very much alive and well (Chin et al., 2013; Choi & Wang, 2007). In addition, having business legitimacy is important part of corporate strategies so CEOs value it the most. It has been suggested that CEOs view corporate philanthropy as a legitimate perquisite of leadership (Barnard, 1996). Past research examined the relationship between CEOs and corporate philanthropy (Dennis et al., 2007; Jiraporn & Chintrakarn, 2013; Zu & Song, 2009). What they found was that the extent to which firms engage in corporate philanthropy depends on CEO instincts of gaining economic benefits, the degree of CEO authority, and the degree to which CEOs identify themselves as philanthropist.

Boards of directors (BODs) have traditionally held a prominent role in determining their firms' philanthropy particularly by requiring greater strategic accountability in the firms' giving program (Saiia et al., 2003). There is a well-established understanding among researchers that corporate boards' exercise influences the type and magnitude of corporate philanthropic efforts (Bear et al., 2010; Coffey & Wang, 1998; Ibrahim & Angelidis, 1995). Past research has explored how the composition and structure of corporate boards affect the decision to involve in philanthropic activities and the intensity of such efforts (Wang & Coffey, 1992; Marquis & Lee, 2013). Drawing primarily from the Resource Dependence (Pfeffer & Salancik, 1978) and Stakeholder (Freeman, Harrison, Wicks, Parmar & De Colle, 2010) theories, these studies have mainly argued that the extent to which firms build the relationship with certain stakeholders is closely tied to the personal and social background of board members who in turn influence how firms allocate resources to their philanthropic engagement.

Board composition/diversity has been explored to examine the relationship between BODs and corporate philanthropy. It has been suggested that board insiders have less discretionary authority to pursue their own interests at the expense of shareholders (Wang & Coffey, 1992). Past research also found that as the number of insiders increase, so will the philanthropic behavior of the firm (Coffey & Wang, 1998). Therefore, having more board insiders rather than outsiders would function as an internal motive influencing corporate philanthropy to improve the firms' long-term relationship to its different constituents. In addition, female director representation on the board of directors has been identified as important predictor of the level of corporate philanthropy (Wang & Coffey, 1992; Williams, 2003). Others have empirically explored the broader diversity construct in investigating its relationship with corporate philanthropy (Bear et al., 2010; Kabongo et al., 2013). These studies have argued that board resource diversity (professional background and experience) and managerial control of the board would be a possible predictor of corporate philanthropy. In addition, having large board membership can be a motive that influences corporate philanthropy. For example, it has been found that larger boards can make the firm likely to give more, having ties to the external environment, and responding to different stakeholders' expectations (Marquis & Lee, 2013).

Top managers determine strategic actions, including corporate philanthropy, mainly depending on what they value the most. Past research has argued that "the values of top management have an imprint on the firm, influencing decision-making processes, stakeholder salience, and corporate social performance" (Pedersen & Neergaard, 2009, p. 1263). Choi and Wang (2007) argue that "top managers with benevolence and integrity values are more likely to spread their intrinsic concern for others into the wider society in the form of corporate philanthropy" (p, 345). It has been suggested that the most common rationale provided by top managers is that their firms have a moral obligation to the communities in which they operate (Galaskiewicz, 1997). In addition, top managers make philanthropic decisions under significant institutional pressures. For example, the more top managers are connected with social network, the stronger institutional pressures influence charitable contributions in return for organizational legitimacy (Galaskiewicz, 1997). Furthermore, corporate philanthropy can help top managers attain a higher social status while simultaneously enhancing the firm's reputation among consumers (Lev et al., 2010). Therefore, it can be suggested that having a higher social status can motivate top managers to engage their firms' philanthropy.

In sum, three major groups of organizational leaders – CEOs, board of directors (BODs), and top management teams – can influence corporate philanthropy. The major motives for them to engage in corporate philanthropy are to maximize profit and gain government support. CEOs' economic attitude toward philanthropy can be a driver of engaging in corporate philanthropy and understanding CEO network structure can explain how firms gain business legitimacy through corporate philanthropy. In addition, understanding board composition/diversity can explain why certain firms engage in more corporate philanthropic activities than others. Furthermore, top managers with benevolence and integrity value can motivate firms to engage in corporate philanthropy. Institutional pressures from social network with which they are connected can motivate them to engage in corporate philanthropy. Table 2 below indicates a summary of research on organizational leadership and corporate philanthropy.

Table 2: Summary of Research on Organizational Leadership and Corporate Philanthropy

Studies	Theory	Focus	Sample	Key findings/Arguments
Brown et al (2006)	Agency	BODs	207 Fortune 500 in 1998	Firms with larger boards of directors are associated with significantly more cash giving and with the establishment of corporate foundations.
Coffey & Wang (1998)	Agency	BODs	98 Fortune 500 firms	The ratio of insiders to outsiders on the board was positively related to charitable contributions; the percentage of stock owned by insiders (a measure of managerial control) is positively related to charitable giving.
Campbell, Gulas & Gruca (1999)	Stakeholder	Managers	139 food distributors and producers	The human element of personal attitudes may interact and play a very important role in a firm's decision to become involved with philanthropic activities.
Chin et al (2013)	Upper echelons	CEOs	249 CEOs of S & P 1500 firms between 2004 and 2006	Compared with conservative CEOs, liberal CEOs exhibit greater advances in CSR initiatives. The influence of CEOs' political liberalism on CSR initiatives (civic and philanthropic activities) is amplified when they have more power.
Choi & Wang (2007)	Stakeholder	Top management	Conceptual	Top managers with benevolence and integrity values are more likely to spread their intrinsic concern for others into the wider society in the form of corporate philanthropy.
Dennis et al (2009)	Theory of Planned Behavior	CEOs	499 CEOs from publicly held U.S. firms in 2004	The most important determinant of a firm's philanthropy is the degree to which the CEO identifies himself or herself as a philanthropist.
Galaskiewicz (1997)	Institutional	Managers	The city of Minneapolis	Managers making decisions about corporate philanthropy are subject to institutional pressure to give in a certain ways – both personal interaction and corporate reputation.

Ibrahim & Angelidis (2011)	Upper echelons	BODs	398 corporate directors	Compared to their male counterparts, female directors exhibit a stronger orientation toward the discretionary component (philanthropy) of CSR. Male board members, on the other hand, are more concerned with the economic component of CSR.
Kabongo et al (2013)	Resource Dependence	CEOs/BODs	4,438 U.S. firms between 1991 to 2009	Firms with diverse BODs and female CEOs have a positive effect on the level of corporate philanthropy.
Marquis & Lee (2013)	Upper echelons	CEOs and BODs	Fortune 500 firms during the period 1996 to 2006	Characteristics of senior management and directors affect corporate philanthropic contributions. For example, the shorter CEO tenure, the higher female directors, and the more central director interlock network will be higher corporate philanthropic contributions.
Masulis & Reza (2015)	Agency	CEOs	A natural experiment	Corporate giving is positively (negatively) associated with CEO charity preferences (CEO shareholdings and corporate governance quality). Corporate donations advance CEO interests.
Werbel & Carter (2002)		CEOs	All U.S corporate foundations with assets greater than two million dollars.	CEO's extensive network, as measured by membership in different non-profit organizations, is associated with foundation charitable giving.
Williams (2003)	Stakeholder	BODs	185 firms from Fortune 500 for the 1991-1994 time period	Firms having a higher proportion of women serving on boards do engage in charitable giving to a greater extent than firms having a lower proportion of women serving on their boards.
Zu & Song (2009)	Attitudes-behavior	Executives	83 Chinese industrial enterprises and their executives between 2003 and 2004	The true nature of executives' assertion is linked to entrepreneurs' instincts of gaining economic benefits to CSR rating. In addition, managers' CSR orientation is positively correlated with their firms' performance.

2.3.2 Organizational Antecedents of Corporate Philanthropy

Although corporate philanthropy can be mainly determined by organizational leaders (such as CEOs, BODs, and top management teams), it is also partly influenced by organizational factors. The commonly examined organizational factors are organizational visibility, ownership structure, firm size, organizational slack and advertising intensity. Past research has argued that bigger firms with more slack resources and advertising intensity are more likely to be engaged in corporate philanthropy (Alakent & Ozer, 2014; Amato & Amato, 2007; Dennis et al., 2009; Seifert et al., 2004; Wang & Qian, 2011; Zhang, Zhu, Yue & Zhu, 2010). Since the last three factors (such as firm size, organizational slack, and advertising intensity) have been examined as moderators rather than antecedents in several studies, I will explain these factors as a contingency view of corporate philanthropy later on in this chapter. In this section, I will focus more on the relationship between organizational visibility and ownership structure and corporate philanthropy.

Three fundamental assumptions (Campbell & Slack, 2006, p. 5) explain the relationship between organizational visibility and corporate philanthropy: (1) the more visible a firm is, the more intense range of societal stakeholder concerns a firm needs to manage, (2) charitable giving is one way in which this wide range of stakeholder 'societal' concerns can be managed, and (3) the giving enables a firm to enhance its image (reputation) among a variety of group of stakeholders. From these assumptions, it might be anticipated that more visible organizations may generate a general propensity for organizations to be more highly sensitive to social and political stakeholders (Brammer & Millington, 2006). Past research suggested that corporate philanthropy influences the perceptions of the firm in the eyes of variety of stakeholders, including investors, customers, suppliers, and potential employees (Saiia et al., 2003; Smith, 1994). Therefore, it can be said that organizational visibility functions as an antecedent that influences corporate philanthropy. In addition, corporate philanthropy can be motivated by a need to appeal to the public such that it can have more impact in business-to-consumer industries (Chiu & Sharfman, 2009). For example, past research suggested that organizational visibility stimulates philanthropy within consumer-orientated industries, such as retail, media, telecommunications, and insurance (Amato & Amato, 2012; Fry et al., 1982). From these phenomena, it can be argued that the more visible firms are, the higher the likelihood of philanthropic engagement.

The ownership structure of firms can be an antecedent that influences corporate philanthropy. Agency perspective indicates that the more dispersed the ownership, the more discretionary power for managers to use resources for preferred expenditures, including corporate philanthropy (Bartkus, Morris & Seifert, 2002; Navarro, 1988). For example, firms less likely engage in corporate philanthropy if the CEOs or other individual owned a significant percentage of total stock (Atkinson & Galaskiewicz, 1988). In addition, recent research suggests that as opposed to state-owned firms, non-stated owned firms need to develop a long-term-based reciprocal relationship with the government to overcome resource disadvantages (Li et al., 2014). This can be achieved by cooperating with or addressing the government’s call by engaging in corporate philanthropy. Recent research also suggests that non-state-owned firms are more strategically motivated to engage in corporate philanthropy (Li et al., 2014; Wang & Qian, 2011).

2.3.3 Industry-Level Antecedents of Corporate Philanthropy

Corporate philanthropy may differ across individual firms; meanwhile, it also varies across industries. For example, it has been suggested that institutional factors, such as a firm's relations with other organizations and its environment, shape its philanthropic endeavors (Amato & Amato, 2007; Useem, 1988). Past research suggests that there are important concerns that pressure firms within an industry to adopt similar giving patterns, which create inter-industry difference in giving strategies (Amato & Amato, 2007; Seifert et al., 2004). Therefore, industry differences are important antecedents that influence corporate philanthropy. Amato and Amato (2007), for instance, argue that there are "differences across industries in the perceived need for firms to pursue socially responsible outcomes and the differences in public exposures" (p. 231). Such differences may create inter-industry differences in corporate giving policies. Past research suggested that firms from industries with high levels of public contact, including retailing or banking, typically give more than firms from low contact industries, including manufacturing firms (Brammer & Millington, 2006; Useem, 1988). Differences in public contact can account for much of the inter-industry differences in corporate giving strategies. The examples are included that commercial banks give disproportionately to health and human services while manufacturers of electrical equipment focus on their giving on education (Useem, 1988). Particularly, some firms are more susceptible to potentially adverse public exposure as a result of their products and operations. This has been termed as "public relation vulnerability" (Amato & Amato, 2007) and "social externalities" (Brammer & Millington, 2006).

Corporate philanthropy may offer firms a mechanism to atone for social externalities and repair corporate reputation (Williams & Barrett, 2000). Specific industries, including alcohol and tobacco, may be especially vulnerable to accusations of negative externalities (Brammer &

Millington, 2005). Firms within these industries attempt to engage in corporate philanthropy to mitigate these ‘negative externalities’. A good example in this case can be firms in the pharmaceutical and petroleum industries that often face high but adverse visibility stemming from product liability lawsuits, workplace discrimination and environmental pollution allegations (Chen, Patten & Roberts, 2008; Williams & Barrett, 2000). Due to the nature of their product markets as well as higher propensity for public relation vulnerability (Amato & Amato, 2007), some firms exhibit a more aggressive philanthropic activity than other firms. The primary argument in this case is that firms in these industries aggressively engage in corporate philanthropic activities in order to mitigate the adverse impact of unfavorable public exposure or use it as an “insurance” (Chiu & Sharfman, 2009; Godfrey, 2005).

2.3.4 Consequences of Corporate Philanthropy

Despite of some criticisms on corporate philanthropy (Devinney, 2009; Friedman, 1970), the majority of firms engage in corporate philanthropy strategically because it has a positive impact on consumer attitudes and employee productivity, reputation and financial performance, and local community welfare (Brammer & Millington, 2005; Lev et al., 2010; Luo, 2005; McAlister & Ferrell, 2002; Porter & Kramer, 2002; Rick Jr, 2005; Su & He, 2010; Wang & Qian, 2011). In addition, firms discover the performance benefits of corporate philanthropy, including increased customer loyalty, strengthen employee commitment and productivity (Mandhachitara & Poolthong, 2011; McAlister & Ferrell, 2002; Luo, 2005; Rick Jr, 2005). For example, Luo (2005, p. 339) offers empirical evidence that “as drug stores put more emphasis on philanthropic activities as perceived by customers in the community, customers will have stronger social ties with the store and be more loyal to the store.” In other words, when philanthropic activities that do benefit a particular segment that firms is likely to target for business, corporate philanthropy does have an overall positive effect on consumer perceptions of corporate associations (Rick Jr, 2005). Furthermore, it is commonly believed that corporate philanthropy is a source of productivity among incumbent staff which would in turn benefit the organization in the long run (Turban & Greening, 1997). Therefore, corporate philanthropy may contribute to firms' attractiveness as employers, giving them a competitive advantage in strategic human resource management.

Another important consequence of corporate philanthropy is local community welfare in the long term. Campbell and Slack (2007) found that firms engage in philanthropic projects near their facilities because they expect to improve the living conditions in their community and to raise awareness about its commitment, thereby benefiting from positive effects on their business. Porter and Kramer (2002, p. 58) argue that "businesses' ability to compete depends heavily on the circumstances of the locations and market sophistication." In addition, having government supports with political access can be a consequence of corporate philanthropy. For example, corporate philanthropy helps "gain political access (e.g. political legitimacy and approval from local government)" (Wang & Qian, 2011, p. 1160). Furthermore, corporate philanthropy can create favorable business climates, including protecting firms from higher taxes and increasing barriers to entry into foreign countries. For instance, Su and He (2010) suggest that firms engage in philanthropic activities to better protect property rights and nurture political connections and in turn, lead to better enterprise profitability.

The most examined consequences of corporate philanthropy are reputation and financial performance. Empirical evidence suggests that the relationship between corporate philanthropy and financial performance is somewhat inconclusive. For example, Seifert et al (2004) using a sample of 191 firms did not find a significant philanthropy-financial performance relationship.

Wang et al (2008) using a panel data set of 817 U.S. firms from 1897 to 1999 found an inverse U-shaped relationship. However, the predominant discussions on this relationship have provided that corporate philanthropy helps to generate more positive stakeholder responses that are crucial for financial performance (Godfrey, 2005; Lev et al., 2010; Wang & Qian, 2011), as well as reputation (Adams & Hardwick, 1998; Brammer & Millington, 2005; Williams & Barrett, 2000). For example, Lev et al (2010) using 251 U.S. firms found that corporate philanthropy help a firm's revenue growth. Wang and Qian (2011) using 1,453 Chinese firms found that corporate philanthropy have a positive and significant relationship with financial performance (measured as return on assets).

In sum, answering the questions, *"what leads to corporate giving and why a firm should give,"* can explain the antecedents and consequences of corporate philanthropy. In addition, it can be argued that organizational antecedents (organizational visibility and ownership structure) and industrial antecedents (public relation vulnerability and externalities) play important factors that influence corporate philanthropy. Furthermore, it can be argued that firms engage in corporate philanthropy because it helps lead to consumer attitudes (loyalty) and employee productivity, local community welfare, government supports, all of which can enhance financial performance as well as reputation. Table 3 below indicates summary of studies in antecedents and consequences of corporate philanthropy.

Table 3: Summary of Antecedents and Consequences of Corporate Philanthropy

Studies	Orientation	Focus	Antecedents	Consequences	Key findings/Arguments
Amato & Amato (2007)	Empirical		Public relation vulnerability		There are inter-industry differences in giving culture and/or different public relations requirements across industries.
Brammer & Millington (2005)	Empirical	UK firms	Social externalities		Specific industries, such as alcohol and tobacco, may be especially vulnerable to accusations of negative externalities. Philanthropy could mitigate the negative effect of externalities.
Brammer & Millington (2006)	Empirical	UK firms	Organizational visibility		Highly visible organizations may generate a general propensity for organizations to be more highly sensitive to social and political stakeholders.
Campbell & Slack (2006)	Empirical	UK firms	Organizational visibility		Higher visibility firms would have a higher overall rate of corporate giving because charitable involvement and associated giving would be associated with the higher need to manage a range of social stakeholder claims concomitant with the higher visibility.
Chiu & Sharfman (2009)	Empirical	America's most admired firms	Organizational visibility		A firm's visibility to stakeholders that has the larger impact on manager's decision regarding how much CSP their firms exhibit.
Du (2014)	Empirical	Chinese firms	Public relation vulnerability		Corporate environmental misconduct has a significantly positive impact on corporate philanthropic giving.
Fry et al (1982)	Empirical	U.S. firms	Public visibility		Firms within tobacco and insurance industries have more public contact with visibility and they spend on contributions more than do firms with little contact.

Godfrey (2005)	Conceptual		Reputation	A reputation for corporate philanthropy can help protect a firm's relationships with its stakeholders, and thus reduce the firm's risk of losing critical resources. *"Insurance like"*
Hess et al (2002)	Conceptual	Building local communities	Local community welfare	Corporate philanthropy has evolved into a new form with corporate community involvement that helps develop local community.
Lee, Park, Moon, Yang & Kim (2009)	Empirical	South Korea firms	Purchase behaviors	Corporation's initiatives in philanthropic activities result in positive attitudes as well as purchase behaviors (pay more for a product having social characteristics or features).
Luo (2005)	Empirical	Customers	Consumer loyalty	Corporate philanthropy can enhance patronage loyalty. Customer characteristics (gender and ethnicity) moderate the relationship between corporate philanthropy and patronage loyalty.
Sánchez (2000)	Conceptual		Political power and legitimacy	Firms practice philanthropy to gain and hold power and legitimacy in the political and institutional sense.
Su & He (2010)	Empirical	Privately owned Chinese firms	Government support	Chinese private enterprises carried out philanthropic activities to better protect property rights and nurture political connections.
Turban & Greening (1997)	Empirical	Job applicants	Employee productivity	CSP may provide a competitive advantage in attracting applicants.
Wang et al (2008)	Empirical	U.S. firms	Financial performance	Corporate philanthropy and financial performance is an inverse U-shaped relationship.

Wang & Qian (2011)	Empirical	Publicly traded Chinese firms	Financial performance	There is a positive relationship between corporate philanthropy and financial performance as measured by return on assets (ROA).
Williams & Millington (2000)	Empirical	Publicly traded firms	Reputation building	While a firm's reputation can be diminished through its violation of various government regulations, the extent of the decline in reputation may be significantly reduced through charitable giving.

2.4 The Link between Corporate Philanthropy and Organizational Strategy

Businesses are increasingly facing conflicting demands from the public on the one hand demanding higher levels of CSR while shareholders on the other hand demanding the highest return on their investments. Specifically, when Friedman (1970) declared that the firm's only social responsibility is to meet the interests of shareholders, it provided a compelling reference point for all discussions of CSR (Sasse & Trahan, 2007). However, firms have come to realize significant gains by making CSR strategic and not merely an altruistic CSR initiative. For example, large corporations such as AT&T and Coca-Cola have started to match corporate giving activities as part of CSR directly to business goals and objectives since the early 1990s (McAlister & Ferrell, 2002). Thus, there has been a growing interest to uncover the relationship between corporate philanthropy and corporate strategies. Smith (1994, p. 105) has summarized the core arguments for the relationship as follows:

> "Philanthropic and business units have joined forces to develop giving strategies that increase their name recognition among consumers, boost employee productivity, reduce R&D costs, overcome regulatory obstacles, and foster synergy among business unit…the strategic use of philanthropy has begun to give companies a powerful competitive edge."

Indeed, corporate philanthropy can "only be strategic, if it fully aligns with the values, core competencies and long-term plans of an organization" (McAlister & Ferrell, 2002, p. 690). In other words, firms engage in corporate philanthropy in order to align economic expectations with social obligations. Several scholars have argued that firms engage in their charitable giving to improve their competitive context-the quality of the business environment in the locations where they operate (Fioravante, 2010; Porter & Kramer, 2002). In addition, Smith (1994) suggested that corporate philanthropy promises to be most effective for U.S. firms internationally, particularly in emerging markets, where even small grant programs can have large impact. Therefore, to examine the link between corporate philanthropy and organizational strategies, it is important to look at how corporate philanthropy meets business objectivities. This attempt can answer the notion that scholars (Maas & Liket, 2011; Porter & Kramer, 2002; Sasse & Trahan, 2007) are interested in finding, *"Is philanthropy becoming more strategic in its orientation?"*

Some scholars have indicated that corporate philanthropy can improve the ability to attract and maintain high quality workforce. For example, Ricks & Williams (2005) argued that effective philanthropic programs help a number of large U.S. corporations such as 3M attracts highly-trained front line employees to their organizations. Similarly, Smith (1994) pointed out that a number of large established corporations (e.g. IBM, AT&T) encourage their employees to proactively participate in designing and managing the firm's overall philanthropic activities by rewarding volunteerism and choice in societal causes. More recent studies are examining the importance of developing clear guidelines and approaches in measuring the impacts of corporate philanthropy. For instance, Brammer and Millington (2006) argue that as giving activities appear governed by formal budgeting processes and plans, corporate philanthropy directly involve main board-level company representatives, employ specialist managers, or are managed through externally-oriented business functions. Maas & Liket (2011), in their analysis of more than 500 firms in the Dow Jones Sustainability Index, found that a majority of them (62-76%) have acknowledged using some type of measure of philanthropic impact on business goals and stakeholder satisfaction.

Despite of the importance of corporate philanthropy as part of organizational strategies, only a few studies have offered a deeper analysis. For example, in a survey of 226 U.S. corporations, Marx (1999) noted that developing new markets and expanding new markets were cited by 47.9% and 50.5% of the respondents respectively as important business goals for their strategic philanthropic programs. He concluded that charitable giving made directly by corporations are primarily used in less tangible ways to meet their responsibilities to employees and communities. In addition, Gautier and Pache (2015, p. 12) argue that one of the challenges for corporate philanthropy is to "find its place within the firm's overall strategy, since it represents a cost center, only indirectly adding to its profit, and thus commonly exposed to budget cuts in difficult times." Furthermore, Porter and Kramer (2002) argue that philanthropic practices are diffused and unfocused so they are disconnected from the firm's core business.

In sum, the literature reviewed suggested that that firms strive to integrate business objectives and strategies with societal obligations by engaging in corporate philanthropy. Proponents of corporate philanthropy consider it as a reasonable compromise between the profit-centered and altruistic perspectives of business purpose. However, the concern, *"Is philanthropy becoming more strategic in its orientation?"* has not been fully addressed by the scholarly literature.

2.5 A Contingency View of Corporate Philanthropy

During the past three decades, corporate philanthropy has developed into a vital component of corporate strategic management and, with greater emphasis on maximizing a return for the charitable giving (Brammer & Millington, 2006; McAlister & Ferrell 2002; Mescon & Tilson, 1987; Porter & Kramer, 2002; Xueying, 2012). Specifically, corporate philanthropy is part of a firm's strategic decisions determined by organizational leaders (Wood, 1991; Godfrey, 2005) and their strategic choices could be influenced by various circumstances. Therefore, it can be suggested that factors specific to each situation that firms face can influence the extent to which firms engage in corporate philanthropy. Several contingency factors have been extensively discussed in studies of corporate philanthropy (Buchholtz et al., 1999; Dennis et at., 2009; Lev et al., 2010; Luo, 2005; Wang et al, 2008; Wang & Qian, 2011). Their main concern is, "under what situations are firms more likely to engage in corporate philanthropy?" In this section, I will look at major contingency factors, including moderating and mediating variables that may influence corporate philanthropy.

Managerial discretion can function as a mediator that influences corporate philanthropy. A firm's philanthropic giving can provide an opportunity for CEOs to influence the image they present to important stakeholders, thereby advancing their own interests For example, Haley (1991) using Agency theory perspective found that the level of managerial discretion is a factor in influencing philanthropic decisions. Buchholtz et al (1999) also found that CEO discretion mediates the relationship between firm resources and corporate philanthropy. Second, customer satisfaction can function as a mediator that influences the extent of corporate philanthropy. Corporate philanthropy can enable firms to attract and retain customers, ultimately leading to increased revenue. For instance, Lev et al (2010) using U.S. publicly firms found that customer satisfaction mediates the relationship between corporate giving and sales (e.g., charitable contributions by consumer-focused firms enhance sales growth). Third, a firm's CSR reputation can be an important mediator that explains whether the influence of corporate philanthropy on firm performance would increase. Muller and Kräussl (2011) using U.S firms found that a reputation for social irresponsibility is associated with the greatest drop in stock prices. Their findings are consistent with Godfrey, Merrill and Hansen's (2009) that the insurance value of reputation through corporate philanthropy comes from committing fewer bad deeds, including lower levels of negative social impact.

Three levels of moderating variables have been explored in studies of corporate philanthropy: individual-level, firm-level, and industry-level. It has been suggested that individual-level moderators, including gender and political connections, can influence the extent to which firms engage in corporate philanthropy (Li et al., 2014; Wang & Qian, 2011; Williams, 2003). Williams (2003) using a sample of 185 Fortune firms found that firms having a higher proportion of female serving on their boards engage in charitable giving to a greater extent than firms having a lower proportion of female serving on their boards. Past research suggests that a major benefit from charitable giving may be to enhance the reputations of firms who have engaged in and to mitigate their involvement in certain illegal acts (Williams & Barrett, 2000). Therefore, the fact that female directors may have a higher propensity toward giving should not be viewed as neglecting the economic needs of the firm (e.g., having more female directors on boards can be regarded as a firm's strategically-driven philanthropy). In addition, recent studies have argued that CEO political connections are regarded as a key factor that shape a firm's philanthropic activities in emerging economies where political interference is still prevalent (Li et al., 2014; Wang & Qian, 2011). Their empirical evidence suggests that CEOs strategically use corporate philanthropy as a means of gaining legitimacy in the eyes of the government and benefits (such as bank loans and access to factor or capital resources). Accordingly, the level of a firm's philanthropic engagement can depend on whether CEOs have a political connection.

In addition, some scholars (Chiu & Sharfman, 2009; Dennis et al., 2009; Seifert et al., 2004; Wang & Qian, 2011) have focused on firm-level moderators (such as organizational slack, past performance, advertising intensity, and firm size). Organizational slack can be an important factor that influences the extent of corporate philanthropy. Since CSR activities, including corporate philanthropy, rely on firms' allocation of resources to meet both social and economic objectives (Chiu & Sharfman, 2009), firms with more slack resources are more likely to engage in corporate philanthropy than those with little. For example, Dennis et al (2009) found that the higher slack resources firms have, the more likely they engage in higher levels of corporate giving. Second, as similar arguments on organizational slack, past performance can be considered as an important constraint on corporate philanthropy. It is suggested that firms that perform better can have more financial resources that can allow them to engage in corporate philanthropy more. Dooley and Lerner (1994) argue that firm performance influences the extent to which CEOs are concerned with the expectations of stakeholders. It has also been suggested that members of the public expect better performing firms to contribute more to society (Wang & Qian, 2011). Third, firms that do increase advertising intensity strategically are more likely to benefit more from their corporate philanthropy. For instance, past research found that firms with large advertising expenses will tend to have higher likelihood of giving and to donate larger amounts (Wang & Qian, 2011; Zhang et al., 2010). Fourth, larger firms are more likely to engage in corporate philanthropy. Since larger firms have more resources and may enjoy economies of scale and scope, firm size has been shown to be affecting corporate philanthropy (Seifert et al., 2003).

Furthermore, some scholars (Amato & Amato, 2012; Wang et al., 2008; Wang & Qian, 2011) have focused on industry-level moderators (such as industry competition, environmental dynamism, and market development). They argue that the extent to which firms engage in corporate philanthropy can be influenced by business cycle, industry (environmental) dynamism, and the level of market development. For example, Amato & Amato (2012) using 36 industry groupings found no relationship between business cycle and charitable giving. They argue that more spending on marketing and corporate philanthropy may better position retailers in consumers' minds when the economy turns around. To enhance customer loyalty, it might be better to engage in corporate philanthropy during economic downturns (Amato & Amato, 2012). Second, corporate philanthropy plays a crucial role in securing critical resources (stakeholder support) under industry dynamism. Given the differences in the environment from industry to industry, firms are more exposed to unexpected events with negative consequences. When firms experience such events, stakeholders are more likely to withdraw their loyalty with the firm (Wang et al., 2008). Gaining a positive public image resulting from corporate philanthropy can help firms overcome these negative consequences (Godfrey, 2005). Third, market development functions an important constraint on corporate philanthropy so firms strategically allocate charitable resources to more developed markets. Wang and Qian (2011) suggest that stakeholders in developed markets evaluate the firm's charitable contributions more promptly. This is because "firms located in "relatively developed markets are more transparent and thus obtain higher visibility among the public and stakeholders" (Wang & Qian, p. 1163).

In sum, several contingency factors can influence the extent to which firms engage in corporate philanthropy. For example, managerial discretion, customer satisfaction, and CSR reputation can function as mediators. In addition, individual-level (gender and political connections), firm-level (organizational slack, past performance, advertising intensity, and firm size), and industry-level (industry competition, environmental dynamism, and market development) can function as moderators that influence corporate philanthropy. Table 4 below shows a contingency view of corporate philanthropy.

Table 4: A Contingency View of Corporate Philanthropy

Studies	Orientation	Focus	Moderators	Mediators	Key findings/Arguments
Amato & Amato (2012)	Empirical	Industry groupings	Business cycle		There is no relationship between the business cycle and charitable giving. Thus, giving proves to be resilient to downward economic trends.
Buchholtz et al (1999)	Empirical	CEOs and top management team		Managerial discretion	The amount of managerial discretion would be a crucial factor in philanthropic decision of CEOs. E.g., CEO discretion mediates the relationship between firm resources and corporate philanthropy.
Dennis et al (2009)	Empirical	CEOs	Organizational slack		Firm levels of corporate philanthropy influenced by the extent to which the CEO upholds an identity of philanthropy increase when the amount of slack resources is high.
Edmondson & Carroll (1999)	Empirical	Black-owned U.S. firms	Community engagement		CEOs invest in philanthropic expenditures more when they are linked with various types of community development programs (e.g. youth activities and environmental protection).
Hall (2006)	Conceptual			Consumer awareness	Firms emphasize corporate philanthropy-community relationship as legitimate business functions. The strength of the relationship between corporate philanthropy and community relationship increases with consumer awareness of corporate philanthropy.
Jamali (2007)	Conceptual			Local community development	Firms invest in community philanthropic programs (local community investment) through the creation of various community training centers. Such efforts fulfill the needs of different stakeholders, in fact influencing firm performance.

Lev et al (2010)	Empirical	U.S. publicly firms		Customer satisfaction	Charitable contributions by consumer-focused firms that are highly sensitive to customer perception enhance sales growth.
Li et al (2014)	Empirical	Chinese firms	CEO political connections		Political connections affect corporate philanthropic behaviors and compared to state-owned firms, non-state-owned firms are in greater need of political legitimacy and benefit more from political connections.
Muller & Kräuss (2011)	Empirical	U.S Fortune firms		CSR Reputation	Reputation for social irresponsibility was associated with both the greatest drop in stock prices and the greatest likelihood of making a subsequent charitable donation in response to the disaster.
Turban & Greening (1997)	Empirical	U.S. Fortune firms		Employee commitments	Corporate social performance (CSP) can provide a competitive advantage in attracting applicants, in fact, resulting in firm's reputation.
Wang et al (2008)	Empirical	U.S. firms	Environmental dynamism		The inverted U-shaped relationship between corporate philanthropy and financial performance is stronger in more dynamic industries.
Wang & Qian (2011)	Empirical	Chinese firms	Market development Political connections		Government-owned firms or politically connected ones have more benefit from philanthropy (e.g. financial performance). Engagement in corporate philanthropy could increase with the level of market development.
Zang et al (2010)	Empirical	Chinese firms	Advertising intensity		The positive advertising intensity-philanthropic giving relationship is stronger in competitive industries, and firms in competitive industries are more like to donate.

2.6 Chapter Summary

Firms consider corporate philanthropy as part of their core corporate strategies and organizational leaders are charged with the responsibility of formulating and implementing these strategies. As such, understanding the relationship between leadership characteristics and corporate philanthropy become increasingly important. Transformation leadership helps provide empirical evidence to the relationship (McWilliams et al., 2006). In addition, it can be suggested that corporate philanthropy, given its close link with corporate strategies, can be considered as substantially different from traditional philanthropy.

The literature on corporate philanthropy has extensively explored the link between organizational leaders' backgrounds and values and their organizations' commitment to corporate philanthropy. CEOs' economic attitude toward philanthropy can be a driver for influencing the level of engagement in corporate philanthropy and understanding CEO network can explain the relationship between corporate philanthropy and business legitimacy. In addition, understanding board composition/diversity can explain why certain firms engage in more corporate philanthropy than others. Furthermore, top managers with benevolence and integrity value can motivate firms to engage in corporate philanthropy. Institutional pressures from social network with which top managers are connected can also motivate them to engage in corporate philanthropy. Organizational-level antecedents (organizational visibility and ownership structure) and industry-level antecedents (public relation vulnerability and social externalities) play an important role in influencing the level of engagement in corporate philanthropy. It can be argued that firms engage in corporate philanthropy because it helps to develop consumer brand loyalty, boost employee productivity, and enhance local community welfare, all of which can positively contribute to financial performance.

This chapter reviewed the various contingency factors (such as moderators and mediators) and intermediary processes that influence the extent of engagement in corporate philanthropy. The literature review above has shown that employee involvement, customer satisfaction and loyalty, local community development and government support are important mediators. In addition, individual-level (gender and political connections), firm-level (organizational slack, past performance, advertising intensity, and firm size), and industry-level (industry competition, environmental dynamism, and market development) factors have been found to be significant moderators of corporate philanthropy.

CHAPTER III

THEORY AND HYPOTHESIS DEVELOPMENT

This chapter provides the theoretical background and specific hypothesized relationships among CEO background characteristics, corporate philanthropy, and firm diversification profile. In the first section, I discuss the major theoretical foundations of the dissertation model. In the second section, I propose specific hypotheses on the relationship between CEO background characteristics and corporate philanthropy along with the moderating effect of firm age. In the last section, I propose the hypothesized relationships between corporate philanthropy and the firm's diversification profile. The chapter concludes with a summary of all the proposed hypotheses.

3.1 Theoretical Foundations

In this dissertation, I draw from the key arguments of the Upper Echelons and Institutional theories to establish the theoretical foundation. The former can help explain how CEO background characteristics can influence corporate philanthropy. The latter can help explain how investing in corporate philanthropy (and overall CSR) helps improve corporate reputation and brand recognition which in turn helps when the firm expands into new markets through diversification.

3.1.1 Upper Echelons Theory and CEO Background Characteristics

The Upper Echelons Theory (UET) indicates that a firm's strategic choices and performance are influenced by managerial characteristics (Carpenter et. al, 2004; Hambrick & Mason, 1984; Hambrick, 2007). Proponents of UET argue that leaders' background characteristics influence the way they collect, analyze and interpret certain market information (i.e. selective perception) which in turn influences strategic decisions. Furthermore, Finkelstein and Hambrick (1996) propose that observable demographic attributes, such as age, tenure, functional background and education, serve as proxies of deeper cognitive phenomena. UET perspective emphasizes the ways in which senior leaders' characteristics influence the range of strategic options and the decision-making process through which they evaluate these options (Finkelstein et al., 2009). Among senior leaders, CEOs have traditionally held a prominent role in shaping a firm's behavior given the visibility and their structural position (Chatterjee & Hambrick, 2007). Accordingly, past research has mainly focused on the relationship between a broader set of CEO characteristics and strategic decisions (Barker & Mueller, 2002; Musteen, Barker & Baeten, 2006). These scholars suggest that there are significant relationships between demographic variables (such as tenure, age, functional background, and education) and strategic decisions as well as organizational outcomes.

In this dissertation, I draw from the UET to argue that CEO background characteristics influence a firm's philanthropic engagement. Specifically, I argue that UET provides an important theoretical foundation since traditionally corporate philanthropic decisions are the responsibility of organization's senior leaders (Galaskiewicz, 1997; Oba & Fodio, 2012, Marquis & Lee, 2013). Pedersen and Neergaard (2009) suggest that managerial perceptions of top-level managers on corporate social activities, including corporate philanthropy, can be influenced a great deal by their background heterogeneity (e.g., age, gender, education, and functional backgrounds). The premise of this line of argument is that corporate philanthropy is part of organizational outcomes. Organizational actions, behaviors, and outcomes are viewed as “reflections of the attributes and values of the powerful actors” (Hambrick & Mason, 1984, p. 193). Therefore, it can be suggested that just like other organizational actions, behaviors, and outcomes, corporate philanthropy can be best viewed as a reflection of the attributes of the organization’s upper echelon. Using the basic tenets of UET, past research has attempted to link CEO background characteristics and corporate philanthropy (e.g. Thomas & Simerly, 1994; Marquis & Lee, 2013).

3.1.2 Institutional Theory, Corporate Philanthropy, and Diversification

Institutional theory is one of the major theories of organizations that are founded on the open system perspective (Scott & Davis, 2007). Proponents of this theory argue that the institutional environment can have a significant impact on the development of formal structure in an organization explaining why organizations look similar in the long term (DiMaggio & Powell, 1983; Frumkin & Galaskiewicz, 2004). Dimaggio and Powell (1983, p. 150) explain why organizations become more homogenous by identifying “three mechanisms of isomorphic change: coercive (political) isomorphism, normative (professionalism) isomorphism, and mimetic (standardization) isomorphism.” For example, organizations strive to achieve external legitimacy by conforming with the expectations and norms of the institutional environment and that such adherence to institutional environment provides organizations with critical resources they need to operate effectively. It has been suggested that organizations need to align with the norm prevailing in the institutional environment (Meyer & Rowan, 1977) since institutional isomorphism helps them maintain business legitimacy (acceptance by external actors). In addition, scholars argue that “concern over legitimacy forces organizations to adopt managerial practices that other organizations have” (Sherer & Lee, 2002, p. 103). Managers under the institutional environment can have the less risky course of action by imitating the choices of their counterparts in other organizations. Empirical evidence supports that some external factors, including the media, serve as institutional intermediary and have a significant impact on a firm’s public offerings’ legitimacy (Pollock & Rindova, 2003).

Notably, the society in general and the institutional environment in particular increasingly accept the notion that a firm has a social responsibility to support various issues and causes affecting its stakeholders and these concerns should be an important part of business operation (Chiu & Sharfman, 2009; Donaldson, 1982). Campbell (2007, p. 962) also suggests that firms are more likely to “act in socially responsible ways” the more they face institutional environment. For example, since CSR has been rationalized and institutionalized in the business community, majority of U.S. firms actively promote CSR (Boli & Hartsuiker, 2001; Lee, 2008). In addition, past research has found that large firms institutionalized charitable giving by establishing independent corporate foundations and CEOs continue to influence charitable giving decisions through their involvement with these foundations (Bramme & Millington, 2006; Himmelstein, 1997). Corporate social performance has become “a legitimizing identity (brand)” in the business and society field (Rowley & Berman, 2000, p. 397). Furthermore, Galaskiewicz and Burt (1991) argue that “institutional pressures at the industry or community can shape corporate charitable action which often extends beyond a firm’s immediate profit maximization goals because the firm’s peers in the same industry do” (p. 103). From this phenomenon, it can be suggested that firms engage in corporate philanthropy as a tool for maintaining business legitimacy and institutional theory perspective helps explain why firms behave in socially responsible ways.

Past research suggests that institutional motivations; "the altruistic actions of social actors, the strategic use of pubic police by charitable organizations, acquiescence to societal institutional pressures, and responses to inter-organizational institutional pressures" help maintain the legitimation of corporate philanthropy (Sharfman, 1994, p. 259). Corporate philanthropy has nowadays become a well-accepted institutional norm, a recognized business principle, and a source of legitimacy in the business field.

Many firms actively promote their philanthropic initiatives as an integral part of the overall corporate branding process (Hoeffler & Keller, 2002). This is because corporate philanthropy helps building a corporate reputation and brand name, as well as creating a competitive advantage (Porter & Kramer, 2002; Smith, 1994). Corporate philanthropy can play a role in making a business more attractive to stakeholders, enhancing a firm's reputation, employee loyalty, and brand recognition. For example, past research found that CSR initiatives, such as sponsorship and corporate philanthropy, have a significant effect on customer-company identification (reputation) and brand attitude (Brammer & Millington, 2005; Godfrey, 2005; Lii & Lee, 2012). Importantly, reputation and brand recognition is an important source of competitive advantage when firms enter new markets through diversification. Strong brand recognition can help the market expansion succeed because it helps firms to secure 'a social and legal license to operate' (Godfrey, 2005). It has been suggested that corporate philanthropy can boost reputation assets in the new markets, strengthening marketing and branding initiatives (Hess et al., 2002; Lii & Lee, 2012; Ricks Jr, 2005). Firms engage in corporate philanthropy as a means to open new markets beyond their current operation and improve their competitive context (Fioravante, 2010; Porter & Kramer, 2002). Consistent with the argument that corporate philanthropy serves as "an insurance" (Godfrey, 2005), it can be concluded that favorable brand image that acquired through an act of philanthropy helps make a firm's diversification strategy succeed. In other words, favorable brand image can have a positive impact on a firm's market expansion strategy.

3.2 Leadership Characteristics & Corporate Philanthropy

In this dissertation, I expand the discussion on CEO background characteristics and corporate philanthropy by empirically examining why and to what degree CEOs determine corporate philanthropy. In general, the notion, *"who determines corporate philanthropy"* has received a growing attention among scholars (Huang, 2013; Ibrahim & Angelidis 1995; Marquis & Lee, 2013). As discussed in detail in section 2.3.1., there is a relationship between individual background characteristics and corporate philanthropy. Importantly, since CEOs are charged with the responsibility of formulating corporate strategy (Wood, 1991), they are often deeply involved in promoting the image of their respective firms through corporate philanthropy. It has been suggested that corporate leaders' individual decisions (e.g. CEOs) determine firms' philanthropic activities although their decisions are partly shaped by organizational objectives and processes (Gautier & Pache, 2015). Despite of a growing interest on CEO background characteristics – corporate philanthropy relationship, the relationship is under-developed. This inquiry aligns with the notion that corporate social activities, including corporate philanthropy, research is virtually absent from major scholarly journals devoted to organizational behavior and micro human resources management (Aguinis & Glavas, 2012).

Past research has particularly focused more on CEOs' moral dimensions to predict the level of engagement in corporate philanthropy (Godfrey, 2005; Wang & Choi, 2007). Scholars have, for example, proposed that the CEOs' integrity and attitude toward altruism can affect a firm's philanthropic decision. However, these arguments have not adequately been explored. As

I discussed in detail in section 1.3., CEO engagement in corporate philanthropy can be motivated by business-related issues that related to a firm's strategic goals as well as by non-business issues that related to CEO altruism. Some scholars have attempted to examine the relationship between organizational leaders' background characteristics, including CEOs and BODs, and corporate philanthropy (Marquis & Lee, 2013; Oppedisano, 2004). They found that characteristics of organizational senior leaders (e.g. CEO tenure, gender, and the director degree centrality) were shown to affect a firm's philanthropic decision. However, their studies did not consider other important CEO characteristics (e.g. the level and type of educational attainment and civic engagement).

By empirically examining CEOs' educational level, CEO civic engagement along with founder status as important predictors, I intend to expand scholarly understanding on the influence of CEO background characteristics in studies of corporate philanthropy. CEO founder status has received some scholarly attention particularly in the CSR literature. Block and Wagner (2010), for instance, have attempted to find the relationship between CEO founder status and CSR. They found that founder ownership is associated with a lower level of CSR concerns, while ownership by institutional investors is associated with a higher level of CSR concerns. Their finding, however, does not particularly pertain to the likelihood that founder CEOs engage in corporate philanthropy. Past research suggests that founder CEOs have more of their wealth tied to firm reputation so that they strategically invest more in CSR (Wiklund, 2006). In this dissertation, I untangle debates by suggesting that founder CEOs are likely to hold a psychological bond with their firm (Peterson et al., 2012) and their intrinsic motivation would lead them to have a high degree of discretion to engage in corporate philanthropy.

CEOs often participate in civic affairs as part of their strategic mission. Doing so could be motivated by self-interest, including a desire to create a more stable social and political environment that ensures the profitability of their business. According to National Committee for Responsive Philanthropy (2014), firms can make corporate philanthropy effective by addressing specific needs of civic engagement. Despite the apparent link between CEO civic engagement and corporate philanthropy, the relationship has neither been explained theoretically nor empirically. I believe that this dissertation can help to offer unique discussion of the relationship between CEO civic engagement and corporate philanthropy.

In this dissertation, I offer a unique contribution to studies of corporate philanthropy by empirically examining four aspects CEO background characteristics (e.g. founder status, functional background, civic engagement, and education level) and their relationship with corporate philanthropy. More importantly, I can answer why and to what degree CEO background characteristics influence corporate philanthropy.

3.3 The Link between Corporate Philanthropy and Firm Diversification Profile

One of the central arguments of this dissertation is that firms that actively engage in corporate philanthropy will reap the benefit when pursuing aggressive market expansion (diversification) strategies. Past research has extensively focused on a conceptual framework to explain benefits of corporate philanthropy (e.g., favorable responses from stakeholders, brand recognition among consumers, employee productivity, and government support) particularly when a firm pursues market expansion strategies (Fioravante, 2010; Porter & Kramer, 2002; Smith, 1994). However, the relationship between corporate philanthropy and a firm's diversification profile is under-studied with meager empirical or theoretical contributions in the strategic literature (Gautier & Pache, 2015; Marx, 1999). Porter and Kramer (2002) also suggest that studies of CSR seem to disconnect corporate philanthropy and the company's business strategy and as a result fail to highlight the meaningful social impact as well as strengthen the firm's long-term competitiveness. Gautier and Pache (2015) suggest that a special challenge for corporate philanthropy is to find its place within the firm's overall strategy. I believe that this dissertation would help to connect the link between corporate philanthropy and business strategy. Such attempt would help to untangle arising scholarly inquiry emerged in the past two decades, *"philanthropic efforts are not quite strategic in their impact"* (Gautier & Pache, 2015; Mass & Liket, 2011; Saiia et al., 2003; Sasse & Trahan, 2007; Smith, 1994).

In this dissertation, I focus on a firm's diversification to examine the relationship between corporate philanthropy and business strategy. A firm's diversification is considered a core business development strategy that enables substantial growth in the overall product market portfolio. Past research has attempted to examine the relationship between a firm's degree of product diversification and CSR (McWilliams & Siegel, 2001; Strike, Gao & Bansal, 2006). However, these studies have provided limited empirical or theoretical explanation so more effort should be put into a more fine-grained theoretical and empirical analysis (Gautier & Pache, 2015). Drawing upon the institutional and stakeholder perspectives, this dissertation can contribute to fulfilling scholarly interests by empirically examining the relationship between corporate philanthropy as important part of CSR and a firm's overall diversification strategy.

In addition, I expand the discussion on studies of CSR by suggesting that firms having international presence with global strategic posture can reduce institutional and stakeholder pressures by engaging in corporate philanthropy. Some research in the CSR literature has empirically examined the link between diversification and CSR. Strike et al (2006) using a sample of 222 U.S. firms found a positive relationship between international diversification and

CSR. However, their study only measured foreign sale and foreign subsidiaries as international diversification so they did not fully capture the overall dimensions of international strategy. Several scholars have suggested that a firm's internationalization can be measured by three factors, including foreign sales, foreign production, and geographic diversity (Carpenter & Fredickson, 2001; Sullivan, 1994). By including these factors, I can address previous research gap and explain how corporate philanthropy is associated with a firm's overall internationalization. In sum, I expand the research on a corporate philanthropy- business strategy relationship by empirically examining firm diversification profile "*unrelated diversification and global strategic posture"* suggesting that business strategies can meet their desired ends by engaging in corporate philanthropy.

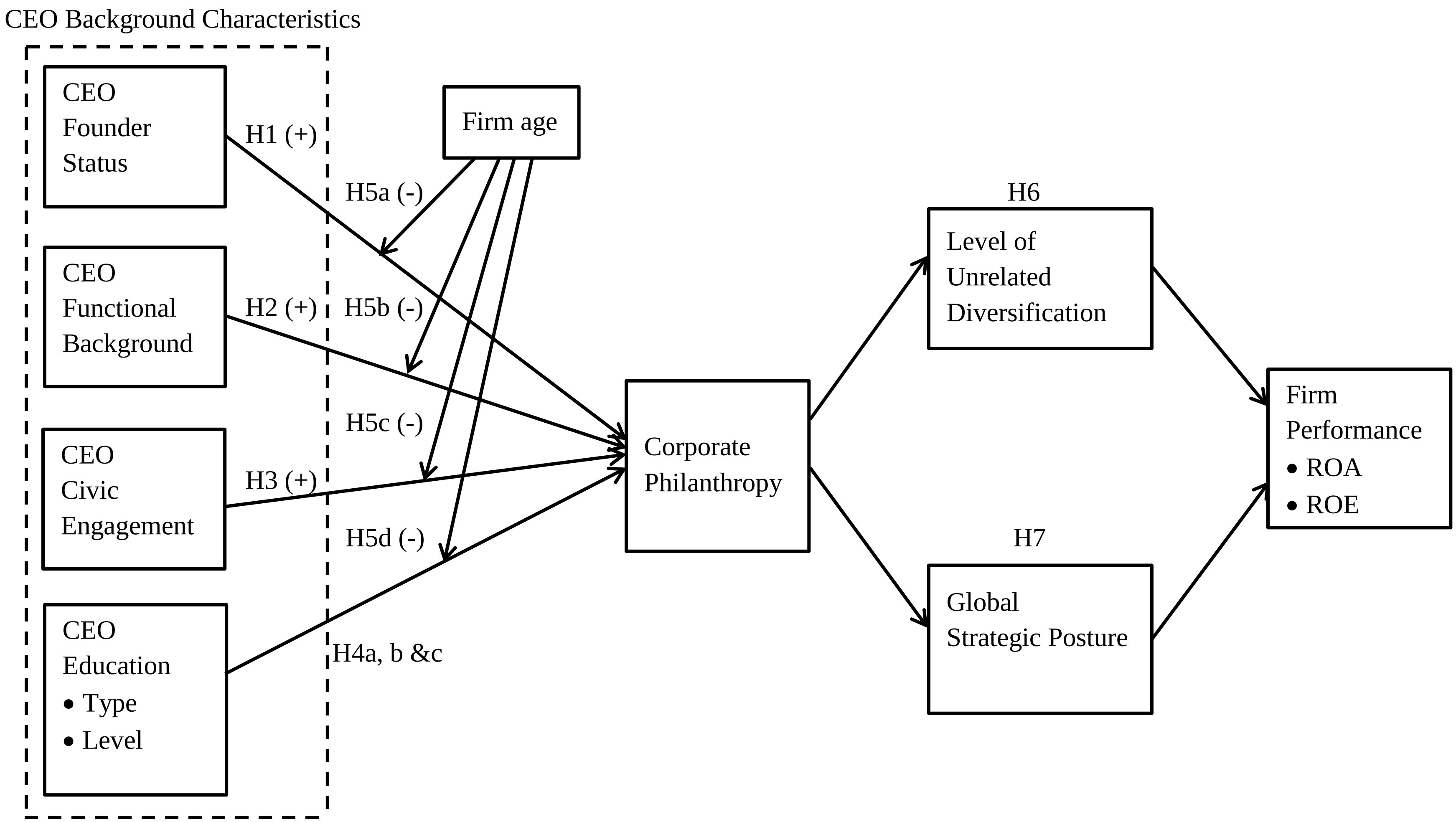
3.4 Dissertation Model

Figure 3 below presents the dissertation's research model. The research model provides a summary of the hypothesized relationships among CEO background characteristics, corporate philanthropy, and firm diversification profile. In addition, the model also provides a contingency perspective by introducing firm age as an important moderator of the CEO background characteristics-corporate philanthropy relationship.

3.5 CEO Background Characteristics & Corporate Philanthropy

The literature reviewed so far suggests that CEOs, as the primary decision-makers of the organization, think strategically about corporate philanthropy in order to enhance brand name recognition, employee productivity, and overcome regulatory obstacles (Seifert et al., 2003; Smith, 1994). In addition, the literature suggests that the relationship between CEOs and corporate philanthropy has been on leadership (Barnard, 1996; Buchholtz et al., 1999; Saiia et al., 2003), integrity (Godfrey, 2005; Wang & Choi, 2007), and demographic characteristics (Marquis & Lee, 2013; Oppedisano, 2004).

Figure 3. The Effect of CEO Background Characteristics on Corporate Philanthropy and Firm Diversification Profile



Some scholars have proposed a theoretical link between CEO attributes and corporate social activities (Freeman, 1984; Jenson, 2001). For example, managers should make decisions so as to take account of the interests of all stakeholders in a firms and favorable social performance is a requirement for business legitimacy, and tends to be positively associated over the long term. Therefore, it is reasonable to expect that CEOs put more effort to maintain favorable association with stakeholder groups. In the following section, four aspects of CEO background characteristics (namely, founder status, functional background, civic engagement, and education level) and corporate philanthropy will be discussed.

3.5.1 CEO Founder Status and Corporate Philanthropy

CEO founder status refers to whether or not the CEO is a founder or co-founder of the firm. CEO founder status is an important executive attribute that has been shown to influence both a firm's strategic decisions and performance (e.g. Adams, Almeida & Ferreira, 2009; Fahlenbrach, 2009). In this dissertation, I suggest that CEO founder status is positively related to corporate philanthropy such that the level of corporate philanthropy by firms led by founder-CEOs is higher than the level of corporate philanthropy by firms led by non-founder CEOs for the following reasons.

First, founder CEOs might have more freedom to determine a firm's strategic choice than non-founder CEOs so that they care about corporate philanthropy more. For example, recent research suggests that founder CEOs can enjoy more freedom in making decisions and crafting firm strategies than non-founder CEOs because founder CEOs are less likely to be constrained by organizational routines (Wu et al., 2013). This is mainly due to their high credibility and social capital that they amassed as the firm's founders (Fischer & Pollock, 2004; Nelson, 2003). On the other hand, non-founder CEOs may be constrained by highly developed organizational routines, existing organizational decision-making processes (Peterson, Walumbwa, Byron & Myrowitz, 2008). Corporate philanthropy requires firms to allocate significant resources to various social and community issues (causes) with which their businesses are connected. Importantly, founder CEOs have more freedom than non-founder CEOs in making decisions (e.g., resource allocation) such that founder CEOs are more likely to engage in corporate philanthropy than non-founder CEOs.

Second, founder CEOs' intrinsic bond with the firm can lead them to engage in corporate philanthropy more than non-founder CEOs. It is generally accepted that founder CEOs' interest is directly connected with their firms so their intrinsic motivation is better motivated to affect shareholders in a long term perspectives. Therefore, it might be anticipated that founder CEOs have continuing commitment to places where their businesses are located in through corporate philanthropy. In addition, founder CEOs' commitment to ethics can be the driving force behind the firm's philanthropic policy. Past research suggests that it is particularly important to have founder CEOs with a deep sense of commitment to the institution (e.g. corporate philanthropy) because they can model ethical behaviors for their employees (Mackie, Taylor, Finegold, Daar & Singer, 2006). The logic is that founder CEO's concern in corporate philanthropy can boost employee commitment and loyalty, which is invaluable asset to the firm.

Stewardship approach (O'Boyle, Rutherford & Pollack, 2010) infers that founder CEOs having more commitment to the firm tend to give more effort to CSR for society as well as for their organizations, which lead to a long-term value of their firms. Developed from stewardship perspective, it can be suggested that founder CEOs are likely to have more commitment to their firms so their interest is directly connected with the firm. Their intrinsic motivation can be transferred to a high degree of discretion to engage in corporate philanthropy that meets various stakeholders' demands. On the other hand, non-founder CEOs are more likely to be obsessed by managerial hubris so they may not have as much commitment to the firm as founder CEOs, and thus they might neglect to pay attention to the continuing commitment to society (Arthurs & Busenitz, 2003). Non-founder CEOs might give corporate fund to local, well-publicized causes to advance their personal agenda to achieve prestige in a short term (Galaskiewicz, 1985) or mitigate their managerial wrongdoing in past (Koehn & Ueng, 2010). Their purposes, however, might not align with a firm's giving purpose (e.g., a firm's giving activities should benefit the firm's strategic position in a long term). Given the above arguments, I propose the following hypothesis:

Hypothesis 1(H1): Firms led by founder CEOs have a higher level of corporate philanthropy than those led by non-founder CEOs.

3.5.2 CEO Functional Background and Corporate Philanthropy

CEO functional background is an important executive characteristic that has been extensively studied in the strategic leadership literature (e.g. Cho & Hambrick, 2006; Michel & Hambrick, 1992; Smith, Smith, Olian, Sims, O'Bannon & Scully, 1994). Research in strategic leadership literature has shown that executives' dominant functional background (such as marketing, engineering, R&D and Finance) influences the way they gather, analyze and interpret business information which in turn bias their strategic decision-making (Carpenter et al., 2004; Finkelstein & Hambrick, 1996). In this dissertation, I argue that the professional functional background of CEOs plays a prominent role in determining the level of corporate philanthropy. To the extent that corporate philanthropy constitutes a resource allocation decision, I propose that CEO functional background will make CEOs more or less inclined to pursue aggressive philanthropic engagements. Following the extensive research on UET, I specifically examine two functional backgrounds, including output functional background and throughout functional background, and their relationship with corporate philanthropy. Output functional backgrounds refer to “executives’ dominant work experience in the areas of marketing, sales and product R&D” while throughput functional backgrounds include “work experiences in the areas of production, process engineering and accounting” (Hambrick & Mason, 1984, p. 199).

UET infers that a firm’s strategic choices can be seen as a reflection of the values and cognitions of its CEOs and top management teams (TMT) and demographic and that observable characteristics of executives (e.g. age, functional experience, and education) can often be used as indicators of their cognitive (Hambrick & Mason, 1984; Manner, 2010). Upper echelons’ perspective has been on examining the relationship between the observable characteristics of the top executives and various organizational outcomes (Barker & Mueller, 2002; Finkelsten & Hambrick, 1990; Musteen et al., 2006). They argue is that CEO functional background can reflect his or her perception of events in the external and internal environments as well as influence strategic choice in organizations.

Notably, several scholars have attempted to examine the relationship between executive functional backgrounds and CSR. For example, Thomas and Simerly (1994) suggest that managerial attributes can be crucial determinants in which CEOs choose to satisfy an organization’s social responsibilities and that different CEOs make different decisions based on their own experiences (functional background) and values. Therefore, it can be said that individualistic perception developed from functional background significantly reflects CSR performance. In addition, Maon et al (2008) suggest that CEO perceptions about CSR might reflect their functional orientation and field of managerial knowledge. Huang (2013) offers empirical evidence that firms’ CSR performance (measured by the consistency of their CSR rankings) is associated with CEO functional background. From this phenomenon, I suggest that there is a certain relationship between CEO functional background and corporate philanthropy. Specifically, output functional background and throughput functional background are examined to further examine the relationship between CEO functional background and corporate philanthropy.

Past research suggests that organizational strategies tend to be led by executives with output functional backgrounds while firms that emphasize internal efficiency are led by executives with throughput functional backgrounds (Thomas, Litschert, & Ramaswamy, 1991). Output functional backgrounds would be more externally oriented functional backgrounds, such as marketing, sales, merchandizing, product R&D, and entrepreneurship (Bigley & Wiersema, 2002; Thomas et al., 1991). Output functional backgrounds emphasize externally oriented activities to meet new market trends and search for new domain opportunities, and include the tracks of marketing. On the other hands, throughout functional backgrounds would be more internally functional backgrounds, such as operations, production, accounting, and finance (Bigley & Wiersema, 2002). Therefore, throughout functional backgrounds emphasize the efficient transformation of inputs to outputs.

I propose that CEO functional background explains why some firms are more likely engage in corporate philanthropy than other firms for the following reasons. First, it might be that CEOs with output functional backgrounds are more in tune with the external market environment and would be able to better recognize the multiple demands of their stakeholders and multiple stakeholders' concerns can be managed through firms' social activities, such as corporate philanthropy. The logic is that CEOs with a dominant marketing career might have managed a wide range of stakeholder groups as opposed to those with a dominant accounting or internal operations career. Therefore, CEOs with output functional backgrounds can have more opportunities in recognizing the relationship between stakeholders and corporate philanthropy.

Second, CEOs with output functional backgrounds (e.g., marketing, sales, and R&D) can support new ways of expanding market and operating notions of a corporation's role in competitive business context as well as in society. Corporate philanthropy can boost reputation assets in the new market and strengthen marketing and branding initiatives (Ricks Jr, 2005). As such, CEOs with output functional background will more likely engage in corporate philanthropy. On the other hands, CEOs with throughput functional backgrounds would be more task-oriented (Simerly, 2003) so they may not as sensitive to the needs of stakeholders both within and outside their organizations. For example, CEOs with a dominant functional background in throughput functions may specifically resort to established rules, regulations and procedures. They are less likely to be willing to broaden or deepen a firm's commitment to corporate social performance (Slater & Dixon-Fowler, 2009). Therefore, as opposed to CEOs with output functional backgrounds, CEOs with throughout functional backgrounds will less likely to engage in corporate philanthropy. Given the above arguments, I propose the following hypothesis:

Hypothesis 2 (H2): Firms led by CEOs with output functional backgrounds have a higher level of corporate philanthropy compared to those led by CEOs with throughput functional backgrounds.

3.5.3 CEO Civic Engagement and Corporate Philanthropy

Civic engagement refers to “the ways in which citizens participate in the life of a community in order to improve conditions for others and to help shape the community’s future” (Adler & Goggin, 2005, p. 236). Following this definition, I define CEO civic engagement as the participation of a CEO through interactions with various individual and organizational entities (such as public, for-profit and non-profit institutions and business establishments) to improve the economic and social circumstances of the community at large. Civic engagement can be described in several ways (Adler & Goggin, 2005; Ekman & Amnå, 2012) depending on its purposes of being served, including 1) the sense of personal responsibility individuals feel to uphold their obligations to actively participate in volunteer service activities that strengthen the local community, 2) collaboration with others in a variety of venues (joint activity and pursing community issues) through work in all sectors, influencing the larger civil society, and 3) collective action in solving problems through political process. In sum, it can be said that civic engagement means working to make a difference in the civic life of the communities and developing the combination of knowledge, skills, values, and motivation to make that difference.

I believe that CEOs participate in civic engagement in order to influence and control over priority setting, policy making, resource allocations and access to public goods and services. In this dissertation, I suggest that there is a significant relationship between CEO civic engagement and corporate philanthropy for the following reasons.

First, firms are aware that giving back to the community on a corporate level can be a big boost for their businesses and they tend to incorporate civic engagement and social responsibility into their company culture. For example, it has been suggested that firms interpret CSR focusing on the important role of civic engagement for the purpose of achieving business legitimacy

(Palazzo & Scherer, 2006). Consistent with this trend, it is suggested that CEOs emphasize the importance of civic engagement on the firm. For instance, Chairman and CEO Patrick Brandt expresses in *Business News Daily* that civic engagement creates bonds among employees, encourage a value-based company culture, increase the overall morale of the organization, and benefit to the firm itself (Fallon, 2014). Second, civic engagement helps contribute to the social, economic development of the local community in which their firms seek to operate. In this sense, CEOs attempt to participate in civic affairs as part of their strategic mission. Doing so could be motivated by a desire to create the local community development and a more stable political environment that ensures the profitability of their business.

Extending this line of argument, it can be said that CEOs who engage in civic associations in a variety settings are more likely to engage in corporate philanthropy in order to achieve business legitimacy as well as develop local community in which their firms seek to operate. In an effort to coopt labor or local politicians, CEOs can make philanthropic initiative to community improvement projects through civic engagement in the city where their firm's plant or facility is located in. This is because CEOs believe that addressing specific needs of civic engagement can make corporate philanthropy more effective. From this, it can be said that CEOs actively participate in civic engagement in order to maximize the impact of philanthropic expenditures. Given the above arguments, I propose the following hypothesis:

Hypothesis 3 (H3): There is a positive relationship between the level of CEO civic engagement and the level of corporate philanthropy.

3.5.4 CEO Education Background and Corporate Philanthropy

Using the upper echelons theory (UET) approach, past research has suggested that observable CEO characteristics influence selective perception, interpretations, decision making, and ultimate, firm outcomes (Hambrick & Mason, 1984; Simerly, 2003; Slater & Dixon-Fowler, 2009). Extending this line of argument, I suggest that there is a certain relationship between CEO education level and corporate philanthropy. To further support this relationship, I categorize CEO educational background into the level and type of education. In this dissertation, the level of education refers to the number of years of formal education the CEO received (e.g. 12 years for high school, 16 for Bachelors, and etc.) while the type of education refers to the nature of the CEO's education (i.e. business vs. other types of educational training).

Past research has suggested that individuals with higher education are more likely to be donors and to engage more in philanthropic activities (Harvey, 1990; Jones & Posnett, 1991). Why are the educated more likely to engage in philanthropy? This is presumably because the better educated are more likely to have wider mental horizons and broader societal concern that caused them to recognize the value of charities concerned with the external environment (Bennett, 2012). Therefore, it can be argued that a person's education background plays an important role in influencing corporate philanthropy. Several scholars suggest that education background has been an indicator of executives' knowledge and skill in strategic management (Bantel & Jackson, 1989; Hambrick & Mason, 1984). They typically equate attained education level with attributes, such as cognitive ability, tolerance for ambiguity, and propensity to innovation. For example, Bantel and Jackson (1989) found that more innovative firms tend to have more highly educated top managers. Extending this line of argument, it is anticipated that firms emphasize and value education attainment in selecting CEOs so that CEOs having higher education background can implement competitive strategies (including high R&D, innovation, and market expansion). Specifically, CEOs having higher education level could have impact on corporate philanthropy which can be used as a means to open new markets and as part of long-term competitiveness. Given the above arguments, I propose the following hypothesis:

Hypothesis 4a (H4a): The level of CEO formal education is positively related to the level of corporate philanthropy.

In addition to the level of CEO education background, I suggest that there is a certain relationship between CEO education type and corporate philanthropy. Classical economic theory suggests that business organizations have sole purpose – profit seeking, and that this purpose is best served through internally generated skill and efficiency skills (O'Neill, Saunders & McCarthy, 1989). Extending this line of argument, it can be that CEOs who earned business related degrees (e.g., an MBA) might be less willing to manage various stakeholders' issues by engaging in CSR activities. For example, it has been suggested that people with business related education are more likely than others to free-ride, keep more resource to them, donate less to charity, and make choices that benefit themselves (Ferraro, Pfeffer & Sutton, 2005). Thus, CEOs who earned business related degrees (e.g., an MBA) are more likely to behave in a self-centeredness manner and therefore are less likely to engage in corporate philanthropy.

However, there are different arguments against traditional economic perspectives for the following reasons. First, since the high profile CEO scandals and unethical behaviors in the last decade (including Enron, WorldCom and Tyco), corporate social activities have been recognized as a core business mission in Corporate America. Second, when social issues are discussed in business school, it is not the normative or altruistic perspective being taught, but rather the business case that profits can be gained from engaging in socially responsible activities (Giacalone & Thompson, 2006). For example, research found that business education significantly enhances students' belief that a firm's social concerns and economic responsibility is an important element of firm performance (Neubaum, Pagell, Drexler, McKee-Ryan & Larson, 2009). Extending this line of argument, it is anticipated that CEOs having an MBA can be more aware of the business case related to social issues so they can make a rational choice to pursue philanthropic initiatives in an effort to enhance profits. Therefore, CEOs with business related education (with an MBA) might actively seek out and take advantage of any opportunity to enhance business profits for their firm by engaging in corporate philanthropy. Given the above arguments, I propose the following hypothesis:

Hypothesis 4b (H4b): The level of corporate philanthropy by firms led by CEOs with business related education (with an MBA) is significantly higher than those firms led by CEOs without business-related education (without an MBA).

Alternatively, it might be anticipated that CEOs with technical education (e.g. science or engineering degree) are less likely to engage in corporate philanthropy. Barker and Mueller (2002) suggest that CEOs with those degrees have a more understanding of technology so that they would be more likely to favor high levels of R&D spending. They might increase philanthropic expenditure if they are confident that philanthropic engagement benefits their businesses only. However, corporate philanthropy requires firms to allocate their resources to social issues/causes which might not directly related to firm's business objectives to some extent. Engagement in corporate philanthropy once might not incur a positive image to the firm (if it does, it might happen once). The effect of corporate philanthropy on the firm takes time. In addition, CEOs having technical education might not actively respond to a firm's philanthropic engagement because they prefer to use more rationalized approach when implementing a firm's strategic decisions, including a firm's philanthropic initiatives. Given the above arguments, I propose the following hypothesis:

Hypothesis 4c (H4c): The level of corporate philanthropy by firms led by CEOs with a technical education (such as science and engineering) is significantly lower than those firms led by CEOs without a technical education.

In sum, it can be argued that understanding CEO background characteristics (founder status, functional background, civic engagement, and education level) can explain why some firms engage in corporate philanthropy more than others. Next section, I will explore the role of firm age on CEO background characteristics and corporate philanthropy.

3.6 The Moderating Effect of Firm Age

The previous section suggests that there is a certain relationship between CEO background characteristics (founder status, functional backgrounds, civic engagement, and education level) and the level of corporate philanthropy. I anticipate that CEOs might have a significant impact on corporate philanthropy and such impact might be restrained as a firm grows. In addition, the relationship between firm age and corporate philanthropy is still under-developed. To examine this phenomenon, I first look at the relationship between firm age and corporate philanthropy. And then, I specifically examine the moderating role of firm age. I think that the extent to which CEOs background characteristics influence corporate philanthropy might vary depending on firm age. Specifically, I propose that firm age moderates the relationship between CEO background characteristics and corporate philanthropy for the following reasons.

Benefits of engaging in corporate philanthropy vary depending on firm age. Older firms are often well-known, and have greater visibility (Brammer & Millington, 2006) so that they are more likely to experience of investing in philanthropy. Older firms have a more formalized structure, processes and decision-making processes in general (Mintzberg, 1983) and corporate philanthropy is part of formalized corporate strategic plans. Extending this line of argument, it is plausible that as firms mature, they are more likely to depend on formal and pubic instruments when engaging in corporate philanthropy as opposed to younger firms. In addition, older firms might be required to commit more philanthropic expenditures from various stakeholders and the larger institutional environment. As firms mature, their "reputation and history on involvement in social responsible activities can become entrenched" (Roberts, 1992, P. 605) because of raising stakeholder expectations about corporate community involvement and sponsorship. As opposed to younger firms, older firms may be obligated to engage in various types of commitments (e.g. philanthropic endeavors to community development). Past research has suggested that firm age might be significant in explaining placement of corporate philanthropy (Logsdon et al., 1990). Some scholars have argued that older firms are expected to be more likely to have long-term sponsorships with nonprofit organizations and charities, resulting in larger level of giving, on average, than younger firms (Chen et al., 2008; Marquis & Lee, 2013).

Despite the overall positive influence of firm age on corporate philanthropy, I anticipate that firm age might reduce the relationship between CEO background characteristics and corporate philanthropy for the following reasons. First, older firms tend to become increasingly complex and inflexible so that firm age may be an important indicator of reduced executive discretion (Finkelstein et al., 2009). In other words, older firms may have organizational inertia (e.g. a resistance to change) so that CEOs in mature firms might be forced to operate under severe inertial constraints. Therefore, the impact of the individual CEO on strategic decisions might be weaker as a firm matures because of the restricted managerial discretion he or she is given. Miller (1991) suggests that CEOs in older firms might be less powerful than the ones in younger firms. Extending this line of argument, it can be suggested that the influence of the individual CEO on corporate philanthropy might be weaker as a firm matures. Second, past research has suggested that the focus for older firms shifts from growth to stability, just maintaining the current firm's market position so that they tend to make strategic plans toward stable and predictable rather than uncertain environments (Burns & Stalker, 1961; Dodge, Fullerton &Robbins, 1994), and focusing on cost leadership (Porter, 1980). Particularly, old firms tend to have more formalized internal governance structures, including investors, board of directors, and top management teams. Extending this line of argument, it can be suggested that as a firm matures, CEOs may not enjoy a complete authority to allocate firm resources to worthy societal causes in the long term. If any philanthropic initiatives championed by CEOs are not related to only the firm's current market position and business operation, the extent of their choice might be restricted by others (such as board of directors, top management teams, and investors). Given the above arguments, I propose the following hypothesis:

Hypothesis 5 (H5): Firm age negatively moderates the relationship between CEO background characteristics and corporate philanthropy such that these relationships are weaker for older firms.

Specifically, I propose the following hypotheses with corresponding explanations. It might be suggested that the influence of founder CEOs on a strategic choice will be less for older firms than younger ones. Swiercz and Lydon (2002) argue that as a firm matures, founder CEOs are more likely to be replaced by a professional manager (e.g. investors' demand for removal of the founding CEO). The logic would be that investors and stockholders want professional CEOs to have more efficient leadership in the short term as a firm matures. Therefore, founder CEOs engagement in philanthropy in the long term might not be preferable as a firm matures.

Hypothesis 5a (H5a): Firm age negatively moderates the relationship between CEO founder status and corporate philanthropy.

It is suggested that older firms tend to focus on minimizing the cost of capital while making sure that they have enough financial resources to run their operations (Custódio & Metzger, 2014). For example, older firms tend to hire financial experts who can plan optimal level, less investment in R&D. Extending this line of argument, it might be anticipated that CEOs whose functional background is not related to finance might experience limiting their discretion on corporate philanthropy as a firm matures.

Hypothesis 5b (H5b): Firm age negatively moderates the relationship between CEO functional background and corporate philanthropy.

Despite the popularity of engaging in civic activities among older firms (e.g. it might be preferable to employee voluntary actions), a CEO participation in civic activities in specific platforms (e.g. political and religious reasons) might not be as powerful in older firms. The logic would be that there might be a mismatch between a CEO's preference on civic engagement and a firm's overall civic engagement in older firms, in particular.

Hypothesis 5c (H5c): Firm age negatively moderates the relationship between the level of CEO civic engagement and the level of corporate philanthropy such that this relationship is weaker for older firms.

Similar to the overall logic in H5 above, it is important to mention again that firms are less flexible and have organizational inertia that reduces CEO discretion (i.g. latitude of action) (Finkelstein et al., 2009). Although there seems to be no relationship between firm age and CEO education level, I propose that a CEO educational level-corporate philanthropy relationship will decrease with firm age. Past research suggests that CEOs engage in corporate philanthropy more as they complete more formal education (Neubaum et al., 2009). However, their action might be restricted while their firms get older and more decision-making parties, such as the board and powerful stakeholders, are involved. Such environment surrounding older firms can limit the CEO's educational level-corporate philanthropy relationship.

*Hypothesis 5*d_1 *(H5*d_1*): Firm age negatively moderates the relationship between the level of CEO formal education and the level of corporate philanthropy.*

*Hypothesis 5*d_2 *(H5*d_2*): Firm age negatively moderates the relationship between the level of corporate philanthropy and firms led by CEOs with business related education (with an MBA).*

*Hypothesis 5*d_3 *(H5*d_3*): Firm age negatively moderates the relationship between the level of corporate philanthropy and firms led by CEOs with technical education (such as science and engineering).*

In sum, it can be suggested that the relationship between CEO background characteristics and corporate philanthropy can vary depending on firm age. In the next section, I will explore the role of two corporate strategies (including unrelated diversification and global strategic posture) on corporate philanthropy and firm performance. In doing so, I will specifically examine the link between corporate philanthropy and two corporate strategies, which in turn, influencing firm performance.

3.7 Corporate Philanthropy & Firm Diversification Profile

In this section, I will specifically discuss how philanthropy boosts firm performance through unrelated diversification and global strategic posture. Despite some pessimistic perspectives on the relationship between corporate philanthropy and firm performance, the predominant discussion has supported that corporate philanthropy can generate more positive stakeholder responses which influence a firm’s financial performance (Brammer & Millington, 2005; Godfrey, 2005; Lev et al., 2010; Wang & Qian, 2011). Notably, it has been suggested that when firms launch diversification strategy, they experience various challenges (social, legal, and regulatory) which result in various stakeholder pressures (Brammer et al., 2006). These challenges increase more when firms launch unrelated diversification (e.g., the local government pressures, competitors’ intervene, and various stakeholder expectations) and when firms expand their businesses in foreign market as part of internationalization strategy (Sharfman et al., 2004). In addition, it has been suggested that firms engage in corporate philanthropy as a means of reducing these challenges and boosting reputation so that they can maintain a firm’s position of power and business legitimacy from various stakeholders (Li et al., 2014).

Developed from literature reviewed above, I suggest that there will be a certain role of unrelated diversification and global strategic posture on corporate philanthropy and firm performance. Such attempt, I believe, can offer a rationale behind how corporate philanthropy enhances firm performance through business strategies and, in addition, helps justify the notion, “Corporate philanthropy can become strategic if it is aligned with strategic goals” (McAlister & Ferrell, 2002, p. 690).

3.7.1 The Mediating role of Unrelated Diversification

Several scholars have suggested that diversification strategy results in an increase in market share by introducing new products, exploring new regions or targeting new groups of customers (Markides & Williamson, 1994; Palich, Cardinal & Miller, 2000). However, past research has also suggested that diversification might lead firms to expose potential challenges (e.g., having to deal with varying intricacies of the legal requirements as well as stakeholder expectations), failing to fit the new competitive environment (Chang & Wang, 2007; Ruigrok & Wagner, 2003). Faced with various challenges (e.g., social, legal, and regulatory), corporate diversification might increase a variety of stakeholder pressures in the firm's external environment that arise (Brammer et al., 2006; Sharfman et al., 2004). For example, when firms pursue unrelated diversification, they usually experience a wide range of varying demands from stakeholders in distant industries of their subsidiaries (Chatterjee & Wernerfelt, 1991).

In this dissertation, I suggest that corporate philanthropy can mitigate these pressures, unrelated diversifiers can manage a wide range of challenge, and thus, the relationship between corporate philanthropy and firm performance would increase for the following reasons. First, corporate philanthropy can generate reputation assets in the new market (Hess et al., 2002), strengthen marketing and branding initiatives (Lii & Lee, 2012; Ricks Jr, 2005), and improve relations with local governments (Wang & Qian, 2011). For the purpose of having favorable association with the local governments and strengthening brand image, firms engage in corporate philanthropy which in turn, helps open new markets which their business is not currently in. Extending this line of argument, it is suggested that unrelated diversifiers can benefits by building a brand image that corporate philanthropy can generate. Therefore, corporate philanthropy can be an important business strategy that is positively associated with unrelated diversification, influencing firm performance.

Second, the more diverse are stakeholder demands in different industries, the greater discretionary social activities are the firms expected to perform. Since unrelated diversifiers experience various stakeholders' demands in distant industries (Chatterjee & Wernerfelt, 1991), firms engage in corporate philanthropy for the purpose of reducing these pressures and maintaining business legitimacy. Third, it is suggested that developing new markets, including unrelated diversification, is considered as important business goals and corporate philanthropy helps to meet the goals. For example, in a survey of 226 U.S. corporations, Marx (1999) noted that developing new markets and expanding new markets were cited by 47.9% and 50.5% of the respondents (corporate contribution manager) respectively as important business goals for their strategic philanthropic programs. Extending this line of argument, it is suggested that firms engage in corporate philanthropy to meet their business goals, such as diversification, enhancing firm performance. Firms engage in corporate philanthropy as part of their CSR strategy and they will do more particularly when firms pursue unrelated diversification. In addition, past research suggests that corporate diversification could increase a wide range of social issues and stakeholder demands. These concerns should be managed in advance in order firms to resolve pubic pressure on them. I suggest that it can be achieved through corporate philanthropy. Given the above argument, I propose the following hypothesis:

Hypothesis 6 (H6): The level of unrelated diversification mediates the relationship between corporate philanthropy and firm performance.

3.7.2 The Mediating Role of Global Strategic Posture

Past research suggested that a firm's long-term success depends on a strong global presence because global strategic posture (GSP) helps firms leverage R&D costs and knowledge across countries as well as respond to foreign competitors in their domestic market (Carpenter & Fredrickson, 2001; Kim & Mauborgne, 1991). Godfrey (2005) suggests that firms can develop a competitive advantage by building strong, socially responsible reputation. This invaluable asset, particularly, is important when firms expand their businesses in foreign markets because it helps them to secure a social and legal license to operate. Extending this line of argument, it is suggested that corporate philanthropy can influence a firm's GSP (e.g., having better relationships with host-country stakeholders and business opportunity), and in turn, influencing firm performance. I use GSP and internationalization interchangeably since it was originally operationalized by Sullivan (1994)'s composite measure of internationalization.

In this dissertation, I suggest that GSP mediates the relationship between corporate philanthropy and firm performance for the following reasons. First, past research suggested that engaging in corporate philanthropy can establish competitive differentiation (e.g. reputation and brand recognition) which helps firms expand into new business markets as part of internationalization strategy (Brammer, Pavelin & Porter, 2009). As similar argument in hypothesis 6, developing and expanding new markets are important business goals for corporate philanthropy (Marx, 1999). Therefore, it can be suggested that firms consider how corporate philanthropy will be used to align with their strategic goals (such as new market expansion) in order to maximize the effect of corporate philanthropy and firm performance.

Second, past research suggested that global and institutional pressures push firms toward higher level of CSR (Merz et al., 2010; Strike et al., 2006). For example, firms with internationalization presence might experience more diverse stakeholders' demands (such as foreign customers, competitors, and international media) such that they need to invest in CSR activities more (Brammer et al., 2006; Christmann, 2004). Notably, past research suggested that internationalization can increase the number of stakeholder pressures in the firm's external environment and these pressures might be mitigated through corporate social performance (Sharfman et al., 2004). From this phenomenon, it is suggested that firms need to manage stakeholder environments more favorable for their businesses when they enter foreign markets. Specifically, such pressures on corporate philanthropy would increase with business activities across countries and culture. Given the above arguments, I propose the following hypothesis:

Hypothesis 7 (H7): Global strategic posture mediates the relationship between corporate *philanthropy and firm performance.*

3.8 Chapter Summary

In this chapter, I have intensively explored the effect of CEO background characteristics on corporate philanthropy and firm diversification profile. To do so, first I have explored how certain CEO background characteristics influence corporate philanthropy. Second, I have explored the moderating role of firm age on the relationships between CEO background characteristics and corporate philanthropy. Third, I have explored the mediating role of corporate strategies (level of unrelated diversification and global strategic posture) on the relationship between corporate philanthropy and firm performance. Summary of proposed hypotheses were shown below in Table 5.

Table 5: Summary of Proposed Hypotheses

H1	Firms led by founder CEOs have a higher level of corporate philanthropy than those led by non-founder CEOs.
H2	Firms led by CEOs with output functional backgrounds have a higher level of corporate philanthropy compared to those led by CEOs with throughput functional backgrounds.
H3	There is a positive relationship between the level CEO civic engagement and the level of corporate philanthropy.
H4a	The level of CEO formal education is positively related to the level of corporate philanthropy.
H4b	The level of corporate philanthropy by firms led by CEOs with business related education (with an MBA) is significantly higher than those firms led by CEOs without business-related education (without an MBA).
H4c	The level of corporate philanthropy by firms led by CEOs with a technical education (such as science and engineering) is significantly lower than those firms led by CEOs without a technical education.
H5	Firm age negatively moderates the relationship between CEO background characteristics and corporate philanthropy such that these relationships are weaker for older firms.
H5a	Firm age negatively moderates the relationship between CEO founder status and corporate philanthropy.
H5b	Firm age negatively moderates the relationship between CEO functional background and corporate philanthropy.

H5c	Firm age negatively moderates the relationship between the level of CEO civic engagement and the level of corporate philanthropy such that this relationship is weaker for older firms.
$H5d_1$	Firm age negatively moderates between the level of CEO formal education and the level of corporate philanthropy.
$H5d_2$	Firm age negatively moderates the relationship between the level of corporate philanthropy and firms led by CEOs with business related education (with an MBA).
$H5d_3$	Firm age negatively moderates the relationship between the level of corporate philanthropy and firms led by CEOs with technical education (such as science and engineering).
H6	The level of unrelated diversification mediates the relationship between corporate philanthropy and firm performance.
H7	Global strategic posture mediates the relationship between corporate philanthropy and firm performance.

CHAPTER IV

METHODOLOGY

This chapter presents the research design methodology section of the dissertation. Specifically, the chapter consists of three major sections. The first section discusses in detail the general research approach as well as issues concerning target sample selection and data sources. The second section primarily focuses on the definition and operationalization of each of the variables. The last section presents various issues and considerations surrounding analytical approaches, including data preparation and estimation techniques.

4.1 Research Design Approach

Methodology refers to the rationale and the philosophical assumptions that underlie a particular study whereas method is a specific technique for data collection under those philosophical assumptions (White, 2003). Particularly, the choice of methodology can shape not only what the researcher does but also how he or she understands the phenomenon under investigation (Iatridis, 2011). Therefore, it can be suggested that determining methodology influences the way data will be collected and how it will enable the research to meet its objectives (Gill & Johnson, 2010). Two separate methodological orientations in social science research (Kerlinger & Lee, 2000) are quantitative (e.g., test hypotheses, look at cause & effect, and make predictions) and qualitative (e.g.., understand and interpret social interactions).

Depending on the purpose of the research, research projects can be classified into three categories (Babbie, 2001), namely exploratory, descriptive, and explanatory research (e.g., explain why some phenomena occur and predict their future occurrences).

The purpose of this dissertation is to examine the effect of CEO background characteristics on corporate philanthropy and firm diversification profile. In doing so, I empirically examine seven hypotheses to answer three research questions. First, *do CEO background characteristics influence the level of corporate philanthropy? If so, why?* Second, *does firm age moderate the relationship between CEO background characteristics and the level of corporate philanthropy?* Third, *does the level of corporate diversification profile mediate the relationship between the level of corporate philanthropy and firm performance?* Given this dissertation's emphasis on underlying relationships and proposed predictions, it can be categorized as explanatory research with quantitative orientation.

Data collection is one of the important stages in conducting a research (Klein, Dansereau & Hall, 1994). In general, there are two sources to collect data: primary data and secondary data. The former refers to "data that are collected for the specific research problem at hand, using procedures that fit the research problem best" (Hox & Boeije, 2005, p. 593). The latter refers to "data that are collected by university-based researchers and organizations for the purpose of releasing and disseminating data to the general research community" (Hox & Boeije, 2005, p. 593). Both methods have pros and cons when conducting research (Hox & Boeije, 2005; Hageman, 2008). Primary data collection helps make the researcher focus on specific issues as well as have a higher level of control over how the data are collected (e.g., the number of responses and time frame for completing the data collection process). However, primary data collection methods take time and often are very expensive. On the other hand, secondary data are less expensive and faster access to relevant information. Sometimes, secondary data were originally collected for a different purpose and therefore may not be optimal for the research problem under consideration. In order to reduce these problems, researchers need to "locate data sources that may be useful given their own research problem and evaluate how well the data meet the quality requirements of the current research and the methodological criteria of good scientific practice" (Hox & Boeije, 2005, p. 596).

In this dissertation, I used secondary data sources for the following reasons. First, this dissertation's major variables (such as CEO background characteristics, corporate philanthropy, unrelated diversification, global strategic posture, and firm performance) can be appropriately measured using secondary data. A number of similar studies in the corporate philanthropy literature have used secondary data to explore various relationships of interest in their research (e.g. Marquis & Lee, 2013; Strike et al., 2006; Thomas & Simerly, 1995). Second, there has been a growing trend of research using secondary data in the field of strategic management. For example, past research has supported that there has certainly been an increase in the proportion of papers relying exclusively on secondary data (Phelan, Ferreira & Salvador, 2002). Overall, most scholars agree that the choice between primary and secondary data sources should be dictated by the research question(s) that are being considered. In the next section, I discuss target sample and sampling procedures, both of which outline the process involved in constructing the target sample firms.

4.2 Target Sample & Data Collection Procedures

Before establishing sampling criteria, it is important to note from where the sample was drawn. The population of firms for this dissertation was all U.S.-based, publicly-traded firms. The following section describes the criteria and process I followed to select the target sample firms:

1) The target sample included only publicly-traded largest U.S. firms for the following reasons. First, it has been suggested that large firms have more resource endowments that can be spent on social responsibility related issues, including corporate philanthropy (McWilliams & Siegel, 2000). While studying smaller, entrepreneurial or family-owned firms' philanthropic activities is important, the lack of adequate and systematically documented corporate giving data can make it very difficult to conduct large-scale empirical analysis. Therefore, I focused on publicly-traded U.S. firms because they are legally required to disclose their operating and financial reports, including their charitable giving.
2) I exclusively focused on U.S. firms since they have significance in the global economy and also because of the availability of systematic social performance data. Including firms outside of the U.S., while it enables broader generalization of findings, might create problems of excessive heterogeneity and potentially confounding variables, such as national differences in political, regulatory and socio-cultural dimensions.
3) With regards to the sampling time window, I focused on corporate philanthropic activities between 2010-2013. I chose this time period because focusing on this time period allows access to more recent giving trend that reflects sample firms' latest philanthropic activities. In addition, I chose not to focus on the time period directly

preceding this time window in order to minimize the exogenous effects of the financial crisis and economic recession that started in late 2007 and lasted until late 2009.

Consistent with the three criteria discussed above, I primarily chose the target sample firms from the annual corporate charitable giving datasets compiled by the Chronicle of Philanthropy (http://www.philanthropy.com/)[3]. This online publication is the source of news for "executives of tax-exempt organizations in health, education, religion, the arts, social services, and other fields, as well as fund raisers, professional employees of foundations, institutional investors, corporate grant makers, and charity donors." (Agard, 2010, p. 77) Particularly, this website also provides extensive news, statistics and list of major individual and corporate donors in the United States. I drew the sample firms from the website's Annual Survey of Charitable Giving. This is because this survey maintains charitable giving records of major Fortune 500 U.S. corporations. In addition, firms listed on the Chronicle of Philanthropy are quite diverse in terms of industry groups, such as banking, insurance, manufacturing, tobacco, oil, pharmaceuticals, chemicals, and computer and communication equipment, food, and retailing, representing industries with a large proportion of sample firms. I believe that this industry heterogeneity provided an opportunity for a wider generalization of the findings of this dissertation. Furthermore, several scholars have chosen the Chronicle of Philanthropy to investigate corporate giving reasons (Ostrander, 2007; Shaw & Post, 1993) and organizational leadership contexts (Pynes, 2000; Roth, 2003).

The Chronicle of Philanthropy was not the only resource to get corporate charitable giving datasets. Additionally, I used two other resources: the Million Dollar List

3. The Chronicle of Philanthropy. *Corporate Giving* 2014 (Washington: The Chronicle of Higher Education Inc). Retrieved from https://www.philanthropy.com/resources/

(http://www.milliondollarlist.org/) and National Directory of Corporate Giving. The first additional resource is the Million Dollar List (MDL). MDL consists of donors and organizations, media reports and other publicly available resources conducted by the Indiana University-Purdue University Indianapolis (IUPUI). This web publication offers "a record of publicly announced charitable gifts of $1 million or more since 2000 given by individuals and U.S. corporations so it creates an overall picture of how U.S. corporations fit into the landscape of giving" (IUPUI, 2014). MDL also provides the total number and dollar amount of gift on charitable donations between 2000-2013 so that it offers U.S. corporations' giving trend overtime. The second additional resource is National Directory of Corporate Giving (http://www.foundationcenter.org/). It includes around 3,000 U.S. corporate foundations and grant making public charities identified by the Foundation Center (2014) as established and founded primarily by U.S. companies between 1990-2013. National Directory of Corporate Giving contains various resources, including foundation annual reports, corporate giving reports, the IRS form 990-PF for the foundation established by companies. This web publication can be useful in receiving a broad overview of corporate giving activities of specific companies and several scholars have also chosen National Directory of Corporate Giving to investigate corporate giving reasons (Marquis & Lee, 2013; Willams, 2000).

In order to select sample firms, I followed these sampling procedures: First, I chose the initial target sample of major 500 U.S. corporations that are listed on the Chronicle of Philanthropy's Annual Survey of Charitable Giving and other similar databases. These data source were used mainly because they systematically compile annual, multi-year corporate giving data for the largest U.S. corporations. I focused on the Chronicle of Philanthropy as my main source of data. The total number of firms listed in the Chronicle of Philanthropy website contained 246 largest U.S. firms that have giving data for the years of data collection between 1998-2013. In addition, I incorporated other data sources (such as the Million Dollar List and National Directory of Corporate Giving) as necessary to construct a large scale target sample. Second, I carefully chose firms that have a consecutive giving data in the database to ensure that there is complete observation for study variables. Third, I chose the initial target sample firms that were continuously for four consecutive years 2010 through 2013 such that I excluded firms without a consecutive giving data in the database. Fourth, I excluded firms that became privately-owned and/or delisted in the major stock exchanges as I am not be able to obtain data on other explanatory and control variables in this dissertation. This is because private firms often face the lack of adequate and systematically documented corporate giving data. After reviewing these procedures above, the final sample of this dissertation contained 178 U.S. firms.

4.3 Measures and Variable Operationalizations

In this section, I first discuss how to operationalize nine explanatory variables, namely, firm performance, unrelated diversification, global strategic posture, corporate philanthropy, firm age, as well as CEO background characteristics (such as founder status, functional background, civic engagement, and education type and level). Following the section below, I discuss how to measure control variables: managerial control variables (such as proportion of female directors, CEO tenure, and CEO change), organizational control variables (such as firm size, organizational slack, and advertising intensity), and industry type.

4.3.1 Explanatory variables

Firm performance. Two measures of firm performance were employed: Return on Assets (ROA) and Return on Equity (ROE). ROA and ROE are two of the most commonly used profitability measures used in the business and CSR literature (Chen & Lin, 2015; Kang, Lee & Huh, 2010; Waddock & Graves, 1997). ROA refers to the percentage of how a firm utilizes its assets to generate profit (Needles, Powers & Crosson, 2012). It is a common accounting measure of financial performance (Wang & Qian, 2011). ROA was measured as net income divided by total assets. Past research has suggested that there is often a lag between corporate giving and its impact on accounting-based performance so the effect of corporate giving would be evaluated in terms of subsequent ROA (Wang et al., 2008). Therefore, ROA was observed the year following the giving years 2013. To improve confidence in the results, I used another financial performance measure: ROE. ROE refers to the percentage of how well as a firm uses shareholders' equity to generate profit (Gentry & Shen, 2010). ROE was measured as net income over shareholder's equity. It indicates a corporation's profitability by revealing how much profit a firm generates with the money that shareholders have invested (Chen & Lin, 2015). Since there is often a lag between corporate giving and its impact on financial performance, I included a lag effect to make sure that the effect of corporate giving would be evaluated in terms of subsequent ROE. Therefore, ROE was observed the year following the giving year 2013. In addition, both ROA and ROE was highly skewed in its distribution (Petrenko, Aime, Ridge & Hill, 2016), I winsorized them at the 2.5 and 5 percent levels to control for the prevalence of extreme ROA and ROE values. And then, I used the natural logarithm of both values. The data sources for the two measures were collected from COMPUSTAT/CRISP and MergentOnline databases.

The level of unrelated diversification. Unrelated diversification refers to "the entry of a firm or business unit into unrelated lines of business" (Ramanujam & Varadarajan, 1989, p. 525). Past research has used the entropy measure (Chatterjee & Wernerfelt, 1991; Hitt, Hoskisson & Ireland, 1994; Hoskisson, Hitt, Johnson & Moesel, 1993; Palepu, 1985) to estimate unrelated diversification. In this dissertation, I measured unrelated diversification by using the business segment count approach (Martin & Sayrak, 2003). I first gathered data on the number of business segments the firm operated in between 2010-2013 using standard industry classification (SIC). SIC consists of a specific digit industry code that can be used to define more refined measures of business or industry affiliation (Martin & Sayrak, 2003). And then, I measured unrelated diversification by counting the average number of secondary SIC codes the firm operated in. For example, unrelated diversification was measured as counting the different four-digit SIC codes the firm operated in and averaged them by observing during the four year sample period between 2010-2013. Data on unrelated diversification was collected from company annual reports (10-K) and Mergent Online database.

Global strategic posture. Global Strategic Posture (GSP) refers to "the degree to which a firm is dependent on foreign sales and production and to the geographic dispersion of this dependence" (Carpenter, et al., 2001, p. 497). Past research (e.g. Carpenter et al., 2001, Carpenter & Fredrickson, 2001) has suggested that Sullivan's (1994) composite measure can gauge internationalization on three theoretically distinct continuous dimensions, such as foreign sales, foreign production, and geographic dispersion. In this dissertation, foreign sales were only collected to measure the sample firms' degree of internationalization due to the unavailability of foreign production and geographic dispersion data in existing databases. I used average proportion of foreign sales during the sample period of 2010 to 2013. Proportion of foreign sales was measured by foreign revenue divided by total revenue (Qian, Li, Li & Qian, 2008). Data for foreign sales was collected from COMPUSTAT/CRISP and MergentOnline databases.

Corporate Philanthropy. Corporate philanthropy is defined as "giving of corporate resources to address non-business community issues that also benefit the firm's strategic position and ultimately, its bottom line." (Saiia et al., 2003: 170). Past research has suggested that corporate philanthropy can be used as a means for market entry strategy as important part of global expansion (Hess et al., 2002; Smith, 1994). I measured corporate philanthropy by using the average dollar amount of a sample firm's total charitable contributions during the four year sample period (2010, 2011, 2012, and 2013). Specifically, this measure included both cash gifts (including direct giving and donations to corporate sponsored foundations) and gifts in-kind. Past research has suggested that corporate philanthropy can be measured as the total amount of donations, including in-cash and/or in-kind donations with the value released by donating firms, and donations to corporate-sponsored foundations (Seifert et al., 2004; Wang et al., 2008; Tilcsik & Marquis, 2013). I used the natural logarithm of the dollar amount of corporate giving similar to other studies (Adams & Hardwick, 1998; Galaskiewicz, 1997; Wang & Qian, 2011). This is because this variable tends to be highly skewed in its distribution and may violate the normality assumption of many multivariate analytical approaches. Data for corporate giving was obtained from The Chronicle of Philanthropy's Annual Survey of Charitable Giving (http://www.philanthropy.com/) and other philanthropy databases. The database reports aggregate dollar value of corporate giving both in the form of direct corporate and foundation donations.

Firm age. I measured firm age as the number years since the sample firms were incorporated using 2014 as the cutoff year. It has been suggested that older corporations are expected to be more likely to have long-term sponsorships with nonprofit organizations and charities, resulting in larger level of giving, on average, than younger firms (Chen et al., 2008; Marquis & Lee, 2013). Data on firm age were collected from the Mergent Online database.

Founder CEO Status. Founder status was operationalized as a dummy variable coded "1" if the CEO during the sampling window in the year of 2013 was a founder or co-founder and "0" otherwise (Abebe, Angriawan & Ruth, 2012; Adams et al., 2009). To collect founder data, I specifically used three steps. First, I carefully observed all S&P 1,500 firms listed under National Directory of Corporate Giving in order to find founder-led firms. Second, founder data was also obtained from annual proxy statements (DEF 14A) and a variety of sources, such as Google searching, LexisNexis Academic Universe database, and Bloomberg Businessweek executive biography profile. Third, I double-checked the final sample of founder-led firms was identified in the recent proxy statement since it included information about the founder, his/her immediate family members, and their holdings (Anderson, Mansi, & Reeb, 2003). After searching the three steps above, 51 founder-led firms were identified. I specifically matched founder-led firms and non-founder led firms for the following criteria. First, I confirmed that both founder-led and non-founder led firms had in the same industries (based on SIC codes). Second, I confirmed that both firms had a similar firm size (as measured in number of employees). I used the natural logarithm of average number of employees to match both firms' size. Following these two criteria, 127 non-founder led firms were matched with 51 founder-led firms. In detail, among 127 non-founder led firms, 64 firms were exactly matched in 4-digits SIC codes, 9 firms in 3-digits SIC codes, and 54 firms in 2-digits SIC codes. And also, the mean of non-founder led firms was within one standard deviation from the mean of founder-led firms.

CEO functional background. CEO functional background refers to a CEO's past work experience in jobs within functional areas of organizations (Westphal & Zajac, 1995). It represents the functional area in which the CEO spent most of his/her career. Following the work of Upper Echelons Theory (UET) scholars (Hambrick & Mason, 1984; Herrmann, 2002), I categorized CEO functional background into two core areas: output functions and throughout functions (Thomas et al., 1991). Hambrick and Mason (1984) first identified the more internally oriented functional background as *throughput background* and the more externally-oriented background as *output background*. Throughput functional background includes operations, accounting, engineering, and manufacturing. Output functional background includes marketing, sales, and product R&D. Past research has often used this classification to measure CEO functional background (Herrmann, 2002; Slater & Dixon-Fowler, 2009). Similarly, I coded "1" if the CEO spent most of his/her career in output related functional background and "0" if he/she spent most of their career in throughput functional background. Among 178 CEOs in the final sample, 85 CEOs had output functional background and 93 CEOs had throughput functional background. Data on CEO functional background was obtained from annual proxy statements (DEF 14A) and other sources, including Bloomberg Businessweek executive biography profile.

CEO civic engagement. Following the definition of civic engagement provided by Adler and Goggin (2005) as mentioned in Chapter III, I defined *CEO civic engagement* as the participation of a CEO in various public, not-for-profit and social institutions and initiatives that emphasize achieving larger social objectives (such as education, political activism, healthcare, religion and welfare). Past research has suggested that civic engagement can be categorized into three types of activities, including community-based services, issue-oriented projects, and politically-based activities (Billings, Geronimo Terkla & Reid, 2009). Accordingly, I focused on three CEO civic engagement elements, including community-based services, issue-oriented projects, and politically-based activities. *Community-based services* were measured by the number of non-profit organizations a CEO participates in. The examples included domestic or international involvement in service, participation in fund-raising for charity, and volunteering through a non-profit organization. *Issue-oriented projects* were measured by the number of environmental and/or liberal parties a CEO participates in. The examples included hunger, relief, ethical aspects of research, energy, and community-based research projects. *Politically-based activities* were measured by the number of appointment as directors in organizations owned and operated by governmental agencies. CEO civic engagement was measured by counting the average number of each activity during the sampling window of 2013. In detail, CEOs in the final sample engaged in 130 community-based services, 141 issue-oriented projects, and 131 politically-based activities. The CEO had 3.26 civic engagement activities on average. Data for CEO civic engagement was collected from corporate websites, including proxy statements (DEF 14A), and online databases, including Bloomberg Businessweek executive profile, LexisNexis Academic Universe, and the Google searching.

CEO education. CEO education was divided into two categories, including educational level and education type. *CEO education level* refers to the level of educational attainment by the CEO (Barker & Mueller, 2002). I categorized education level into four levels, including no college, a bachelor's degree, a master's degree, and a doctorate degree (Slater & Dixon-Fowler, 2010). And then, I counted the number of years of formal education the CEO received for the following: 12 years for no college, 16 years for a bachelor's, 18 years for a master's, and 23 years for a doctorate. All CEOs in the final sample had a high school diploma and almost all of them had a baccalaureate. Among 178 CEOs in the final sample, 11 had no college degree, 43 had a bachelor's degree, 94 had a master's degree, and 30 had a doctoral degree. *CEO education type* refers to the type of educational attainment by the CEO (Slater & Dixon-Fowler, 2010). I categorized CEO education type into two types, including business-related degree (with an MBA) or nonbusiness-related degree (without an MBA). And then, I coded "1" if the CEO had an MBA and "0" otherwise. 83 out of 178 CEOs had an MBA. Similarly, I coded "1" if the CEO had a degree related to science or engineering and "0" otherwise. 38 out of 178 CEOs had a science or engineering degree. Data for CEO educational background was collected from corporate websites, including company annual reports (10-K) and proxy statements (DEF 14A), and online databases, including Bloomberg Businessweek executive profile, Mergent Online and LexisNexis Academic Universe, during the sampling window of 2013.

4.3.2 Control Variables

In this dissertation, I included managerial, organizational and industry control variables in the data analysis to account for various factors that have been shown to predict corporate philanthropy and firm diversification profile. In the following section, I discuss the definition and measurement of each control variable.

Managerial control variables. I controlled for *the proportion of female directors, CEO tenure, and CEO change*. First, recent research suggests that female directors tend to be more sensitive, socially responsible, and ethical in corporate performance, leading to positive impact on corporate philanthropy (Post, Rahman & Rubow, 2011; Setó-Pamies, 2013). *The proportion of female board directors* was measured as a ratio of all female directors to the sample firms' board for the sample period between 2010-2013. Second, Marquis and Lee (2013) found that there is a positive relationship between firms with shorter-tenured CEOs and corporate philanthropy. CEO tenure refers to the number of years the CEO spent a longer time in his/her position in the organization (Henderson, Miller & Hambrick, 2006). *CEO tenure* was measured as counting the years a CEO has been in office as of 2013. Third, it has been suggested that a new CEO might change existing CSR programs (such as corporate philanthropy) (Sharp & Zaidman, 2010). *CEO change* was operationalized as a dummy variable coded "1" if the CEO stepped down from the position in the year of 2013 and "0" otherwise. Data on proportion of proportion of female directors, CEO tenure, and CEO change was collected from company annual reports (10-K) and proxy statements (DEF 14A).

Organizational control variables. I specifically controlled for *firm size, organizational slack, and advertising intensity*. First, firm size has been shown to be important variable affecting the level of corporate philanthropy (Brammer & Million, 2008; Orlitzky, 2001). Past research has suggested that larger firms have more resources and may enjoy economies of scale and scope so that they are more likely to engage in corporate philanthropy (Amato & Amato, 2012; Brammer & Million, 2008). *Firm size* was measured as a natural logarithm of the number of employees (Brammer & Million, 2008). Second, past research has suggested that organizational slack not only provides firms with the opportunities to commit resources to social causes (Seifert et al., 2004; Waddock & Graves, 1997), but also make them less resistant to stakeholders' demands. Some scholars have suggested that organizational slack can have a significant impact on a firm's cash donations to charitable causes (Amato & Amato, 2007; Chiu & Sharfman, 2009; Seifert et al., 2004). *Organizational slack* was measured as the ratio of long-term debt to total assets. Third, past research has suggested that firms that do more advertising are likely to benefit more from their corporate philanthropy as well as create intangible assets that positively affect a firm's financial performance (Adams & Hardwick, 1998; Wang et al., 2008; Wang & Qian, 2011). *Advertising intensity* was calculated as firms' advertising and marketing expenses divided by total sales (Wang et al., 2008). Data on all organizational control variables were collected from company annual reports (10-K) and proxy statements (DEF 14A) for each of the sample period between 2010-2013.

Industry control variable. I created an *industry type* variable that represents sample firms' industry membership. Past research suggested that service industries are significantly different from manufacturing industries in terms of strategic giving (Marx, 1999). This variable was coded "0" for manufacturing and "1" for service sectors identified by the Standard Industrial Classification (SIC) codes. For example, 51 manufacturing firms were within two-digit SIC codes (20-39). 127 service firms were within two-digit SIC codes (42-87). They were quite diverse in terms of industry groups including Pharmaceuticals, Chemicals, Metals, Semiconductors and Other Electronics, Oil and Gas Services, Computer Software, Transportation, Telecommunications, Commercial banks, and Insurance. Data on these variables was collected from company annual reports (10-K) and proxy statements (DEF 14A).

Table 6 below indicates a summary of measures and variable operationalizations. It consists of how explanatory variables and control variables operationalized, including definition of each variable and data collection time period.

Table 6: A Summary of Measures and Variable Operationalizations

Variables	Definition	Operationalization	Time period
Return on assets (ROA)	The percentage of how profitable a firm's assets are in generating revenue (Needles et al., 2012)	The natural logarithm of net income divided by total assets	2014
Return on equity (ROE)	The percentage of how well a firm uses shareholders' equity to generate profit (Gentry & Shen, 2010)	The natural logarithm of net income divided by total shareholder's equity	2014
The level of unrelated diversification	"The entry of a firm or business unit into unrelated lines of business" (Ramanujam & Varadarajan, 1989, p. 525)	Observing the number of business segments the company operates in and then averaging the number of different four-digit SIC codes the firm operates in	2010 to 2013
Global Strategic Posture (POS)	"The degree to which a firm is dependent on foreign sales and production and to the geographic dispersion of this dependence" (Carpenter, et al., 2001, p. 497)	The average foreign sales (foreign revenue divided by total revenue) to measure firm internationalization	2010 to 2013
Corporate philanthropy	"Giving of corporate resources to address non-business community issues that also benefit the firm's strategic position and ultimately, its bottom line" (Saiia et al., 2003, p. 170)	The natural logarithm of the average dollar amount of a sample firm's total charitable contributions, including both cash gifts (including direct giving and donations to corporate sponsored foundations) and gifts in-kind	2010 to 2013
Firm age	The number of years since the sample firm was incorporated	The number of years since the sample firm was incorporated using 2014 as the cutoff year.	2014 as the cutoff year

CEO founder status	The current CEO as a founder at the time the sample firm began (Adams et al., 2009)	Founder status is binary since the current CEO is the founder or co-founder of the firm or not. Thus, founder CEO was coded as "1" and non-founder CEOs as "0."	2013
CEO functional background	A CEO's past work experience in jobs within functional areas of organizations (Westphal & Zajac, 1995)	Functional background is binary. Output functions (e.g. marketing, sales, and product R&D) was coded as "1" and throughput functions (e.g. operations, accounting, engineering, and manufacturing) as "2"	2013
CEO civic engagement	The participation of a CEO in various public, not-for-profit and social institutions and initiatives that emphasize achieving larger social objectives (such as education, political activism, healthcare, religion and welfare)	The average number of three elements of civic engagement as measured for CEO civic engagement 1) *Community-based services*, measured by the number of non-profit organizations a CEO participates in 2) *Issue-oriented projects*, measured by the number of environmental and/or liberal parties a CEO participates in 3) *Politically-based activities*, measured by the number of appointment as directors in organizations owned by governments a CEO has	2013
CEO education level	The level of educational attainment by the CEO (Slater & Dixon-Fowler, 2010)	CEO education level was measured by counting the years (such as 12 to 23) of formal education the CEO received. (e.g. 12 years for no collage; 16 years for a bachelor's, 18 years for a master's, & 23 years for a doctorate).	2013
CEO education type	The type of educational attainment by the CEO (Slater & Dixon-Fowler, 2010)	CEO education type is binary. It was coded as "1" if a CEO had business related degrees (with an MBA) and "0" otherwise. Similarly, it was coded as "1" if a CEO had a science or engineering degree and "0" otherwise.	2013

CEO change	The appointment of a new CEO released by the press	CEO change was operationalized as a dummy variable coded “1” if a CEO stepped down from the position and “0” otherwise	2013
CEO tenure	The number of years a CEO spent a longer time in his/her position in the organization	Counting the years a CEO spent a longer time in his/her position in the sample firm	2013
Proportion of Female directors on the board	The number of female directors on the firm’s board	The average ratio of female directors to the sample firm’s total board of directors	2010 to 2013
Firm size	A broad measure of size in organizations	The natural logarithm of the average number of employees of the sample firm	2010 to 2013
Organizational slack	A measure of the availability of organizational slack resources	The average proportion of long-term debt to total assets of the sample firm	2010 to 2013
Advertising intensity	A measure of advertising and marketing spending aggressiveness	The average of the sample firm’s marketing & advertising expenses divided by total sales	2010 to 2013
Industry Type	A measure that represents sample firms’ industry membership	Industry type was categorized and coded “0” for manufacturing and “1” for service sectors based on SIC codes	2010 to 2013

4.4 Analytical Approach

To empirically test the proposed hypotheses, I conducted two statistical analyses. In the first statistical analysis, I performed a hierarchical moderated regression analysis (MRA) to test the relationship between CEO background characteristics and corporate philanthropy, as well as the moderating effect of firm age on that relationship. In the second statistical analysis, I conducted a mediation analysis to test the mediating role of corporate diversification profiles (i.e. the level of unrelated diversification and global strategic posture) between corporate philanthropy and firm performance. These statistical analyses helped test the proposed hypotheses and provide answers to the research questions in this dissertation.

4.4.1 Moderated Regression Analysis (MRA)

To test the relationship between CEO background characteristics and corporate philanthropy as well as the moderating effect of firm age on that relationship, Moderated Regression Analysis (MRA) was conducted. MRA is an extension of OLS (ordinary least square) regression (Aiken, West & Reno, 1991). The difference is that the MRA model incorporates additional interactions between predictor variables that assess the presence of significant moderating effects (Aguinis, 2004). To test the moderating variable (H5), I added the cross-product of the moderator (firm age) and each of the four independent variables (CEO background characteristics) in the regression models, as described by Cohen and Cohen (1983). The test of moderating effect consists of assessing whether the regression coefficient associated with the product term between the independent variable and the moderator is different from zero in the population. This test is conducted by computing the difference between R^2 for the Model 2 (first-order effects and product term) and Model 1 (first-order effects only). Then, an F statistics is computed for the resulting ΔR^2. R^2 provides information on whether the moderating effect explains additional variance in the criterion above and beyond the effects of the first-order effects. Overall, significance of the regression model is assessed using the test statistics of standardized (*β*) coefficients, standard error of the coefficient, F and adjusted R^2.This model enabled me to check the main effects (H1, H2, H3, and H4) and interaction effects (H5) in this dissertation simultaneously. Both independent variables and moderator variables were mean centered (i.g. substract the mean from each variable). And then, I computed the interaction term and estimate the model. This type of estimation may lead to a multicollinearity problem. Multicollinearity occurs when several independent variables correlate at high levels with one another, or when one independent variable is a near linear combination of other independent variables (Keith, 2014). To check multicollinearity, I confirmed that Variance Inflation Factor (VIF) values are less than 10 which can be acceptable (Hair et al., 2006). To address the potential problem of multicollinearity, I used a mean-centered approach before creating the cross-product (interaction) terms (Aiken et al., 1991). Accordingly, I concluded that multicollinearity was not an issue in the results of MRA.

4.4.2 Mediation Analysis

Mediation is a hypothesized causal chain in which an independent variable (IV) affects a mediator (M) that, in turn, affects a dependent variable (DV). In the context of this dissertation, corporate philanthropy is proposed to influence a firm's diversification profile, which in turn influences firm performance. Among a number of methods to test mediation, including structural equation modeling (Cole & Maxwell, 2003) and bootstrapping (MacKinnon, Lockwood & Williams, 2004), many researchers prefer to use regression-based tests (Fritz & MacKinnon, 2007). Traditionally, Baron and Kenny (1986) discussed a four-step approach in which several regression models are tested to determine whether a hypothesized mediation has occurred. Step 1 is to conduct a simple regression analysis with IV predicting DV. Step 2 is to conduct a simple regression analysis with IV predicting mediator. Step 3 is to conduct a simple regression analysis with mediator predicting dependent variable. Step 4 is to conduct a multiple regression analysis with both independent and mediator simultaneously entered into the model. Full mediation exists if the independent variable has no effect on the dependent variable when the mediator variable is included in the regression model. Partial mediation exists if the independent variable and dependent variable is still significant, but is not significantly.

Despite of the popularity of Baron and Kenny (1986)'s method, it has a number of limitations. First, the method described by Baron and Kenny (1986) suffers from low statistical power (MacKinnon, Lockwood, Hoffman, West & Sheets, 2002; Preacher & Hayes, 2004). In small sample, it is possible that either path a (IV to M) or path b (M to DV) coefficient may be nonsignificant only because of low statistical power (Preacher & Hayes, 2004). Second, the significance of the intervening variable effect has low power because the sampling distribution of the indirect effect is not always normal (MacKinnon et al., 1998; 2002). The inaccuracy of assessing statistical significance of mediation may come from using the product of two normally distributed random samples (MacKinnon, Fairchild & Fritz, 2007). Third, Baron and Kenny (1986)'s method is based on the fact that there should be a significant zero-order effect of the independent variable X on the dependent variable Y. However, this relation needs not be significant to establish mediation (Zhao, Lynch Jr & Chen, 2010). Accordingly, it is suggested that Baron and Kenny (1986)'s method has the lack of power of the Sobel test and its reliance on a normal sampling distribution (Preacher & Hayes, 2004).

To test a mediating role of firm diversification profiles (i.g. the level of unrelated diversification and global strategic posture) on the relationship between corporate philanthropy and firm performance, mediation analysis was conducted. Specifically, I followed the use of a bootstrapping method to calculate the indirect effect. This method does not suffer from such limitations, including low statistical power and lack of power of the Sobel test (Hayes, 2013; MacKinnon et al., 2002; Preacher & Hayes, 2004). The macro for SPSS provides a test of the indirect effect using a nonparametric bootstrapping procedure (Preacher & Hayes, 2004). The macro for SPSS produces confidence interval for the size of the indirect effect, on the assumption that the sampling distribution of the effect is normal (Mackinnon et al., 2002; Preacher & Hayes, 2004).

4.4.3 Supplementary Analysis

Originally, I have suggested that there is the interaction, including corporate philanthropy-firm performance through corporate diversification profiles. As discussed in in detail in section 3.7.1 and 3.7.2, I proposed the mediating role of unrelated diversification and global strategic posture on the relationship between corporate philanthropy and firm performance. I believe that such attempt can support one of the fundamental arguments of this dissertation, *"how"* corporate philanthropy enhances corporate strategy, in fact influencing firm performance. However, there might be a different argument for the following. Larger firms are more likely to launch corporate diversification strategies since they have more resources (such as financial flexibility and global experiences). Corporate philanthropy-firm performance relationship might be strengthened when firms launch corporate diversification because corporate philanthropy needs a large amount of resource allocation to causes. In other words, there might be a circumstance that determines the strength and direction of the corporate philanthropy-firm performance relationship. To untangle this issue, I additionally tested the moderating effect of unrelated diversification and global strategic posture on the relationship between CEO background characteristics and firm performance.

4.4.4 Statistical Assumptions & Checks

Most statistical tests rely on certain assumptions about the variables used in the analysis (Osborne & Waters, 2002). When these assumptions are violated, the results may not be reliable; thus, resulting in a Type I or Type II error. The three assumptions of multiple regression include normality, linearity, and homoscedasticity (Aiken et al., 1991; Osborne & Waters, 2002).

First, I checked whether variables were *normally distributed* by using several information: visual inspection of data plots, skewness, kurtosis, and P-P plots. Some variables (such as firm size, organizational slack, advertising intensity, corporate philanthropy, ROA, and ROE) were skewed so I used log transformation to make them normally distributed. Second, I checked *linearity* which is the most important, as it is directly relates to the bias of the results of the whole analysis (Keith, 2014). If linearity is violated, all the estimates of the regression including regression coefficients, standard errors, and tests of statistical significance may be biased (Keith, 2014). Therefore, it is important that nonlinear aspects of the relationship be accounted for to properly estimate the relationship between variables. One method of preventing non-linearity is the use of theory of previous research to inform the current analysis to assist in choosing the appropriate variables (Osborne & Waters, 2002). However, this approach may not be sufficient alone to detect non-linearity (Aiken et al., 1991). Therefore, I used residual plots which are the most preferable method of detecting violations in linearity (Stevens, 2012). Residual plots show the standardized residuals as a function of the standardized predicted values, readily available in most statistical software. The residual analysis test showed no violation of the linearity.

Third, I checked *homoscedasticity* which refers to equal variance of errors across all levels of the independent variables (Osborne & Waters, 2002). When the variance of errors differs at different values of the independent variable, heteroscedasticity is indicated. It can lead to distortion of the findings and weaken the overall analysis and statistical power of the analysis such that it might result in an increased possibility of Type I error, erratic and untrustworthy F-test results, and erroneous conclusions (Aiken et al., 1991; Osborne & Waters, 2002). To test homoscedasticity, I used visual examination of a plot of the standardized residuals (the errors) by the regression standardized predicted value. Statistical software (IBM SPSS Statistics 21) includes this as an option.

4.5 Chapter Summary

In this chapter, I have discussed the overall research design underlying this dissertation. I have discussed pros and cons in collecting primary data and secondary data, and why I have chosen secondary data for this dissertation. Second, I have discussed target sample and sampling procedures to explain why the target sample was selected and how it was collected. Third, I have discussed how to measure explanatory variables and control variables. Explanatory variables included founder status, CEO functional background, CEO civic engagement, CEO education type/level, firm age, level of unrelated diversification, global strategic posture, and firm performance. Control variables were categorized into three levels: managerial (proportion of female directors, CEO tenure, and CEO change), organizational (firm size, organizational slack, and advertising intensity), and industry type. Fifth, to test the dissertation model, I have discussed two major statistical techniques (such as Moderated Regression Analysis and Mediation Analysis) with statistical assumptions, and supplementary analysis.

CHAPTER V

RESULTS

This chapter presents the results of the empirical analyses. The chapter consists of six sections. The first section discusses descriptive statistics and correlations. The second section presents the results of main effect which empirically explains the relationships between CEO background characteristics and corporate philanthropy. The third section presents the results of MRA which empirically tests the moderating effect of firm age on the relationship between CEO background characteristics and corporate philanthropy. The fourth section presents the results of mediation analysis testing the potential mediating effect of level of unrelated diversification and global strategic posture on the relationship between corporate philanthropy and firm performance. Finally, supplementary analysis is presented in order to test the moderating effect of level of unrelated diversification and global strategic posture on that relationship. The last section presents summary of hypotheses tests.

5.1 Descriptive Statistics and Correlations

Table 7 below presents descriptive statistics and correlations. The average CEO tenure was 10.91 years and the average formal education that CEOs received was 17.99 years. As mentioned earlier in Chapter IV, CEOs in the final sample included 51 founders and 127 non-founders, and had 3.26 average civic engagement activities. CEO founder status had negative and significant correlation with corporate philanthropy (r = -0.314, $p < 0.01$).[4] Specifically, CEO functional background [5] and CEO civic engagement had positive and significant correlation with correlation with corporate philanthropy (r = 0.194, $p < 0.01$; r = 0.397, $p < 0.01$) respectively. Neither CEO business education type nor CEO technical education type was significantly correlated with corporate philanthropy (r = 0.095, *n.s.*; r = 0.008, *n.s.*). In addition, global strategic posture had positive and significant correlation with ROA (r = 0.336, $p < 0.01$). Neither unrelated diversification nor global strategic posture was significantly correlated with ROE (r = 0.005, *n.s.*; r = 0.120, *n.s.*). Notably, firm size had positive and significant correlation with several variables. For example, firm size had negative and significant correlation with CEO founder status (r = -0.426, $p < 0.01$) but positive and significant correlation with CEO civic engagement (r = 0.306, $p < 0.01$). And also, firm size had positive and significant correlation with corporate philanthropy, ROA, and ROE (r = 0.648, $p < 0.01$; r = 0.285, $p < 0.01$; r = 0.381, $p < 0.01$), respectively.

---

4. I ran an independent samples *t*-test when CEO background characteristics variables were dichotomous and nominal. The level of corporate philanthropy between founder CEOs and non-founder CEOs was significantly different (founder CEOs, M = 14.969, SD = 2.119; Non-founder CEOs, M = 16.547, SD = 2.171) (t = 4.383, $p < 0.000$)

5. The level of corporate philanthropy between output functional background and throughput functional background was significantly different (CEOs with output functional background, M = 16.556, SD = 2.185; CEOs with throughput functional background, M = 16.679, SD = 2.667) (t = -2.621, $p < 0.010$)

Table 7. Descriptive Statistics and Correlations

	Mean	Std. dev	1	2	3	4	5	6	7	8
1. CEO Tenure	10.910	8.200	1.000							
2. CEO Change[a]	0.292	0.456	-0.124	1.000						
3. Proportion of Female Directors	0.173	0.086	-0.162*	-0.074	1.000					
4. Firm Age	67.398	54.651	-0.245**	-0.049	0.298**	1.000				
5. Firm Size[b]	9.924	1.892	-0.111	-0.028	0.339**	0.368**	1.000			
6. Organizational Slack[c]	0.404	0.465	-0.095	0.094	0.040	-0.025	0.085	1.000		
7. Advertising Intensity[d]	0.012	0.021	-0.037	-0.114	0.119	-0.061	0.045	-0.060	1.000	
8. Industry[e]	0.691	0.463	0.074	-0.025	0.030	-0.104	-0.056	0.124	0.077	1.000
9. CEO Founder Status[f]	0.287	0.453	0.560**	-0.134	-0.292**	-0.487**	-0.426**	-0.197**	0.107	0.074
10. CEO Functional Background[g]	0.475	0.500	0.225**	0.128	0.014	-0.073	0.163*	-0.087	0.168*	0.177*
11. CEO Civic Engagement[h]	1.086	0.820	0.299**	-0.153*	0.098	0.157*	0.306**	0.005	-0.005	0.036
12. CEO Formal Education Level[i]	17.989	2.729	-0.149*	-0.011	0.049	0.187*	0.050	0.058	-0.021	-0.016
13. CEO Business Education Type[j]	0.466	0.500	-0.125	0.192*	0.112	0.126	0.082	-0.028	-0.004	0.016
14. CEO Technical Education Type[k]	0.444	0.498	-0.140	-0.052	0.060	0.009	0.002	-0.032	-0.002	-0.284**
15. Corporate Philanthropy[l]	16.098	2.265	-0.127	0.009	0.343**	0.387**	0.648**	0.071	-0.005	-0.025
16. Unrelated Diversification[m]	0.270	0.331	-0.049	-0.066	0.028	0.032	0.265**	-0.027	0.085	-0.209**
17. Global Strategic Posture[n]	0.028	0.055	-0.014	0.022	0.056	0.076	0.191*	-0.079	0.021	-0.370**
18. ROA[o]	0.046	0.058	0.105	0.070	0.209**	0.065	0.285**	-0.018	0.005	-0.165*
19. ROE[p]	0.043	0.042	0.017	-0.015	0.180*	0.353**	0.381**	-0.120	-0.194**	-0.068

	Mean	Std. dev	9	10	11	12	13	14	15	16	17	18	19
9. CEO Founder Status[f]	0.287	0.453	1.000										
10. CEO Functional Background[g]	0.475	0.500	0.240**	1.000									
11. CEO Civic Engagement[h]	1.086	0.820	0.146	0.303**	1.000								
12. CEO Formal Education Level[i]	17.989	2.729	-0.253**	-0.042	0.075	1.000							
13. CEO Business Education Type[j]	0.466	0.500	-0.194**	0.008	-0.057	0.194**	1.000						
14. CEO Technical Education Type[k]	0.444	0.498	-0.116	-0.311**	-0.066	0.166*	0.026	1.000					
15. Corporate Philanthropy[l]	16.098	2.265	-0.314**	0.194**	0.397**	0.126	0.095	0.008	1.000				
16. Level of Unrelated Diversification[m]	0.270	0.331	-0.057	0.198**	0.115	-0.019	-0.039	0.135	0.284**	1.000			
17. Global Strategic Posture[n]	0.028	0.055	-0.117	0.091	0.004	0.201**	0.055	0.203**	0.334**	0.306**	1.000		
18. ROA[o]	0.046	0.058	-0.084	-0.021	0.005	-0.040	-0.053	0.090	0.171*	0.068	0.336**	1.000	
19. ROE[p]	0.043	0.042	-0.195**	-0.073	0.160*	0.014	0.050	0.034	0.252**	0.005	0.120	0.602**	1.000

Notes: n= 178; [a](Coded 1 if the CEO stepped down in the year of 2013 and 0 otherwise); [b](Log-transformed average number of employees of the sample firms during 2010-2013); [c](Log-transformed the sample firms' average proportion of long-term debt to total debt during 2010 to 2013); [d](Log-transformed the sample firms' average advertising intensity divided by total sales during 2010 to 2013); [e](Coded 1 for manufacturing and 0 for services); [f](Coded 1 if the sample firms led by founder CEOs and 0 otherwise as of 2013); [g](Coded 1 if the CEO had output functional background and 0 if the CEO had throughput functional background); [h](Measured as average three elements of civic engagement the sample firm's CEO participated in, such as community-based service, issue-oriented projects, and politically-based activities); [i](Measured by counting years of formal education the CEO received); [j](Coded 1 if the CEO earned an MBA and 0 otherwise); [k](Coded 1if the CEO earned a science or engineering degree and 0 otherwise); [l](Log-transformed total amount of corporate giving, including cash and in-kind, during 2010 to 2013); [m](Measured as counting number of different four-digits SIC codes the sample firms operated in during 20010-2013 and averaging them); [n](Measured as average foreign sales of the sample firms during 2010-2013); [o](Log-transformed net income divided by total asset in the year of 2014); [p](Log-transformed net income divided by total shareholder's equity in the year of 2014);*,** Correlation is significant at the 0.05 level; 0.01 level (two-tailed), respectively

5.2 CEO Background Characteristics and Philanthropy

Using multiple regression analysis, Table 8 below shows main effect which indicated the result of hypothesis 1, 2, 3, and 4 proposed in chapter III. Model 1 included the seven control variables (CEO tenure, CEO change, proportion of female directors, firm size, advertising intensity, and industry). Both proportion of female directors and firm size were a significantly positive predictor of corporate philanthropy in model 1 (B = 0.142, $p < 0.05$; B = 0.601, $p < 0.01$) respectively. However, none of other variables were significant. Overall, the control variables in model 1 explained 44.2% of the variance in dependent in the level of corporate philanthropy. Model 2 included the control variables and the independent variable (CEO founder status). Hypothesis 1 states that firms led by founder CEOs have a higher level of corporate philanthropy than those led by non-founder CEOs. The regression coefficient in model 2 did not support hypothesis 1 (B = 0.024, *n.s.*). Model 3, 4, 5, 6, and 7 included the same control variables with other independent variables (such as CEO functional background, CEO civic engagement, CEO formal education level, CEO business education type, and CEO technical education type). For example, hypothesis 2 states firms led by CEOs with output functional backgrounds have a higher level of corporate philanthropy compared to those led by CEOs with throughput functional backgrounds. As the regression coefficient in model 3 indicates, hypothesis 2 was supported (B = 0.129, $p < 0.05$). Hypothesis 3 states that there is a positive relationship between the level CEO civic engagement and the level of corporate philanthropy. The regression coefficient in model 4 supported hypothesis 3 (B = 0. 273, $p < 0.01$). The third and fourth models had significantly higher incremental explained variance as shown in the changes in R^2 (B = 0.014, $p < 0.05$; B = 0.058, $p < 0.01$) respectively. Hypothesis 4a states that the level of CEO formal education is positively related to the level of corporate philanthropy. The regression coefficient in model 5 did not support hypothesis 4a (B = 0.084, *n.s.*). Hypothesis 4b states that the level of corporate philanthropy by firms led by CEOs with business related education (an MBA) is significantly higher than those firms led by CEOs without business-related education (an MBA). The regression coefficient in model 6 did not support hypothesis 4b (B = 0.021, *n.s.*). Hypothesis 4c states that the level of corporate philanthropy by firms led by CEOs with a technical education (such as science and engineering) is significantly lower than those firms led by CEOs without a technical education. The regression coefficient in model 7 did not support hypothesis 4c (B = 0.000, *n.s.*).

Table 8. The Effect of CEO Background Characteristics on Corporate Philanthropy

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
CEO Tenure	-0.036 (0.016)	-0.047 (0.020)	-0.068 (0.017)	-0.125 (0.016)	-0.024 (0.016)	-0.034 (0.016)	0.036 (0.017)
CEO Change	0.027 (0.290)	0.028 (0.292)	-0.002 (0.294)	0.055 (0.277)	0.030 (0.290)	0.023 (0.297)	0.027 (0.292)
Proportion of Female Directors	0.142** (1.627)	0.145** (1.652)	0.145** (1.613)	0.133** (1.545)	0.141** (1.622)	0.140** (1.639)	0.142** (1.635)
Firm Size	0.601*** (0.073)	0.609*** (0.080)	0.573*** (0.074)	0.510*** (0.074)	0.598*** (0.073)	0.600*** (0.074)	0.601*** (0.074)
Organizational Slack	0.004 (0.285)	0.006 (0.289)	0.018 (0.285)	0.001 (0.271)	0.000 (0.284)	0.005 (0.287)	0.004 (0.286)
Advertising Intensity	-0.048 (6.848)	-0.051 (6.988)	-0.070 (6.901)	-0.040 (6.503)	-0.045 (6.830)	-0.047 (6.868)	-0.048 (6.869)
Industry	0.010 (0.285)	0.010 (0.286)	-0.013 (0.288)	0.003 (0.271)	0.011 (0.284)	0.010 (0.286)	0.010 (0.298)
CEO Founder Status		0.024 (0.404)					
CEO Functional Background			**0.129**** (0.284)				
CEO Civic Engagement				**0.273***** (0.170)			
CEO Formal Education Level					0.084 (0.048)		
CEO Business Education Type						0.021 (0.269)	
CEO Technical Education Type							0.000 (0.276)
R^2	0.442	0.443	0.456	0.501	0.449	0.443	0.442
Adjusted R^2	0.419	0.416	0.430	0.477	0.423	0.416	0.416
ΔR^2 (From Model 1)		0.000	0.014**	0.058***	0.007	0.001	0.000
F-Value	19.268	16.780	17.710	21.186	17.230	16.788	16.760

Note that significant is at the ***** p < 0.10;** p < 0.05;*** p < 0.01 (Two-tailed); Standard errors are shown in parenthesis; Dependent variable is corporate philanthropy.

5.3 The Moderating Effect of Firm Age

Chapter III hypothesized that firm age negatively moderates the relationships between CEO background characteristics and corporate philanthropy such that these relationships are weaker for older firms. To test this hypothesis, I used Moderated Regression Analysis (MRA). The moderating effect of firm age on the relationship between CEO founder status and corporate philanthropy is presented below in Table 9. Model 1 included the seven control variables (CEO tenure, CEO change, proportion of female directors, firm size, advertising intensity, and industry). Model 1 shows that both proportion of female directors and firm size were significantly positive predictors of corporate philanthropy (B = 0.142, $p < 0.05$; B = 0.600, $p < 0.01$). None of other variables were significant. Model 2 included the control variables, the independent variable (CEO founder status), and the moderator (firm age). The regression coefficient indicates that firm age was a significant positive predictor of corporate philanthropy (B = 0.173, $r < 0.05$). Model 3 included the cross-product term (CEO Founder Status × Firm Age) with mean-centered. Hypothesis 5a states that firm age negatively moderates the relationship between CEO founder status and corporate philanthropy. Model 3 shows a statistically significant regression coefficient (B = -0.301, $p < 0.05$). Therefore, hypothesis 5a was supported. Overall, the second and third models explained 46.3% and 47.7% of the variance in the dependent variable respectively. In addition, model 2 and model 3 had significantly higher incremental explained variance as shown in the changes in R^2 (B = 0.021, $p < 0.05$; B = 0.035, $p < 0.05$), respectively. Table 10 below shows that there was a statistically significant interaction between firm age and CEO founder status on corporate philanthropy.

As a further examination, I plotted the interaction effect in a regression model by using Aiken et al (1991, p. 29)'s approach for the following form:

$$Y \textit{ (Dependent Variable)} = b_0 \textit{ (Intercept)} + b_1 X \textit{ (Independent Variable)} + b_2 Z \textit{ (Moderating Variable)} + b_3 XZ \textit{ (Interaction between X and Z)} + e$$

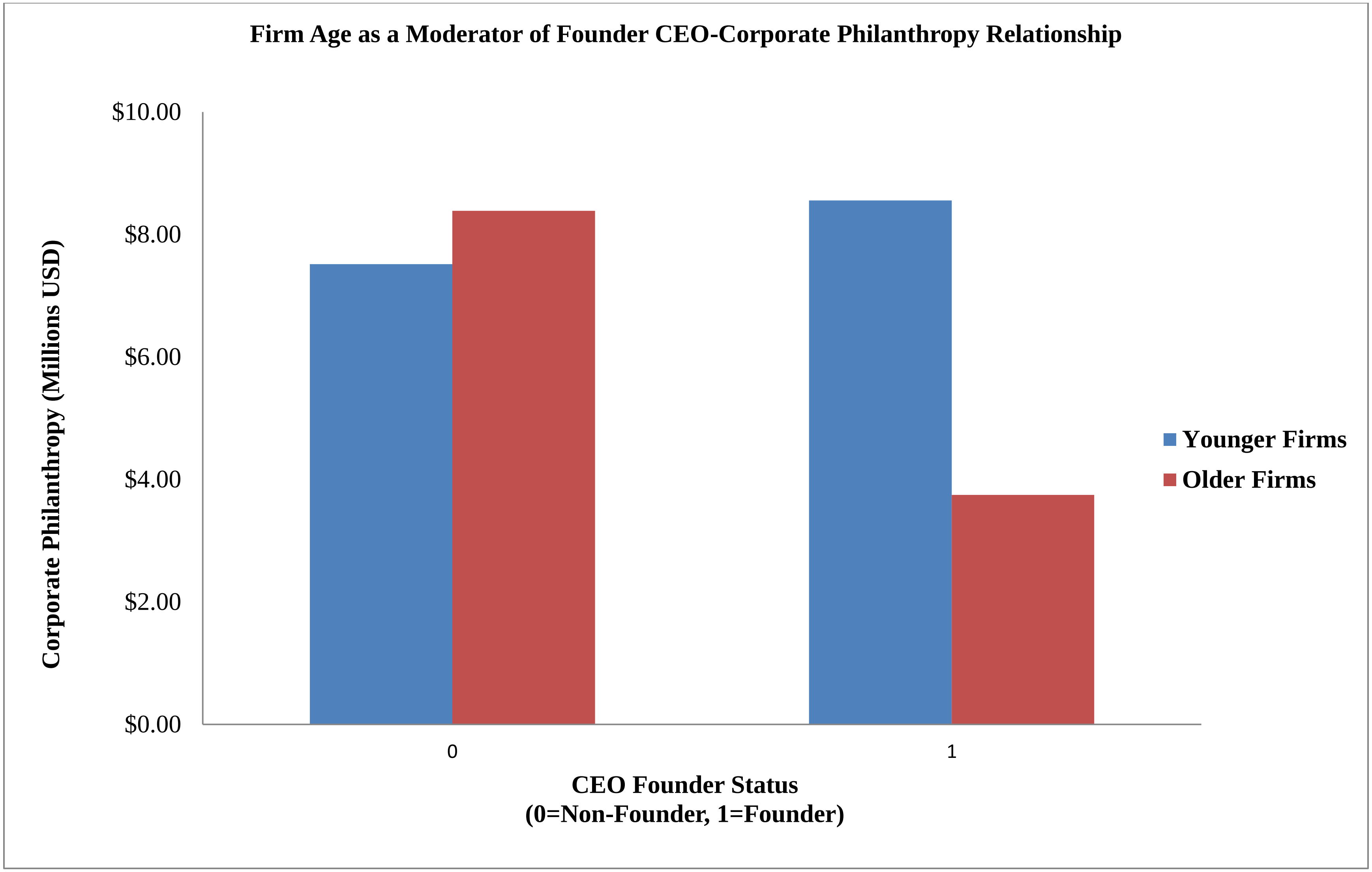
I ran a regression analysis, including CEO founder status as *X*, firm age as *Z*, and CEO founder status × firm age as *XZ*. Figure 4 below shows the significant interaction between firm age and CEO founder status on corporate philanthropy and presents firm age as a moderator of CEO founder status and corporate philanthropy relationship. Specifically, it graphically shows that there is a positive relationship between founder CEOs and corporate philanthropy. It shows that in older firms, founder-CEOs donate less than those in younger firms.

Table 9. Moderating Effect of Firm Age on the relationship between CEO Founder Status and Corporate Philanthropy

Variables	Model 1	Model 2	Model 3
CEO Tenure	-0.036 (0.016)	-0.048 (0.019)	0.028 (0.022)
CEO Change	0.026 (0.291)	0.043 (0.290)	0.038 (0.287)
Proportion of Female Directors	0.142** (1.625)	0.121* (1.640)	0.126** (1.626)
Firm Size	0.600*** (0.073)	0.580*** (0.080)	0.619*** (0.082)
Slack	0.004 (0.285)	0.026 (0.287)	0.029 (0.284)
Advertising Intensity	-0.048 (6.195)	-0.042 (6.235)	-0.060 (6.244)
Industry	0.011 (0.285)	0.020 (0.282)	0.009 (0.288)
CEO Founder Status		0.094 (0.421)	0.341** (0.727)
Firm Age		0.173** (0.003)	0.181** (0.003)
CEO Founder Status × Firm Age			**-0.301**** (0.025)
R^2	0.442	0.463	0.477
Adjusted R^2	0.419	0.435	0.445
ΔR^2 (From Model 1)		0.021**	0.035**
F-Value	19.268	16.120	15.220

Note that significant is at the ***** $p < 0.10$;** $p < 0.05$;*** $p < 0.01$ (Two-tailed); Standard errors are shown in parenthesis; Dependent variable is corporate philanthropy.

Figure 4: CEO Founder Status & Corporate Philanthropy under Firm Age



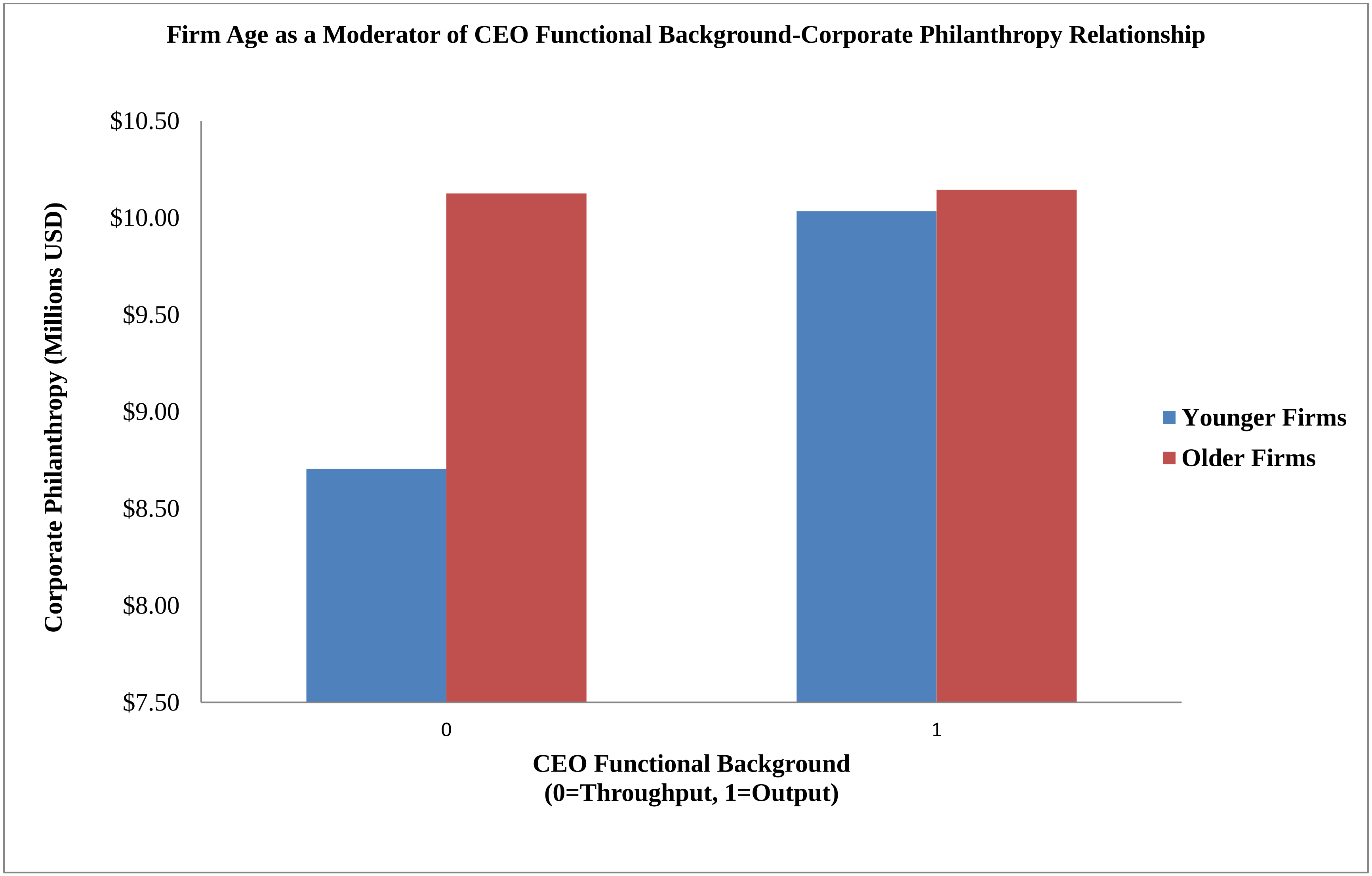
The moderating effect of firm age on the relationship between CEO functional background and corporate philanthropy is presented below in Table 10. Model 1 shows that both proportion of female directors and firm size were significantly positive predictors of corporate philanthropy (B = 0.142, $p < 0.05$; B = 0.600, $p < 0.01$). The regression coefficient in model 2 indicates that CEO functional background and firm age was a significant positive predictor of corporate philanthropy (B = 0.139, $p < 0.05$; B = 0.157, $p < 0.05$), respectively. Furthermore, model 3 included the cross-product term (CEO functional background × Firm Age) with mean-centered. Hypothesis 5b states that firm age negatively moderates the relationship between CEO functional background and corporate philanthropy. Model 3 shows a statistically significant regression coefficient (B = -0.269, $p < 0.05$). Therefore, hypothesis 5b was supported. Overall, the second and third models explained 47.5% and 49.5% of the variance in the dependent variable respectively. In addition, model 2 and model 3 had significantly higher incremental explained variance as shown in the changes in R^2 (B = 0.033, $p < 0.05$; B = 0.053, $p < 0.1$), respectively. Since there was a significant interaction between firm age and CEO functional background on corporate philanthropy, I plotted the interaction effect in a regression analysis as I did previously. Figure 5 below presents firm age as a moderator of CEO functional background and corporate philanthropy relationship. Specifically, it graphically shows that there is a positive relationship between firms led by CEOs having output functional background and corporate philanthropy. It shows that in younger firms, CEOs having throughput functional background donate less than those in older firms.

Table 10. Moderating Effect of Firm Age on the relationship between CEO Functional Background and Corporate Philanthropy

Variables	Model 1	Model 2	Model 3
CEO Tenure	-0.036 (0.016)	-0.040 (0.017)	-0.049 (0.017)
CEO Change	0.026 (0.291)	0.008 (0.291)	0.032 (0.289)
Proportion of Female Directors	0.142** (1.625)	0.116* (1.615)	0.119* (1.588)
Firm Size	0.600*** (0.073)	0.524*** (0.077)	0.504*** (0.076)
Slack	0.004 (0.285)	0.030 (0.281)	0.035 (0.277)
Advertising Intensity	-0.048 (6.195)	-0.055 (6.189)	-0.065 (6.101)
Industry	0.011 (0.285)	-0.004 (0.284)	-0.015. (0.280)
CEO Functional Background		0.139** (0.281)	0.328*** (0.429)
Firm Age		0.157** (0.003)	0.308*** (0.004)
CEO Functional Background × Firm Age			**-0.269**** (0.005)
R^2	0.442	0.475	0.495
Adjusted R^2	0.419	0.447	0.465
ΔR^2 (From Model 1)		0.033**	0.053*
F-Value	19.268	16.890	16.398

Note that significant is at the ***** p < 0.10;** p < 0.05;*** p < 0.01 (Two-tailed); Standard errors are shown in parenthesis; Dependent variable is corporate philanthropy.

Figure 5. CEO Functional Background & Corporate Philanthropy under Firm Age



The moderating effect of firm age on the relationship between CEO civic engagement and corporate philanthropy is presented below in Table 11. Model 2 shows that both CEO civic engagement was a significant positive predictor of corporate philanthropy in (B = 0.529, $p < 0.01$). Model 3 included the cross-product term (CEO Civic Engagement × Firm Age) with mean-centered. Hypothesis 5c states that firm age negatively moderates the relationship between CEO civic engagement and corporate philanthropy such that this relationship is weaker for older firms. The regression coefficient in model 3 did not support hypothesis 5c (B = - 0.083, *n.s.*). Therefore, hypothesis 5c was not supported.

Table 11. Moderating Effect of Firm Age on the relationship between CEO Civic Engagement and Corporate Philanthropy

Variables	Model 1	Model 2	Model 3
CEO Tenure	-0.036 (0.016)	-0.098 (0.017)	-0.115* (0.017)
CEO Change	0.026 (0.291)	0.060 (0.276)	0.055 (0.276)
Proportion of Female Directors	0.142** (1.625)	0.112* (1.559)	0.121** (1.561)
Firm Size	0.600*** (0.073)	0.481*** (0.076)	0.462*** (0.077)
Slack	0.004 (0.285)	0.009 (0.270)	0.007 (0.265)
Advertising Intensity	-0.048 (6.195)	-0.290 (5.881)	-0.040 (5.916)
Industry	0.011 (0.285)	0.011 (0.270)	0.021 (0.271)
CEO Civic Engagement		0.259*** (0.170)	0.262*** (0.170)
Firm Age		0.114* (0.003)	0.116** (0.003)
CEO Civic Engagement × Firm Age			-0.083 (0.003)
R^2	0.442	0.511	0.517
Adjusted R^2	0.419	0.485	0.488
ΔR^2 (From Model 1)		0.068***	0.074
F-Value	19.268	19.485	17.869

Note that significant is at the ***** $p < 0.10$;** $p < 0.05$;*** $p < 0.01$ (Two-tailed); Standard errors are shown in parenthesis; Dependent variable is corporate philanthropy.

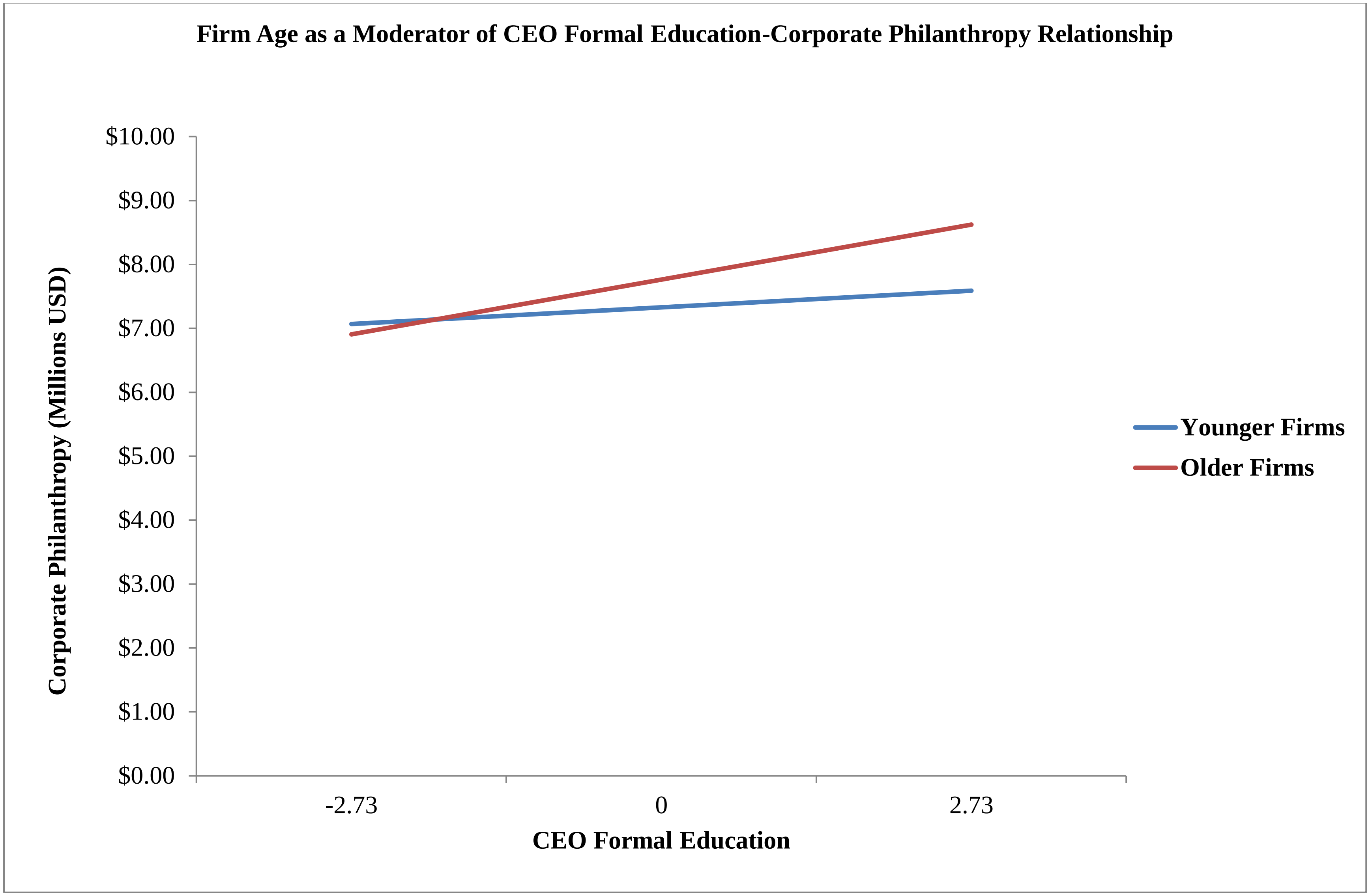
The moderating effect of firm age on the relationship between CEO formal education level and corporate philanthropy is presented below in Table 12. Model 2 shows that firm age was a significant positive predictor of corporate philanthropy (B = 0.137, $p < 0.05$). Model 3 included the cross-product term (CEO Formal Education Level × Firm Age) with mean-centered. Hypothesis $5d_1$ states that firm age negatively moderates between the level of CEO formal education and the level of corporate philanthropy. The direction of regression coefficient in model 3 showed a positive sign (B = 0.141, $p < 0.05$), which is opposite from the direction of hypothesis $5d_1$. Accordingly, hypothesis $5d_1$ was not supported. Overall, the second and third models explained 46.3% and 48.2% of the variance in the dependent variable respectively. In addition, model 2 and model 3 had significantly higher incremental explained variance as shown in the changes in R^2 (B = 0.021, $p < 0.05$; B = 0.040, $p < 0.05$), respectively. Since there was a statistically significant interaction between firm age and CEO formal education level on corporate philanthropy, I plotted the interaction effect in a regression analysis as I did previously. Figure 6 below presents firm age as a moderator of CEO formal education-corporate philanthropy relationship. Specifically, it graphically shows that the level of CEOs with formal education is positively related to corporate philanthropy and this relationship is stronger for older firms compared to younger firms.

Table 12. Moderating Effect of Firm Age on the relationship between CEO Formal Education Level and Corporate Philanthropy

Variables	Model 1	Model 2	Model 3
CEO Tenure	-0.036 (0.016)	0.000 (0.017)	-0.012 (0.016)
CEO Change	0.026 (0.291)	0.037 (0.288)	0.041 (0.284)
Proportion of Female Directors	0.142** (1.625)	0.116* (1.633)	0.120* (1.610)
Firm Size	0.600*** (0.073)	0.558*** (0.076)	0.561*** (0.075)
Slack	0.004 (0.285)	0.010 (0.283)	-0.004 (0.280)
Advertising Intensity	-0.048 (6.195)	-0.031 (6.159)	-0.035 (6.073)
Industry	0.011 (0.285)	0.011 (0.270)	0.014 (0.279)
CEO Formal Education Level		0.065 (0.048)	0.084 (0.048)
Firm Age		0.137** (0.003)	0.100 (0.003)
CEO Formal Education Level × Firm Age			0.141** (0.001)
R^2	0.442	0.463	0.482
Adjusted R^2	0.419	0.435	0.451
ΔR^2 (From Model 1)		0.021**	0.040**
F-Value	19.268	16.121	15.520

Note that significant is at the ***** p < 0.10;** p < 0.05;*** p < 0.01 (Two-tailed); Standard errors are shown in parenthesis; Dependent variable is corporate philanthropy.

Figure 6. CEO Formal Education & Corporate Philanthropy under Firm Age



The moderating effect of firm age on the relationship between CEO business education type and corporate philanthropy is presented below in Table 13. Model 2 shows that firm age was a significant positive predictor of corporate philanthropy (B = 0.147, $p < 0.05$). Model 3 included the cross-product term (CEO Business Education Type × Firm Age) with mean-centered. Hypothesis $5d_2$ states that firm age negatively moderates the relationship between the level of corporate philanthropy and firms led by CEOs with business related education (with an MBA). The regression coefficient in model 3 did not support hypothesis $5d_2$ (B = - 0.122, *n.s.*). Therefore, hypothesis $5d_2$ was not supported.

Table 13. Moderating Effect of Firm Age on the relationship between CEO Business Education Type and Corporate Philanthropy

Variables	Model 1	Model 2	Model 3
CEO Tenure	-0.036 (0.016)	-0.006 (0.017)	0.002 (0.017)
CEO Change	0.026 (0.291)	0.033 (0.295)	0.033 (0.294)
Proportion of Female Directors	0.142** (1.625)	0.114* (1.643)	0.108* (1.650)
Firm Size	0.600*** (0.073)	0.556*** (0.076)	0.550*** (0.076)
Slack	0.004 (0.285)	0.015 (0.283)	0.021 (0.285)
Advertising Intensity	-0.048 (6.195)	-0.032 (6.181)	-0.036 (6.199)
Industry	0.011 (0.285)	0.020 (0.284)	0.020 (0.283)
CEO Business Education Type		0.011 (0.267)	0.089 (0.430)
Firm Age		0.147** (0.003)	0.218** (0.004)
CEO Business Education Type × Firm Age			-0.122 (0.005)
R^2	0.442	0.460	0.463
Adjusted R^2	0.419	0.431	0.431
ΔR^2 (From Model 1)		0.017*	0.020
F-Value	19.268	15.870	14.396

Note that significant is at the ***** p < 0.10;** p < 0.05;*** p < 0.01 (Two-tailed); Standard errors are shown in parenthesis; Dependent variable is corporate philanthropy.

The moderating effect of firm age on the relationship between CEO technical education type and corporate philanthropy is presented below in Table 14. Model 2 shows that firm age was a significant positive predictor of corporate philanthropy (B = 0.149, $p < 0.05$). Model 3 included the cross-product term (CEO Technical Education Type × Firm Age) with mean-centered. Hypothesis $5d_3$ states that firm age negatively moderates the relationship between the level of corporate philanthropy and firms led by CEOs with technical education (such as science and engineering). The direction of regression coefficient in model 3 showed a positive sign (B = 0.269, $p < 0.1$), which is opposite from the direction of hypothesis $5d_3$. Therefore, hypothesis $5d_3$ was not supported. Overall, the second and third models explained 45.9% and 48.1% of the variance in the dependent variable, respectively. Model 2 and model 3 had higher incremental explained variance as shown in the changes in R^2 (B = 0.017, $p < 0.1$; B = 0.040, $p < 0.05$), respectively.

Table 14. Moderating Effect of Firm Age on the relationship between CEO Technical Education Type and Corporate Philanthropy

Variables	Model 1	Model 2	Model 3
CEO Tenure	-0.036 (0.016)	-0.006 (0.017)	-0.009 (0.016)
CEO Change	0.026 (0.291)	0.036 (0.289)	0.059 (0.288)
Proportion of Female Directors	0.142** (1.625)	0.114* (1.643)	0.112* (1.615)
Firm Size	0.600*** (0.073)	0.557*** (0.076)	0.556*** (0.075)
Slack	0.004 (0.285)	0.014 (0.283)	-0.006 (0.281)
Advertising Intensity	-0.048 (6.195)	-0.031 (6.181)	-0.021 (6.092)
Industry	0.011 (0.285)	0.023 (0.295)	0.028 (0.291)
CEO Technical Education Type		0.009 (0.273)	-0.175 (0.418)
Firm Age		0.149** (0.003)	0.026 (0.003)
CEO Technical Education Type × Firm Age			0.269* (0.005)
R^2	0.442	0.459	0.481
Adjusted R^2	0.419	0.430	0.449
ΔR^2 (From Model 1)		0.017*	0.040**
F-Value	19.268	15.867	15.448

Note that significant is at the ***** p < 0.10;** p < 0.05;*** p < 0.01 (Two-tailed); Standard errors are shown in parenthesis; Dependent variable is corporate philanthropy.

5.4 The Mediating Effect of Level of Unrelated Diversification & Global Strategic Posture

In Chapter III, I hypothesized that a mediating role of level of unrelated diversification and global strategic posture on the relationship between corporate philanthropy and firm performance. Firm performance was measured in both ROA and ROE. To test this hypothesis, I used a bootstrapping method by applying macros in SPSS (Preacher & Hayes, 2004), which can overcome low statistical power common in the traditional Baron and Kenny (1986)'s method and it can test the indirect effect through confidence intervals (Hayes, 2013; MacKinnon et al., 2002). In general, there are four steps (paths) to detect whether mediation effects occur: (1) the independent variable (IV) affects the mediator, (2) the IV directly affects the DV in the absence of the mediator,[6] (3) the mediator directly affects the dependent variable (DV), and (4) the total effect of the IV on the DV through the mediator. Currently, PROCESS macro for SPSS and SAS has become popular in the management to test mediation and can do everything Sobel's test does (Hayes, 2013). In this dissertation, I also used the PROCESS macro for SPSS and SAS to test mediation[7]. The procedures are the following. First, I downloaded PROCESS v2.16 from www.processmacor.org. Second, I chose model 4 from Model templates for PROCESS for SPSS and SAS which aligns with my dissertation model. I used 5,000 numbers of bootstrap samples for bias corrected bootstrap and 95% of confidence intervals.

Hypothesis 6 states that the level of unrelated diversification mediates the relationship between corporate philanthropy and firm performance. Table 15 below shows level of unrelated

6. The four steps were originally based on Baron and Kenny (1986)'s method. According to Hayes (2013), step two is not a necessary condition for mediation to occur. In this dissertation, I maintain them for information purposes.

7. The results were the same as those from a bootstrapping method. For example, hypothesis 7 (H7) states that global strategic posture mediates the relationship between corporate philanthropy and firm performance. When I tested H7 by using Model 4 in the PROCESS macro for SPSS and SAS, the coefficient of M=a*b was 0.003 ($p < 0.01$) and lower and upper level of bootstrap confidence intervals of 0.001 and 0.006 which include 0.

diversification as a mediator between corporate philanthropy and firm performance (ROA). Table 15 indicates that the direct effect of the mediator (level of unrelated diversification) on the dependent variable (firm performance) was not significant (coefficient = 0.038, p = 0.782). In addition, the total effect of the IV (corporate philanthropy) on the DV (firm performance) through mediator (level of unrelated diversification) did not reduce (coefficient = 0.004, p = 0.022) with bias corrected lower and upper level of bootstrap confidence intervals of -0.001 and 0.003, respectively. Since the confidence intervals did include 0, the indirect effect of the IV (corporate philanthropy) on the DV (firm performance) through the mediator (level of unrelated diversification) was not significant. Similarly, Table 16 below shows level of unrelated diversification as a mediator between corporate philanthropy and firm performance (ROE). Table 16 indicates that the direct effect of the mediator (level of unrelated diversification) on the dependent variable (firm performance) was not significant (coefficient = -0.011, p = 0.276). In addition, the total effect of the IV (corporate philanthropy) on the DV (firm performance) through the mediator (level of unrelated diversification) did not reduce (coefficient = 0.005, p = 0.001) with bias corrected lower and upper level of bootstrap confidence intervals of -0.001 and 0.002, respectively. Since the confidence intervals did include 0, the indirect effect of the IV (corporate philanthropy) on the DV (firm performance) through the mediator (level of unrelated diversification) was not significant. Based on the result of mediation analysis above, hypothesis 6 was not supported.

Table 15. Level of Unrelated Diversification as a Mediator between Corporate Philanthropy and Firm Performance (ROA)

Path		Coefficient	SE	t-value	p-value
1	IV (Corporate Philanthropy) to Mediator (Level of Unrelated Diversification) path	0.042	0.011	3.922	0.000
2	Direct Effect of IV (Corporate Philanthropy) on DV(Firm Performance)	0.004	0.002	2.308	0.022
3	Direct Effect of Mediator (Level of Unrelated Diversification) on DV (Firm Performance)	0.038	0.013	0.277	0.782
4	Total Effect of IV (Corporate Philanthropy) on DV (Firm Performance) through Mediator (Level of Unrelated Diversification)	0.004	0.002	2.129	0.022

Model Summary	R^2 = 0.030	Adj. R^2 = 0.019	F = 2.689	df (2, 175)	0.071

Bootstrap Results for Indirect Effect (95% Bias-Corrected Confidence Interval-5000 Resample)

	Effect	SE (boot)	Lower	Upper
Indirect Effect of IV (Corporate Philanthropy) on DV (Firm Performance) through Proposed Mediator (Level of Unrelated Diversification)	0.000	0.000	-0.001	0.003

Table 16. Level of Unrelated Diversification as a Mediator between Corporate Philanthropy and Firm Performance (ROE)

Path		Coefficient	SE	t-value	p-value
1	IV (Corporate Philanthropy) to Mediator (Level of Unrelated Diversification) path	0.042	0.011	3.922	0.000
2	Direct Effect of IV (Corporate Philanthropy) on DV(Firm Performance)	0.005	0.001	3.619	0.000
3	Direct Effect of Mediator (Unrelated Diversification) on DV (Firm Performance)	-0.011	0.097	-1.092	0.276
4	Total Effect of IV (Corporate Philanthropy) on DV (Firm Performance) through Mediator (Level of Unrelated Diversification)	0.005	0.001	3.619	0.001

Model Summary	$R^2 = 0.070$	Adj. $R^2 = 0.059$	F = 6.551	df (2, 175)	0.002

Bootstrap Results for Indirect Effect (95% Bias-Corrected Confidence Interval-5000 Resample)

	Effect	SE (boot)	Lower	Upper
Indirect Effect of IV (Corporate Philanthropy) on DV (Firm Performance) through Proposed Mediator (Level of Unrelated Diversification)	0.000	0.001	-0.001	0.002

Hypothesis 7 states that global strategic posture mediates the relationship between corporate philanthropy and firm performance. To test this hypothesis, I followed the same procedure as I did on hypothesis 6 above. Table 17 below presents global strategic posture as a mediator between corporate philanthropy and firm performance (ROA). Table 17 indicates that the direct effect of the mediator (global strategic posture) on the dependent variable (firm performance) was significant (coefficient = 0.331, p = 0.000). In addition, the total effect of the IV (corporate philanthropy) on the DV (firm performance) through the mediator (global strategic posture) reduced (coefficient = 0.004, p = 0.021) with bias corrected lower and upper level of bootstrap confidence intervals of 0.001 and 0.005, respectively. Since the confidence intervals did not include 0, the indirect effect of the IV (corporate philanthropy) on the DV (firm performance) through the mediator (global strategic posture) was significant. The model explained 11.66 percent of the variance in the dependent variable (firm performance). On the contrary, Table 18 below shows global strategic posture as a mediator between corporate philanthropy and firm performance (ROE). Table 18 indicates that the direct effect of the mediator (global strategic posture) on the dependent variable (firm performance) was not significant (coefficient = 0.031, p = 0.601). In addition, the total effect of the IV (corporate philanthropy) on the DV (firm performance) through the mediator (global strategic posture) did not reduce (coefficient = 0.004, p = 0.000) with bias corrected lower and upper level of bootstrap confidence intervals of -0.001 and 0.001, respectively. Since the confidence intervals did include 0, the indirect effect of the IV (corporate philanthropy) on the DV (firm performance) through mediator (global strategic posture) was not significant. Based on the result of mediation analysis above, hypothesis 7 was partially supported.

Table 17. Global Strategic Posture as a Mediator between Corporate Philanthropy and Firm Performance (ROA)

Path		Coefficient	SE	t-value	p-value
1	IV (Corporate philanthropy) to Mediator (Global Strategic Posture) path	0.008	0.002	4.700	0.000
2	Direct Effect of IV (Corporate Philanthropy) on DV(Firm Performance)	0.002	0.002	0.886	0.377
3	Direct Effect of Mediator (Global Strategic Posture) on DV (Firm Performance)	0.331	0.080	4.156	0.000
4	Total Effect of IV (Corporate Philanthropy) on DV (Firm Performance) through Mediator (Global Strategic Posture)	0.004	0.002	0.886	0.021

Model Summary	$R^2 = 0.117$	Adj. $R^2 = 0.107$	F = 11.555	df (2, 175)	0.000

Bootstrap Results for Indirect Effect (95% Bias-Corrected Confidence Interval-5000 Resample)

	Effect	SE (boot)	Lower	Upper
Indirect Effect of IV (Corporate Philanthropy) on DV (Firm Performance) through Proposed Mediator (Global Strategic Posture)	0.002	0.001	0.001	0.005

Table 18. Global Strategic Posture as a Mediator between Corporate Philanthropy and Firm Performance (ROE)

Path		Coefficient	SE	t-value	p-value
1	IV (Corporate philanthropy) to Mediator (Global Strategic Posture) path	0.008	0.002	4.700	0.000
2	Direct Effect of IV (Corporate Philanthropy) on DV(Firm Performance)	0.004	0.001	3.069	0.003
3	Direct Effect of Mediator (Global Strategic Posture) on DV (Firm Performance)	0.031	0.057	0.524	0.601
4	Total Effect of IV (Corporate Philanthropy) on DV (Firm Performance) through Mediator (Global Strategic Posture)	0.004	0.001	3.070	0.000

Model Summary	$R^2 = 0.065$	Adj. $R^2 = 0.054$	$F = 6.062$	df (2, 175)	0.003

Bootstrap Results for Indirect Effect (95% Bias-Corrected Confidence Interval-5000 Resample)

	Effect	SE (boot)	Lower	Upper
Indirect Effect of IV (Corporate Philanthropy) on DV (Firm Performance) through Proposed Mediator (Global Strategic Posture)	0.000	0.001	-0.001	0.001

5.4.1 Supplementary Analyses

As discussed in Chapter III, I intend to examine the interaction, including corporate philanthropy and firm performance through diversification strategies (level of unrelated diversification and global strategic posture). Using mediation analysis in Table 17 above, I found that global strategic posture mediated the relationship between corporate philanthropy and firm performance. This result notwithstanding, there might be another perspective suggesting that the firm's diversification profile might moderate the relationship between corporate philanthropy and firm performance. To resolve this perspective, I examined the level of unrelated diversification and global strategic posture as moderators of the relationship between corporate philanthropy and firm performance. I used Moderated Regression Analysis (MRA) to test these moderating relationships.

Table 19-1 below presents level of unrelated diversification as a moderator between corporate philanthropy and firm performance (ROA). Model 1 included the same control variables as I did to test the moderating effect of firm age. Model 1 shows that CEO tenure, proportion of female directors and firm size were significantly positive predictors of firm performance (B = 0.184, $p < 0.05$; B = 0.170, $p < 0.05$; B = 0.243, $p < 0.01$), respectively. Industry was a significantly negative predictor of firm performance (B = -0.166. $p < 0.05$). Model 2 included the control variables, the independent variable (corporate philanthropy), and the moderator (level of unrelated diversification). Model 3 included the cross-product term (Corporate Philanthropy × Level of Unrelated Diversification) with mean-centered. The regression coefficient in model 3 did not support the moderating effect of level of unrelated diversification on corporate philanthropy (B = 0.080, *n.s.*). The same procedure applied to Table 19-2 below except for the change of the dependent variable from ROA to ROE. Model 1 indicates that advertising intensity was a significantly negative predictor of firm performance (B = -0.229, $p < 0.01$). The regression coefficient in model 3 also did not support the moderating effect of level of unrelated diversification on corporate philanthropy (B = 0.110, *n.s.*). Based on the results of the MRA above, I concluded that level of unrelated diversification did not moderate the relationship between corporate philanthropy and firm performance.

Table 19-1. Level of Unrelated Diversification as a Moderator between Corporate Philanthropy and Firm Performance (ROA)

Variables	Model 1	Model 2	Model 3
CEO Tenure	0.184** (0.001)	0.182** (0.001)	0.183** (0.001)
CEO Change	0.111 (0.009)	0.111 (0.009)	0.104 (0.009)
Proportion of Female Directors	0.170** (0.051)	0.174** (0.053)	0.163** (0.053)
Firm Size	0.243*** (0.002)	0.273*** (0.003)	0.290*** (0.003)
Organizational Slack	-0.018 (0.009)	-0.018 (0.009)	-0.012 (0.009)
Advertising Intensity	0.005* (0.195)	0.005* (0.198)	-0.005 (0.199)
Industry	-0.166** (0.009)	-0.168** (0.009)	-0.166** (0.009)
Corporate Philanthropy		-0.041 (0.002)	-0.046 (0.002)
Level of Unrelated Diversification		-0.017 (0.013)	-0.045 (0.014)
Corporate Philanthropy × Level of Unrelated Diversification			0.080 (0.006)
R^2	0.160	0.161	0.166
Adjusted R^2	0.125	0.116	0.116
ΔR^2 (From Model 1)		0.001	0.006
F-Value	4.613	3.582	3.330

Note that significant is at the * $p < 0.10$;** $p < 0.05$;*** $p < 0.01$ (Two-tailed); Standard errors are shown in parenthesis; Dependent variable is firm performance (ROA).

Table 19-2. Level of Unrelated Diversification as a Moderator between Corporate Philanthropy and Firm Performance (ROE)

Variables	Model 1	Model 2	Model 3
CEO Tenure	0.051 (0.000)	0.048 (0.000)	0.049 (0.000)
CEO Change	-0.003 (0.006)	-0.009 (0.006)	-0.019 (0.006)
Proportion of Female Directors	0.094 (0.036)	0.085 (0.036)	0.070 (0.037)
Firm Size	0.378*** (0.002)	0.403*** (0.002)	0.426*** (0.002)
Organizational Slack	-0.163** (0.006)	-0.165** (0.006)	-0.156** (0.006)
Advertising Intensity	-0.229*** (0.136)	-0.219*** (0.137)	-0.233*** (0.138)
Industry	-0.015 (0.006)	-0.036 (0.006)	-0.033 (0.006)
Corporate Philanthropy		0.008 (0.002)	0.001 (0.002)
Level of Unrelated Diversification		-0.108 (0.009)	-0.147* (0.010)
Corporate Philanthropy × Level of Unrelated Diversification			0.110 (0.004)
R^2	0.227	0.237	0.247
Adjusted R^2	0.195	0.196	0.202
ΔR^2 (From Model 1)		0.010	0.020
F-Value	7.126	5.794	5.476

Note that significant is at the ***** $p < 0.10$;** $p < 0.05$;*** $p < 0.01$ (Two-tailed); Standard errors are shown in parenthesis; Dependent variable is firm performance (ROE).

Table 20-1 below presents global strategic posture as a moderator between corporate philanthropy and firm performance (ROA). Interestingly, model 2 and model 3 indicates that global strategic posture was a significantly positive predictor of firm performance (B = 0.304, $p < 0.01$; B = 0.359, $p < 0.01$), respectively. Model 3 included the cross-product term (Corporate Philanthropy × Global Strategic Posture) with mean-centered. The regression coefficient in model 3 supported the moderating effect of level of global strategic posture on corporate philanthropy (B = -0.133, $p < 0.1$). Overall, the second and third models explained 22.9% and 24.2% of the variance in the dependent variable (firm performance). In addition, model 2 and model 3 had higher incremental explained variance as shown in the changes in R^2 (B = 0.071, $p < 0.01$; B = 0.082, $p < 0.1$), respectively. Similarly, table 20-2 below presents global strategic posture as a moderator between corporate philanthropy and firm performance (ROE). Model 1 indicates that organizational slack and advertising intensity was significantly negative predictors of firm performance (B = -0.163, $p < 0.05$; B = -0.229, $p < 0.01$). The regression coefficient in model 3 did not supported the moderating effect of level of global strategic posture on corporate philanthropy (B = -0.099, *n.s.*). Based on the results of the MRA above, I concluded that global strategic posture negatively moderates the relationship between corporate philanthropy and firm performance; however, it shows marginally significance (e.g. *p*-value of the cross-product term was shown as 0.098).

Table 20-1. Global Strategic Posture as a Moderator between Corporate Philanthropy and Firm Performance (ROA)

Variables	Model 1	Model 2	Model 3
CEO Tenure	0.184** (0.001)	0.167** (0.000)	0.168** (0.000)
CEO Change	0.111 (0.009)	0.105 (0.009)	0.108 (0.009)
Proportion of Female Directors	0.170** (0.051)	0.188** (0.050)	0.195* (0.050)
Firm Size	0.243*** (0.002)	0.288*** (0.003)	0.261*** (0.003)
Organizational Slack	-0.018 (0.009)	-0.003 (0.009)	-0.013 (0.009)
Advertising Intensity	0.005* (0.136)	-0.015 (0.189)	0.008 (0.191)
Industry	-0.166** (0.009)	-0.055 (0.009)	-0.052 (0.009)
Corporate Philanthropy		-0.162* (0.002)	-0.128 (0.002)
Global Strategic Posture		0.304*** (0.083)	0.359*** (0.090)
Corporate Philanthropy × Global Strategic Posture			-0.133* (0.026)
R^2	0.160	0.229	0.242
Adjusted R^2	0.125	0.188	0.197
ΔR^2 (From Model 1)		0.071***	0.083*
F-Value	4.613	5.558	5.332

Note that significant is at the ***** $p < 0.10$;** $p < 0.05$;*** $p < 0.01$ (Two-tailed); Standard errors are shown in parenthesis; Dependent variable is firm performance (ROA).

Table 20-2. Global Strategic Posture as a Moderator between Corporate Philanthropy and Firm Performance (ROE)

Variables	Model 1	Model 2	Model 3
CEO Tenure	0.051 (0.000)	0.048 (0.000)	0.048 (0.000)
CEO Change	-0.003 (0.006)	-0.003 (0.006)	-0.001 (0.006)
Proportion of Female Directors	0.094 (0.036)	0.098 (0.036)	0.103 (0.036)
Firm Size	0.378*** (0.002)	0.390*** (0.002)	0.370*** (0.002)
Organizational Slack	-0.163** (0.006)	-0.161** (0.006)	-0.169** (0.006)
Advertising Intensity	-0.229*** (0.136)	-0.232*** (0.137)	-0.060*** (0.140)
Industry	-0.015 (0.006)	0.001 (0.007)	0.003 (0.007)
Corporate Philanthropy		-0.034 (0.002)	-0.009 (0.002)
Global Strategic Posture		0.044 (0.060)	0.085 (0.065)
Corporate Philanthropy × Global Strategic Posture			-0.099 (0.019)
R^2	0.227	0.228	0.235
Adjusted R^2	0.195	0.187	0.190
ΔR^2 (From Model 1)		0.002	0.009
F-Value	7.126	5.528	5.140

Note that significant is at the ***** $p < 0.10$;** $p < 0.05$;*** $p < 0.01$ (Two-tailed); Standard errors are shown in parenthesis; Dependent variable is firm performance (ROE).

5.5 Summary of Hypotheses Tests

In this chapter, I have presented the results of moderated regression analysis (MRA) and mediation analysis along with the results of descriptive statistics and correlations. Among fourteen hypotheses proposed in Chapter III, five hypotheses were supported. Hypotheses 2, 3, 5a and 5b have received empirical support. Interestingly, $H5d_1$ and $H5d_3$ were statistically significant but with the opposite direction than hypothesized. Hypothesis 7 was partially supported. Summary of proposed hypotheses were presented below in Table 21.

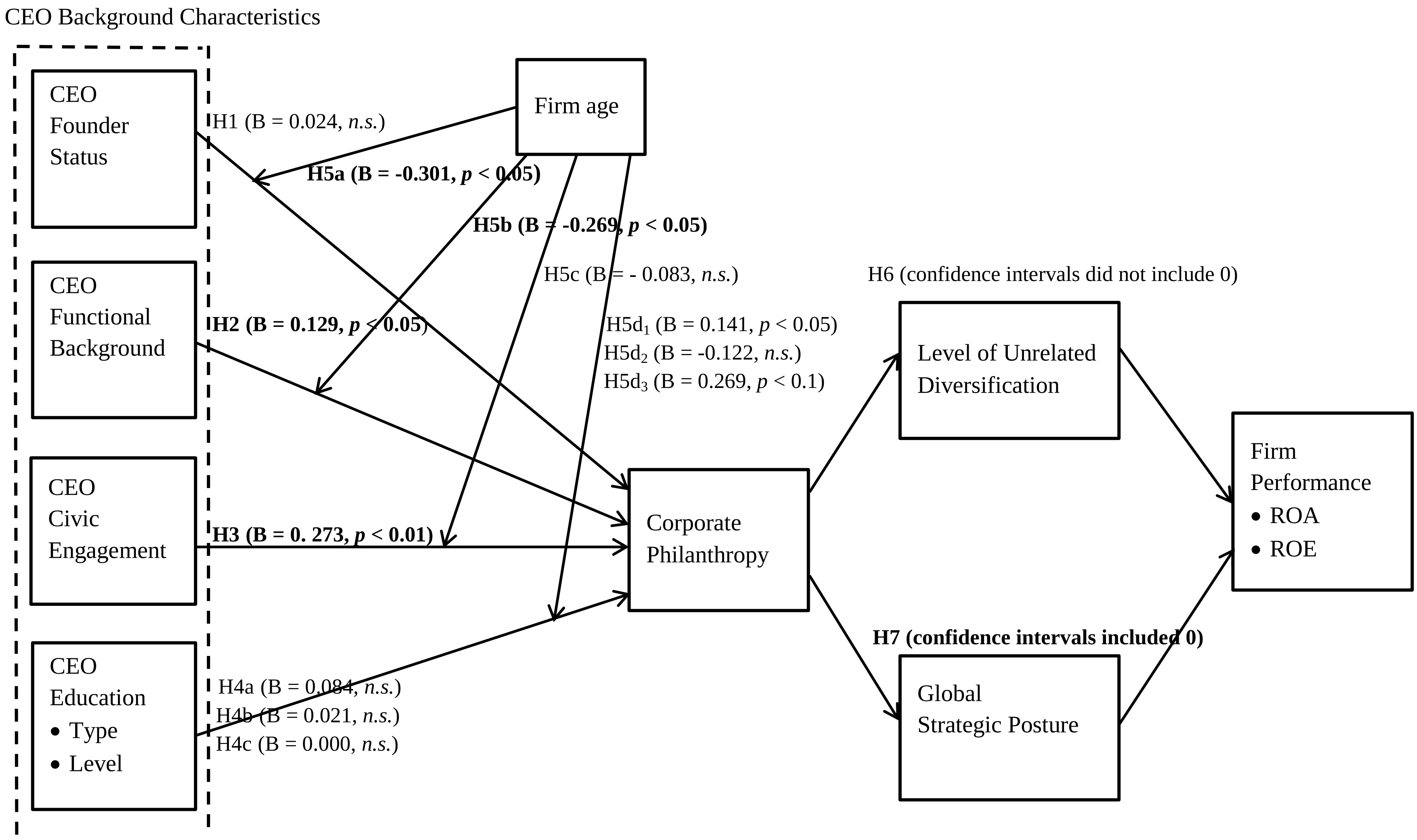
In the next chapter, I will discuss the major findings from this dissertation, provide scholarly and managerial implications, and conclude with limitations and future research direction.

Table 21: Summary of Proposed Hypotheses

H1	Firms led by founder CEOs have a higher level of corporate philanthropy than those led by non-founder CEOs.	(B = 0.024, *n.s.*)	Not Supported
H2	Firms led by CEOs with output functional backgrounds have a higher level of corporate philanthropy compared to those led by CEOs with throughput functional backgrounds.	**(B = 0.129, *p* < 0.05)**	**Supported****
H3	There is a positive relationship between the level CEO civic engagement and the level of corporate philanthropy.	**(B = 0. 273, *p* < 0.01)**	**Supported*****
H4a	The level of CEO formal education is positively related to the level of corporate philanthropy.	(B = 0.084, *n.s.*)	Not Supported
H4b	The level of corporate philanthropy by firms led by CEOs with business related education (with an MBA) is significantly higher than those firms led by CEOs without business-related education (without an MBA).	(B = 0.021, *n.s.*)	Not Supported
H4c	The level of corporate philanthropy by firms led by CEOs with a technical education (such as science and engineering) is significantly lower than those firms led by CEOs without a technical education.	(B = 0.000, *n.s.*)	Not Supported
H5	Firm age negatively moderates the relationship between CEO background characteristics and corporate philanthropy such that these relationships are weaker for older firms.		
H5a	Firm age negatively moderates the relationship between CEO founder status and corporate philanthropy.	**(B = -0.301, *p* < 0.05)**	**Supported****
H5b	Firm age negatively moderates the relationship between CEO functional background and corporate philanthropy.	**(B = -0.269, *p* < 0.05)**	**Supported****

H5c	Firm age negatively moderates the relationship between the level of CEO civic engagement and the level of corporate philanthropy such that this relationship is weaker for older firms.	(B = - 0.083, *n.s.*)	Not Supported
$H5d_1$	Firm age negatively moderates between the level of CEO formal education and the level of corporate philanthropy.	(B = 0.141, $p < 0.05$)	Not supported
$H5d_2$	Firm age negatively moderates the relationship between the level of corporate philanthropy and firms led by CEOs with business related education (with an MBA).	(B = -0.122, *n.s.*)	Not supported
$H5d_3$	Firm age negatively moderates the relationship between the level of corporate philanthropy and firms led by CEOs with technical education (such as science and engineering).	(B = 0.269, $p < 0.1$)	Not Supported
H6	The level of unrelated diversification mediates the relationship between corporate philanthropy and firm performance.	The result of bootstrap for indirect effect for confidence intervals did include 0 (when firm performance was measured in both ROA and ROE).	Not Supported
H7	Global strategic posture mediates the relationship between corporate philanthropy and firm performance.	The result of bootstrap for indirect effect for confidence intervals did **not include 0** (when firm performance was measured only in ROA).	**Partially Supported***

Figure 7. The Statistical Result of the Proposed Dissertation Model



CHAPTER VI

DISCUSIONS

The purpose of this dissertation was to empirically examine the effect of CEO background characteristics and firm diversification profile on corporate philanthropy. To achieve this objective, I provided a comprehensive review of the corporate philanthropy research. In addition, drawing from the upper echelons and institutional theories, I proposed fourteen hypotheses. Furthermore, I provided empirical evidence on these hypotheses by examining the following relationships.

First, I examined the relationships between CEO background characteristics (such as CEO founder status, functional background, civic engagement, and education) and corporate philanthropy. Second, I examined the moderating effect of firm age on those relationships. Third, I examined the mediating effect of level of unrelated diversification and global strategic posture on the relationship between corporate philanthropy and firm performance. Additionally, I provided supplementary analysis to examine the moderating effect of level of unrelated diversification and global strategic posture on that relationship.

This chapter consists of the following sections. In the first section, I discuss the results of statistical analyses from Chapter V. In the second section, I discuss some of the major scholarly and managerial implications of this dissertation. In the third section, I highlight the limitations of this dissertation and possible future research directions. Finally, I conclude with a summary of the major findings, contributions, and implications of the dissertation.

6.1 Discussions

In this dissertation, I have attempted to answer three research questions raised from Chapter I. First, "*do CEO background characteristics influence the level of corporate philanthropy? If so, why?"* Second, *does firm age moderate the relationships between CEO background characteristics and the level of corporate philanthropy?* Third, *does corporate diversification profile mediate the relationship between the level of corporate philanthropy and firm performance?* To untangle the above research questions, I conducted statistical analyses, including the Moderated Regression Analysis (MRA) and Mediation Analysis.

First, the results of empirical analyses from Chapter V have provided clear answer in the first research question for the following. After controlling for managerial variables (CEO tenure, CEO change, and proportion of female directors), organizational variables (firm size and advertising intensity), and industry, I found that there is a positive relationship between CEO functional background and corporate philanthropy. This finding is consistent with previous studies (e.g. Slater & Dixon-Fowler, 2009; Thomas & Simerly, 1994) that output functional backgrounds (such as marketing, sales, product research, and development) of executives (such as CEOs and top management teams) is associated with a higher level of corporate social performance. Accordingly, the findings of this dissertation suggest that CEO output functional background is an important determinant of corporate philanthropy. In addition, I also found a significant positive relationship between CEO civic engagement and corporate philanthropy. This finding is to some extent consistent with observations from other researchers that noted that “philanthropy and spontaneous helping are all strongly predicted by civic engagement” (Putnam, 2000, p. 117). Importantly, CEO civic engagement has become an important asset for order firms when it comes to providing important services to communities, develop unique business culture, and making favorable political climate surrounded by them (Picher, 2014). Accordingly, I have theoretically proposed and empirically demonstrated that the extent of CEO civic engagement can serve as an important determinant of the level of corporate philanthropy. Overall, the findings suggest that CEO background characteristics, particularly CEO output functional backgrounds and CEO civic engagement, can be significant and positive predictors of corporate philanthropy.

Despite my predictions, I did not find that other CEO background characteristics (such as CEO founder status and CEO education level and type) to be statistically significant predictors of corporate philanthropy. There might be some plausible explanations for these results. For example, founder CEOs might not have a higher interest regarding their firm’s philanthropic activities. Instead, they could have more interest in how the firm’s resources are related to business growth given their entrepreneurial background. Past research has suggested that there is a negative relationship between founder-CEO led firms and CSR initiatives (Block & Wagner, 2010). In addition to CEO founder status, CEO education level and type were not found to be influential factors that determine the level of corporate philanthropy. Instead, other demographic characteristics (such as gender, religion, age, and political party affiliation) might function as powerful influential on philanthropy (Yao, 2015). With regards to CEO education type (business-related education), there might be an alternative explanation suggested by Slater and Dixon-Fowler (2010) that CEOs with an MBA degree have received little additional training that would enhance their firm’s social responsibility. In other words, CEOs who have received business-related education (an MBA) might exclusively consider most of their business decisions using a profit-driven perspective that makes it difficult to justify philanthropic expenditures.

Second, the result of the empirical analysis has provided clear answers, particularly to my second research question that pertains to the moderating role of firm age. After controlling for the various managerial, organizational, and industry variables, I found that firm age negatively moderates the relationship between CEO founder status and corporate philanthropy. This finding is consistent with prevailing norm that older firms have established "organizational inertia which can reduce managerial discretion in decision-making" (Ammari et al., 2016, p. 6). Although founder CEOs have higher discretion in decision-making, they become less powerful as their firm gets older (Jayaraman, Khorana, Nelling & Covin, 2000). Accordingly, it can be suggested that founder CEOs at older firms might not be inclined to easily allocate the firm's resources to social causes, including charitable giving. In addition, I found that firm age negatively moderates the relationship between CEO functional background and corporate philanthropy. This finding suggests that CEOs with an internally functional background in throughput functions (such as operations, production, and finance) are less likely to emphasize a firm's philanthropic expenditures. This phenomenon becomes more relevant for older firms. This is because older firms tend to focus more on systematic stability for their business operations which can be obtained through optimal level of financial resources. Overall, the findings of the empirical analyses suggest that as firms get older, CEOs' influence on corporate philanthropy becomes weaker. This phenomenon becomes common, particularly when CEOs are founders and their career experiences are based on output functional backgrounds.

Although I did not find a significant and negative relationship between other CEO background characteristics (CEO civic engagement and CEO education level and type) and corporate philanthropy with firm age, I did find some interest findings which need the following explanation. As shown in Table 12 and Table14 from Chapter V, firm age was a statistically significant and positive moderator on the CEO education and corporate philanthropy relationship. One plausible reason for this result is that older firms need to hire CEOs who are more skilled and sophisticated so CEOs in older firms received higher education which enables them to pursue cognitively complicated tasks and strategic initiatives (Goll, Brown Johnson & Rasheed, 2008; Wiersema & Bantel, 1992). Among 178 CEOs in the final sample of this dissertation, 70 percent earned graduate degrees, including an MBA and a doctoral degree, and the majority of them earned both an undergraduate degree and a graduate degree. In addition, it might be anticipated that CEO technical education type (e.g. science and engineering degree) might be beneficial particularly for old firms. This is because old firms tend to make predictable strategic plans and focus on cost leadership and these features can be appropriately aligned with CEOs who received technical education.

Third, the result of the mediation analysis has provided clear answer to my third research question which pertains to the role of the firm's diversification profile. Table 17 from Chapter V showed that global strategic posture acts as an indirect mediator that influences the relationship between corporate philanthropy and firm performance (as measured only in ROA). I think that this is a very important finding in this dissertation. In particular, this finding is consistent with past research (Porter & Kramer, 2006) suggesting that expanding markets internationally is one of the primary business objectives in strategic philanthropy. For example, past research suggested that a firm needs to diversify internationally to exploit foreign market opportunities (Strike et al., 2006). Importantly, a firm's reputation in foreign markets is a key condition, particularly when the firm plans internationalization. Corporate philanthropy enhances a firm's reputation (Godfrey, 2005). Accordingly, this finding suggests that a firm's proactive engagement in philanthropy can help the firm to successfully deal with multiple stakeholder demands (e.g. the increase of CSR activities) in foreign markets. In addition, this finding suggests that corporate philanthropy can be closely linked with a firm's internationalization strategy (global strategic posture) which in fact increases firm performance. Overall, it can be argued that a firm's internationalization strategy (global strategic posture) can play an important mediating role (indirect effect) in the relationship between corporate philanthropy and firm performance.

Although I found the mediating role of global strategic posture on the corporate philanthropy and firm performance relation, I did not find the same role of level of unrelated diversification on that relation (as measured in both ROA and ROE). One plausible reason for this result is that diversified firms tend to emphasize short-term profit maximization (Hoskisson et al., 1993) which might not be philosophically aligned with corporate philanthropy. Corporate philanthropy generates a long-term benefit to the firm (Godfrey, 2005). Recent research also suggests that when a firm plans diversification strategy, the firm may not like to increase expenditures that do not contribute to short-term profitability (Kang, 2013).

In addition to the above empirical findings, I also ran supplementary analyses to see if there is a moderating role of corporate diversification profile on the corporate philanthropy and firm performance relationship. I found the marginal significance level of global strategic posture in the relationship between corporate philanthropy and firm performance (as measured only in ROA). Global strategic posture (as part of a firm's international strategy) was a negative moderator on that relationship. However, p-value is 0.098 (below 0.100) so it shows marginally significance. It might be anticipated that firms with internationalization strategy could be reluctant to increasing philanthropic expenditures which might negatively influence a short-term profit. The finding of supplementary analyses suggests that when firms plan internationalization strategy, they could reduce investment in social issues (such as the increase of philanthropic expenditures) which might not directly increase firm performance.

In the following section, I discuss implications of this dissertation. In particular, I emphasize the scholarly and managerial implications.

6.2 Implications

6.2.1 Scholarly Implications

In this dissertation, I make a number of contributions to research on corporate philanthropy. More importantly, this dissertation helps to extend the current understanding of two organizational theories (i.e. upper echelons and institutional theories) so as to explain the relationships among the CEO as the ultimate decision maker, corporate philanthropy as important dimension of corporate social responsibility (CSR) , and corporate diversification profile as important aspect of corporate strategy.

This dissertation contributes to on-going scholarly work to the fields of strategic leadership and the corporate social responsibility (CSR) literature in a number of ways. First, I suggest that founder CEOs become conservative in their philanthropic expenditures and their conservative attitude toward corporate philanthropy becomes prevalent, particularly when their firms get older. It is generally accepted founder CEOs tend to invest a great amount of time and effort to establish their firms (Zahra, 2005). Due to founder CEOs' physical and psychological bondage with their firms, they are less like to take the risks (e.g. resource allocation to non-business causes) and they are more like to focus on a conservative strategy (e.g. reluctant to aggressively investing in social causes). Importantly, founder CEO managerial discretion toward corporate philanthropy can be restricted since the strength of which other executives and managers are incrementally involved in the firm's philanthropic policy as the firm gets older. From this phenomenon, I argue that this dissertation helps to explain the current understating of founder CEO perspectives regarding a firm's social responsibility as the firm is growing.

Second, drawing upon the upper echelons theory, I extend the predictive ability of this theory by empirically demonstrating the important influence of certain background characteristics of CEOs on corporate philanthropy. Specifically, I suggest that corporate philanthropy can be explained by understanding certain CEO background characteristics, including dominant executive functional background. This dissertation supports that CEO functional background can predict the level of corporate philanthropy by specifically providing empirical evidence that firms led by CEOs who have more output functions are more likely to engage in corporate philanthropy. Recent research suggests that "corporate philanthropy strategy is primarily formulated at the top" (Marquis & Lee, 2013, p. 485). In addition, Huang (2013) suggests that an understanding of the relationship between the CEO as strategic decision maker and CSR as part of a firm's strategic choice needs to include the upper echelons theory. Past research found that managerial perceptions among top managers toward corporate social performance can be influenced by their demographic background (Ahmad & Ramayah, 2012; RahbekPedersen & Neergaard, 2009; Slater & Dixon-Fowler, 2009). Fulfilling these scholarly interests, this dissertation can contribute to the growing literature of corporate philanthropy by integrating scholarly work on upper echelons theory and corporate philanthropy.

Third, I provide a newly developed concept, *CEO civic engagement*, to explain CEO intrinsic motivation toward corporate philanthropy. I believe that this is a unique contribution of this dissertation. For example, I provide empirical evidence that the degree of CEO engagement in civic activities can explain the level of corporate philanthropy. This finding suggests that CEOs interpret CSR activities (e.g. a firm's philanthropic engagement) as part of civic engagement in order to meet the firm's social responsibility and the legitimacy of business. In addition, it is suggested that developing the local communities and making a stable political environment can be a motive for CEO civic engagement. For instance, past research (Hanson, Wolman, Connolly, Pearson & McManmon, 2006) suggests that many CEOs tend to contribute to their time and effort on civic activities as their firms provide resources on them. This is because CEOs believe that civic engagement can generate "improved infrastructure, workforce development, regional marketing, and high-quality higher education, health care, and cultural opportunities, all of which are directly related to corporate performance" (Hanson et al, 2006, p. 27). From this trend, it can be argued that CEOs have strong incentives to engage in civic engagement activities because they believe that CEO civic participation can play an important role in a mutual relationship between communities in particular and society in general along with their businesses. Importantly, the finding of this dissertation suggests that these behaviors among CEOs can significantly complement corporate philanthropy.

Fourth, I answered this fundamental question: *"Is philanthropy becoming more strategic in its orientation?"* I believe that this is another unique contribution in this dissertation. I provide empirical evidence to justify the link between corporate philanthropy and corporate strategy. Importantly, this is one of the first and important findings since it can fulfill scholars' interests regarding the link between corporate philanthropy and corporate strategy. For example, recent research suggested that a firm needs to find a way to integrate corporate philanthropy into the overall strategy since corporate philanthropy can incur a cost and indirectly contribute to a firm's profit (Gautier & Pache, 2015). This dissertation helps to understand how corporate philanthropy influences firm performance by empirically investigating the mechanism through which corporate philanthropy influences firm performance. Specifically, this dissertation helps to justify the indirect effect of corporate strategy (e.g. global strategic posture) on the corporate philanthropy and firm performance relation. From this, I argue that firms aggressively pursuing global strategic posture as part of their internationalization strategies can benefit from proactive corporate philanthropy, which can enhance corporate reputation and meet multiple stakeholder demands, in fact influencing firm performance.

Fifth, I extend research on institutional theory by providing a better understanding of multiple institutional demands in foreign countries and corporate philanthropy. When firms pursue global strategic posture, they might experience various stakeholders' demands, regulations, new political environment all of which eventually influence the overall firm performance. One way of appropriately managing these issues can be done through proactive corporate philanthropy. Past research argued that philanthropy is a practical way for firms to gain political resources (Wang & Qian, 2011) and multinational firms experience higher institutional pressures that push them to engage more in CSR (Husted & Allen, 2006). I suggest that firms proactively engage in corporate philanthropy which provide *'a certification to do business in host countries'* so as to successfully pursue their internationalization strategy, which in fact influence firm performance. This is consistent with Godfrey (2005, p. 778)'s argument that corporate philanthropy can "generate moral capital that provides shareholders with insurance like protection for the firm."

6.2.2 Managerial Implications

In this dissertation, I provide several managerial (practical) contributions. More importantly, the findings of this dissertation can provide corporate managers with important suggestions for their firms in a number of ways.

First, I provide practitioners with a comprehensive perspective regarding the CEO background characteristics and corporate philanthropy relation. Specifically, I suggest that CEO background characteristics can function as one of the most visible and observable measures that anticipate the level of corporate philanthropy. The result of this dissertation indicates that CEO background characteristics, including functional background in specific, can play an important role in an indicator that explains the level of corporate philanthropy. Past research suggested that CEOs with output functions (e.g. marketing, sales, and R&D) are more like to be more innovative and aggressive so they tend to open to change (Musteen et al., 2006). Corporate philanthropy as important dimension of CSR can be considered a firm's strategic choice in a long term. Therefore, I argue that the CEOs' primary functional areas can be closely related to the firm's overall philanthropic strategy. In addition, the empirical results also indicate that the CEO functional background and corporate philanthropy relation becomes weaker for older firms. In other words, CEOs in old firms might experience more challenges regarding their discretion toward a firm's philanthropic expenditures due to the formalized structure and other powerful executives. Past research also suggested that CEOs become accustomed to existing organizational rules and their actions are more restricted for older firms (Li & Tang, 2010). Accordingly, this finding points out the importance of carefully selecting CEOs with backgrounds that have been shown to positively influence a firm's philanthropic engagement. Hence, the findings provide some lessons for executive selection and succession decisions.

Second, the result of this dissertation indicates that corporate philanthropy can be explained by the degree of CEO civic engagement. In other words, CEO civic engagement plays a crucial role in a determinant that influences the level of corporate philanthropy. In practical perspective, this finding is very important particularly for firms' stakeholders. This is because stakeholders can recognize to which sector and to whom a firm's philanthropic engagement is more likely to emphasize by looking at the degree of CEO civic engagement. I suggest that CEO civic engagement (e.g. serving on a board in non-profit organizations, an affiliation with environmental/liberal parties, and severing on a board in local colleges and organization owned by government) can be an indication that anticipates the extent of a firm's philanthropic engagement. For example, CEOs who are involved more in *issue-oriented projects* are more likely to have specific causes (such as hunger relief and ethical aspects of environmental issues). On the other hand, CEOs who are involved more in *community-based service* are more likely to have an interest in charitable causes and volunteering through NGOs. Accordingly, it can be argued that the degree of CEO civic engagements is more likely to connect to the scope of a firm's philanthropic engagement, in fact increasing social recognition for the firm in the long-term.

Third, I provide practitioners with strategic accountability regarding how corporate philanthropy can be a good business strategy particularly through corporate diversification. More specifically, I suggest that firms that actively pursue global strategic posture as part of internationalization strategies can enjoy a competitive advantage when they carefully design and engage in corporate philanthropy. Recent research argued that corporate philanthropy can increase a firm's reputation, reduce government regulations, and meet multiple stakeholder interests (Wang & Qian, 2011). Corporate philanthropy can improve economic condition in developing regions and increase the size and quality of their customers in a long-term (Tonello, 2011). From this, I suggest that corporate philanthropy plays a role in a signal for expecting whether firms are ready to go for foreign countries to expand their market boundaries beyond their domestic markets. In addition, I recommend that stakeholders need to observe the degree and strength of a firm's philanthropic expenditures so that they can recognize the future direction of their firms' overall strategy in a long-term strategic perspective.

Fourth, the additional analysis of this dissertation found that the strength of the corporate philanthropy and firm performance relation becomes weak when firms launch global strategic posture. Although this is not a major interest and suggestion of this dissertation, this finding has plausible explanations for the following. First, it might be anticipated that the level of corporate philanthropy varies in terms of before and after they enter a foreign market. For example, when firms have their own markers (foreign subsidiaries) in a foreign country, they might need to carefully provide their resources with the existing levels of quality of their products and services; in the meantime, they could decrease or at most maintain the level of a firm's philanthropic engagement. Second, it might be anticipated that firms only increase the level of philanthropic engagement in foreign markets if they are convinced that the proportion of foreign sales continue to increase so that they need to manage new multiple stakeholders as well as more regulations.

6.3 Limitations & Future Research Directions

Despite a number of scholarly and managerial contributions of this dissertation, there have some limitations. I believe that addressing the following considerations not only make this dissertation more solid but also provide scholars with a promising future direction regarding studies of strategic leadership and corporate philanthropy.

First, I exclusively focused on a secondary data to examine the relationships between CEO background characteristics and corporate philanthropy. Therefore, it may experience some challenges regarding a deeper understanding of the CEO implicit motives toward corporate philanthropy. For example, intrinsic values and leadership characteristics among CEOs might have an impact on a firm's philanthropic decision. It is suggested that conducting a primary survey on these factors helps to provide a comprehensive knowledge of the relationships between CEO characteristics and corporate philanthropy.

Second, I exclusively used a total amount of cash gifts (including direct giving and donations to corporate sponsored foundations) and gifts in-kind to represent corporate philanthropy. To provide an in-depth understanding of corporate philanthropy, it is needed to distinguish types of corporate philanthropy, including cash giving and gifts in-kind giving. As opposed to cash giving, gifts in-kind giving may be highly related to firms' strategic purposes and missions so that it might genuinely reflects their level of corporate philanthropy. Accordingly, further studies are needed to focus on gifts in-kind giving to examine the relationship between corporate philanthropy and corporate diversification profile.

Third, I exclusively focused on 178 large U.S. corporations due to the unavailability of systematic social performance data. Therefore, it might experience challenges regarding generalizability. Better ways for appropriately managing internal generalizability are including other groups and expanding the time period. Therefore, it might be better if this dissertation included other firms (such as foreign firms and entrepreneurial firms) and involved a longitudinal design.

Fourth, I only captured foreign sales to represent global strategic posture (GSP) because of the unavailability of other factors (foreign production and geographic dispersion). It might not capture the overall scope of a firm's internationalization strategy. To untangle this issue, it is needed to develop other constructs to better represent GSP. Similarly, it might increase the validity of the results if this dissertation could differentiate corporate philanthropy into either international or domestic giving.

I hope the above issues need to be addressed in future study along with a better research direction in the field of corporate philanthropy studies.

6.4 Conclusion

In this dissertation, I empirically examined the effect of CEO background characteristics and corporate philanthropy and firm diversification profile. The results of empirical analysis suggest a significantly positive relationship between CEO background characteristics (CEO functional background and CEO civic engagement) and corporate philanthropy. These findings suggest that certain CEO background characteristics can play a crucial role in explaining the direction and the degree of corporate philanthropy. In addition, the findings also indicate that firm age functions as an important boundary condition in the relationship between certain CEO background characteristics (especially CEO founder status and CEO functional background) and corporate philanthropy. Finally, the findings also show that the firm's global strategic posture (as part of internationalization strategies) plays an important role as a medium through which corporate philanthropy influences firm performance. This finding suggests that proactive corporate philanthropy can be beneficial to the firm especially when the firm pursues market expansion (global strategic posture) beyond the limit of domestic markets.

REFERENCES

Abebe, M. A., Angriawan, A., & Ruth, D. (2012). Founder-CEOs, external board appointments, and the likelihood of corporate turnaround in declining firms. *Journal of Leadership & Organizational Studies, 19*(3), 273-283.

Adams, M., & Hardwick, P. (1998). An analysis of corporate donations: United Kingdom evidence. *Journal of management Studies*, *35*(5), 641-654.

Adams, R., Almeida, H., & Ferreira, D. (2009). Understanding the relationship between founder–CEOs and firm performance. *Journal of empirical Finance, 16*(1), 136-150.

Adler, R. P., & Goggin, J. (2005). What do we mean by “civic engagement”? *Journal of Transformative Education*, *3*(3), 236-253.

Agard, K. A. (2010). *Leadership in nonprofit organizations: A reference handbook* (Vol. 1). Sage.

Agle, B. R., Mitchell, R. K., & Sonnenfeld, J. A. (1999). Who matters to Ceos? An investigation of stakeholder attributes and salience, corpate performance, and Ceo values. *Academy of Management journal*, *42*(5), 507-525.

Aguinis, H. (2011). Organizational responsibility: Doing good and doing well

Aguinis, H., & Glavas, A. (2012). What we know and don’t know about corporate social responsibility a review and research agenda. *Journal of Management, 38*(4), 932-968.

Ahmad, N. H., & Ramayah, T. (2012). Does the notion of ‘doing well by doing good’prevail among entrepreneurial ventures in a developing nation?. *Journal of Business Ethics*, *106*(4), 479-490.

Aiken, L. S., West, S. G., & Reno, R. R. (1991). *Multiple regression: Testing and interpreting interactions*. Sage.

Alakent, E., & Ozer, M. (2014). Can companies buy legitimacy? Using corporate political strategies to offset negative corporate social responsibility records. *Journal of Strategy and Management, 7*(4), 318-336.

Amato, L. H., & Amato, C. H. (2007). The effects of firm size and industry on corporate giving. *Journal of Business Ethics, 72*(3), 229-241.

Amato, L. H., & Amato, C. H. (2012). Retail philanthropy: Firm size, industry, and business cycle. *Journal of business ethics, 107*(4), 435-448.

Ammari, A., Amdouni, S., Zemzem, A., & Ellouze, A. (2016). The Effect of Monitoring Committees on the Relationship between Board Structure and Firm Performance. *Journal of Risk and Financial Management*, *9*(4), 14.

Anderson, R. C., Mansi, S. A., & Reeb, D. M. (2003). Founding family ownership and the agency cost of debt. *Journal of Financial economics*, *68*(2), 263-285.

Angus-Leppan, T., Metcalf, L., & Benn, S. (2010). Leadership styles and CSR practice: An examination of sensemaking, institutional drivers and CSR leadership. *Journal of Business Ethics*, *93*(2), 189-213.

Arthurs, J. D., & Busenitz, L. W. (2003). The boundaries and limitations of agency theory and stewardship theory in the venture capitalist/entrepreneur relationship*. *Entrepreneurship Theory and Practice*, *28*(2), 145-162.

Atkinson, L., & Galaskiewicz, J. (1988). Stock ownership and company contributions to charity. *Administrative Science Quarterly*, 82-100.

Aupperle, K. E., Carroll, A. B., & Hatfield, J. D. (1985). An empirical examination of the relationship between corporate social responsibility and profitability. *Academy of management Journal*, *28*(2), 446-463.

Avolio, B. J., Bass, B. M., & Jung, D. I. (1999). Re-examining the components of transformational and transactional leadership using the Multifactor Leadership. *Journal of occupational and organizational psychology, 72*(4), 441-462.

Babbie, E. (2001). The practice of social research, 9th edn. Wadsworth/Thomson Learning. *Inc, Belmont*.

Bantel, K. A., & Jackson, S. E. (1989). Top management and innovations in banking: does the composition of the top team make a difference?. *Strategic Management Journal*, *10*, 107-124.

Barker III, V. L., & Mueller, G. C. (2002). CEO characteristics and firm R&D spending. *Management Science*, *48*(6), 782-801.

Barnard, J. W. (1996). Corporate philanthropy, executives' pet charities and the agency problem. *NYL Sch. L. Rev., 41*, 1147.

Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of personality and social psychology, 51*(6), 1173.

Bartkus, B. R., Morris, S. A., & Seifert, B. (2002). Governance and corporate philanthropy. *Business & Society, 41*(3), 319–344.

Bass, B. M., & Riggio, R. E. (2006). Transformational leadership. Psychology Press.

Brown, W. O., Helland, E., & Smith, J. K. (2006). Corporate philanthropic practices. *Journal of Corporate Finance, 12*(5), 855-877.

Beauchamp, L. L., & O’Connor, A. (2012). America's most admired companies: A descriptive analysis of CEO corporate social responsibility statements. *Public Relations Review, 38*(3), 494-497.

Bear, S., Rahman, N., & Post, C. (2010). The impact of board diversity and gender composition on corporate social responsibility and firm reputation. *Journal of Business Ethics, 97*(2), 207-221.

Bennett, R. (2012). Why Urban Poor Donate A Study of Low-Income Charitable Giving in London. *Nonprofit and Voluntary Sector Quarterly, 41*(5), 870-891.

Bielak, D. Bonini, SM J., & Oppenheim, J. M. (2007). CEOs on strategy and social issues. *McKinsey Quarterly, 43,* 8-12.

Bigley, G. A., & Wiersema, M. F. (2002). New CEOs and corporate strategic refocusing: How experience as heir apparent influences the use of power. *Administrative Science Quarterly, 47*(4), 707-727.

Billings, M. S, Geronimo Terkla, D & Reid, J. (2009). A comprehensive approach to measure civic engagement at a national research university. *Tufts University*

Block, J. H., & Wagner, M. (2010). Corporate social responsibility of large family and founder firms. *Available at SSRN 1625674.*

Boatsman, J. R., & Gupta, S. (1996). Taxes and corporate charity: empirical evidence from microlevel panel data. *National Tax Journal,* 193-213.

Bohnsack, M. R. (2012). How and why are companies reacting to (natural) disasters and what are the effects on the internationalization process?.

Boli, J., & Hartsuiker, D. (2001). World culture and transnational corporations: sketch of a project. *In International Conference on Effects of and Responses to Globalization, Istanbul.*

Boynton, J. (2013). How the voice of the people is driving corporate social responsibility. *Harvard Business Review.* Retrieved from https://hbr.org/2013/07/how-the-voice-of-the-people-is.

Brammer, S., & Millington, A. (2005). Corporate reputation and philanthropy: An empirical analysis. *Journal of Business Ethics, 61*(1), 29-44.

Brammer, S., & Millington, A. (2006). Firm size, organizational visibility and corporate philanthropy: an empirical analysis. *Business Ethics: A European Review, 15*(1), 6-18.

Brammer, S., Millington, A., & Pavelin, S. (2006). Is philanthropy strategic? An analysis of the management of charitable giving in large UK companies. *Business Ethics: A European Review, 15*(3), 234-245.

Brammer, S., & Millington, A. (2008). Does it pay to be different? An analysis of the relationship between corporate social and financial performance. *Strategic Management Journal, 29*(12), 1325-1343.

Brammer, S. J., Pavelin, S., & Porter, L. A. (2009). Corporate charitable giving, multinational companies and countries of concern. *Journal of Management Studies, 46*(4), 575-596.

Brown, W. O., Helland, E., & Smith, J. K. (2006). Corporate philanthropic practices. *Journal of Corporate Finance, 12*(5), 855-877.

Buchholtz, A. K., Amason, A. C., & Rutherford, M. A. (1999). Beyond resources the mediating effect of top management discretion and values on corporate philanthropy. *Business & Society, 38*(2), 167-187.

Burns, T. E., & Stalker, G. M. (1961). The management of innovation. *University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship.*

Campbell, L., Gulas, C. S., & Gruca, T. S. (1999). Corporate giving behavior and decision-maker social consciousness. *Journal of Business Ethics, 19*(4), 375-383.

Campbell, D., & Slack, R. (2006). Public visibility as a determinant of the rate of corporate charitable donations. *Business Ethics: A European Review, 15*(1), 19-28.

Campbell, J. L. (2007). Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *Academy of management Review, 32*(3), 946-967.

Campbell, D., & Slack, R. (2007). The strategic use of corporate philanthropy: building societies and demutualisation defences. *Business Ethics: A European Review, 16*(4), 326-343.

Carmeli, A., Gilat, G., & Waldman, D. A. (2007). The role of perceived organizational performance in organizational identification, adjustment and job performance. *Journal of Management Studies, 44*(6), 972-992.

Carpenter, M. A., & Fredrickson, J. W. (2001). Top management teams, global strategic posture, and the moderating role of uncertainty. *Academy of Management journal, 44*(3), 533-545.

Carpenter, M. A., Geletkanycz, M. A., & Sanders, W. G. (2004). Upper echelons research revisited: Antecedents, elements, and consequences of top management team composition. *Journal of management, 30*(6), 749-778.

Carroll, A. B. (1991). The pyramid of corporate social responsibility: toward the moral management of organizational stakeholders. *Business horizons, 34*(4), 39-48.

Carroll, A. B. (2001). Models of management morality for the new millennium. *Business Ethics Quarterly, 11*(2), 365-371.

Carroll, A. B., & Shabana, K. M. (2010). The business case for corporate social responsibility: a review of concepts, research and practice. *International Journal of Management Reviews, 12*(1), 85-105.

Chang, S. C., & Wang, C. F. (2007). The effect of product diversification strategies on the relationship between international diversification and firm performance. *Journal of World Business, 42*(1), 61-79.

Chatterjee, S., & Wernerfelt, B. (1991). The link between resources and type of diversification: Theory and evidence. *Strategic management journal, 12*(1), 33-48.

Chatterjee, A., & Hambrick, D. C. (2007). It's all about me: Narcissistic chief executive officers and their effects on company strategy and performance. *Administrative Science Quarterly, 52*(3), 351-386.

Chen, J. C., Patten, D. M., & Roberts, R. W. (2008). Corporate charitable contributions: A corporate social performance or legitimacy strategy?. *Journal of Business Ethics, 82*(1), 131-144.

Chen, M. H., & Lin, C. P. (2015). The impact of corporate charitable giving on hospitality firm performance: Doing well by doing good?. *International Journal of Hospitality Management, 47*, 25-34.

Chen, H., & Wang, X. (2011). Corporate social responsibility and corporate financial performance in China: an empirical research from Chinese firms. *Corporate Governance: The international journal of business in society*, *11*(4), 361-370.

Chiu, S. C., & Sharfman, M. (2009). Legitimacy, visibility, and the antecedents of corporate social performance: An investigation of the instrumental perspective. *Journal of Management.*

Chin, M. K., Hambrick, D. C., & Treviño, L. K. (2013). Political Ideologies of CEOs The Influence of Executives' Values on Corporate Social Responsibility. *Administrative Science Quarterly, 58*(2), 197-232.

Cho, T. S., & Hambrick, D. C. (2006). Attention as the mediator between top management team characteristics and strategic change: The case of airline deregulation. *Organization Science, 17*(4), 453-469.

Choi, J., & Wang, H. (2007). The promise of a managerial values approach to corporate philanthropy. *Journal of Business Ethics, 75*(4), 345-359.

Christmann, P. (2004). Multinational companies and the natural environment: Determinants of global environmental policy. *Academy of Management Journal, 47*(5), 747-760.

Coffey, B. S., & Wang, J. (1998). Board diversity and managerial control as predictors of corporate social performance. *Journal of Business Ethics, 17*(14), 1595-1603.

Cohen, J. C., & Cohen, P. P. (1983): *Applied Multiple Regression/Correlation Analysis for the Behavioral Sciences.* Hillsdale, New Jersey.

Cole, D. A., & Maxwell, S. E. (2003). Testing mediational models with longitudinal data: questions and tips in the use of structural equation modeling. *Journal of abnormal psychology*, *112*(4), 558.

Cox, P., Brammer, S., & Millington, A. (2004). An empirical examination of institutional investor preferences for corporate social performance. *Journal of Business Ethics, 52*(1), 27-43.

Custódio, C., & Metzger, D. (2014). Financial expert CEOs: CEO′ s work experience and firm′ s financial policies. *Journal of Financial Economics, 114*(1), 125-154.

Dennis, B. S., Buchholtz, A. K., & Butts, M. M. (2009). The Nature of Giving A Theory of Planned Behavior Examination of Corporate Philanthropy. *Business & Society, 48*(3), 360-384.

Deresky, H. (1997). *International management: Managing across borders and cultures.* Reading, MA: Addison–Wesley.

Devinney, T. M. (2009). Is the socially responsible corporation a myth? The good, the bad, and the ugly of corporate social responsibility. *The Academy of Management Perspectives*, *23*(2), 44-56.

Dietlin, L. M. (2011). *Transformational philanthropy: Entrepreneurs and nonprofits.* Jones & Bartlett Publishers.

DiMaggio, P. J., & Powell, W. W. (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review, 48*(2), 147-160.

Dodge, H. R., Fullerton, S., & Robbins, J. E. (1994). Stage of the organizational life cycle and competition as mediators of problem perception for small businesses. *Strategic Management Journal, 15*(2), 121-134.

Donaldson, T. (1982). *Corporations and morality.* Englewood Cliffs, NJ: Prentice-Hall.

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

Dooley, R. S., & Lerner, L. D. (1994). Pollution, profits, and stakeholders: The constraining effect of economic performance on CEO concern with stakeholder expectations. *Journal of Business Ethics*, *13*(9), 701-711.

Du, S., Swaen, V., Lindgreen, A., & Sen, S. (2013). The roles of leadership styles in corporate social responsibility. *Journal of business ethics, 114*(1), 155-169.

Du, X. (2014). Is Corporate Philanthropy Used as Environmental Misconduct Dressing? Evidence from Chinese Family-Owned Firms. *Journal of Business Ethics*, 1-21.

Edmondson, V. C., & Carroll, A. B. (1999). Giving back: an examination of the philanthropic motivations, orientations and activities of large black-owned businesses. *Journal of Business Ethics, 19(2),* 171-179.

Ekman, J., & Amnå, E. (2012). Political participation and civic engagement: Towards a new typology. *Human Affairs*, *22*(3), 283-300.

Embley, L. L. (1993). *Doing well while doing good: The marketing link between business & nonprofit causes.* Prentice Hall.

Fabrizi, M., Mallin, C., & Michelon, G. (2014). The role of CEO's personal incentives in driving Corporate Social Responsibility. *Journal of Business Ethics*, *124*(2), 311-326.

Fahlenbrach, R. (2009). Founder-CEOs, investment decisions, and stock market performance. *Journal of Financial and Quantitative Analysis*, *44*(2), 439-466.

Falck, O., & Heblich, S. (2007). Corporate social responsibility: Doing well by doing good. *Business Horizons*, *50*(3), 247-254.

Fallon. N. (2014). Civic Engagement as Company Culture: Getting Your Employees to Give Back. *Business News Daily*. Retrieved from http://www.businessnewsdaily.com/5703-employee-civic-engagement.html.

Ferraro, F., Pfeffer, J., & Sutton, R. I. (2005). Economics language and assumptions: How theories can become self-fulfilling. *Academy of Management Review, 30*(1), 8-24.

File, K. M., & Prince, R. A. (1998). Cause related marketing and corporate philanthropy in the privately held enterprise. *Journal of Business Ethics, 17*(14), 1529-1539.

Finkelstein, S., & Hambrick, D. C. (1990). Top-management-team tenure and organizational outcomes: The moderating role of managerial discretion. *Administrative science quarterly*, 484-503.

Finkelstein, S., & Hambrick, D. C. (1996). *Strategic leadership: Top executives and their effects on organizations*. South-Western Pub.

Finkelstein, S., Hambrick, D. C., & Cannella, A. A. (2009). *Strategic leadership: Theory and research on executives, top management teams, and boards.* Oxford University Press.

Fioravante, P. L. (2010). Corporate Philanthropy: A Strategic Marketing Consideration. *Journal of Applied Business and Economics, 11*(3), 91-96.

Fischer, H. M., & Pollock, T. G. (2004). Effects of social capital and power on surviving transformational change: The case of initial public offerings. *Academy of Management Journal, 47*(4), 463-481.

Flammer, C. (2013). Does corporate social responsibility lead to superior financial performance? A regression discontinuity approach. A Regression Discontinuity Approach. *Management Science*

Fombrun, C., & Shanley, M. (1990). What's in a name? Reputation building and corporate strategy. *Academy of management Journal, 33*(2), 233-258.

Foundation Center. (2014). *National Directory of Corporate Giving.* Retrieved from http://foundationcenter.org/

Freeman, R. E. (1984). *Strategic Management: A strategic approach.* Pitman, Boston, MA.

Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L., & De Colle, S. (2010). *Stakeholder theory: The state of the art.* Cambridge University Press.

Friedman, M. (1970). *The social responsibility of business is to increase its profits.* Sringer Berlin Heidelberg.

Fritz, M. S., & MacKinnon, D. P. (2007). Required sample size to detect the mediated effect. *Psychological science, 18*(3), 233-239.

Frumkin, P., & Galaskiewicz, J. (2004). Institutional isomorphism and public sector organizations. *Journal of public administration research and theory, 14*(3), 283-307.

Fry, L. W., Keim, G. D., & Meiners, R. E. (1982). Corporate contributions: Altruistic or for-profit?. *Academy of Management Journal, 25*(1), 94-106.

Galaskiewicz, J. (1985). Interorganizational relations. *Annual review of sociology,* 281-304.

Galaskiewicz, J., & Burt, R. S. (1991). Interorganization contagion in corporate philanthropy. *Administrative Science Quarterly,* 88-105.

Galaskiewicz, J. (1997). An urban grants economy revisited: Corporate charitable contributions in the Twin Cities, 1979-81, 1987-89. *Administrative Science Quarterly,* 445-471.

Gautier, A., & Pache, A. C. (2015). Research on corporate philanthropy: A review and assessment. *Journal of Business Ethics*, *126*(3), 343-369.

Gentry, R. J., & Shen, W. (2010). The relationship between accounting and market measures of firm financial performance: How strong is it?. *Journal of managerial issues*, 514-530.

Giacalone, R. A., & Thompson, K. R. (2006). Business ethics and social responsibility education: Shifting the worldview. *Academy of Management Learning & Education, 5*(3), 266-277.

Gill, J., & Johnson, P. (2010). *Research methods for managers.* Sage.

Glavas, A., & Piderit, S. K. (2009). How Does Doing Good Matter?. *Journal of Corporate Citizenship, 2009*(36), 51-70.

Godfrey, P. C. (2005). The relationship between corporate philanthropy and shareholder wealth: A risk management perspective. *Academy of Management Review, 30*(4), 777-798.

Godfrey, P. C., Merrill, C. B., & Hansen, J. M. (2009). The relationship between corporate social responsibility and shareholder value: An empirical test of the risk management hypothesis. *Strategic Management Journal, 30*(4), 425-445.

Godos-Díez, J. L., Fernández-Gago, R., & Martínez-Campillo, A. (2011). How important are CEOs to CSR practices? An analysis of the mediating effect of the perceived role of ethics and social responsibility. *Journal of Business Ethics, 98*(4), 531-548.

Goll, I., Brown Johnson, N., & Rasheed, A. A. (2008). Top management team demographic characteristics, business strategy, and firm performance in the US airline industry: The role of managerial discretion. *Management Decision*, *46*(2), 201-222.

Goyal, A. (2006). Corporate social responsibility as a signalling device for foreign direct investment. *International Journal of the Economics of Business, 13*(1), 145-163.

Hageman, A. (2008). A review of the strengths and weaknesses of archival, behavioral, and qualitative research methods: Recognizing the potential benefits of triangulation. *Advances in Accounting Behavioral Research, 11.*

Haley, U. C. (1991). Corporate Contributions As Managerial Masques: Reframing Corporate Contributions As Strategies to Influence Society*. *Journal of Management Studies, 28*(5), 485-510.

Hall, M. R. (2006). Corporate philanthropy and corporate community relations: Measuring relationship-building results. *Journal of Public Relations Research, 18*(1), 1-21.

Hambrick, D. C., & Mason, P. A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of management review, 9*(2), 193-206.

Hambrick, D. C. (2007). Upper echelons theory: An update. *Academy of management review, 32*(2), 334-343.

Hanson, R., Wolman, H., Connolly, D., Pearson, K., & McManmon, R. (2010). Corporate citizenship and urban problem solving: The changing civic role of business leaders in American cities. *Journal of Urban Affairs*, *32*(1), 1-23.

Harvey, J. W. (1990). Benefit segmentation for fund raisers. *Journal of the Academy of Marketing Science, 18*(1), 77-86.

Hayes, A. F. (2013). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach.* Guilford Press.

Henderson, A. D., Miller, D., & Hambrick, D. C. (2006). How quickly do CEOs become obsolete? Industry dynamism, CEO tenure, and company performance. *Strategic Management Journal, 27*(5), 447-460.

Herrmann, P. (2002). The influence of CEO characteristics on the international diversification of manufacturing firms: An empirical study in the United States. *International Journal of Management, 19*(2), 279.

Hess, D., Rogovsky, N., & Dunfee, T. W. (2002). The next wave of corporate community involvement: Corporate social initiatives. *California Management Review, 44*(2), 110-125.

Himmelstein, J. L. (1997). *Looking good and doing good: Corporate philanthropy and corporate power.* Indiana University Press.

Hitt, M. A., Hoskisson, R. E., & Ireland, R. D. (1994). A mid-range theory of the interactive effects of international and product diversification on innovation and performance. *Journal of management, 20*(2), 297-326.

Hoeffler, S., & Keller, K. L. (2002). Building brand equity through corporate societal marketing. *Journal of Public Policy & Marketing, 21*(1), 78-89.

Hoskisson, R. E., Hitt, M. A., Johnson, R. A., & Moesel, D. D. (1993). Construct validity of an objective (entropy) categorical measure of diversification strategy. *Strategic management journal, 14*(3), 215-235.

Hox, J. J., & Boeije, H. R. (2005). Data collection, primary vs. secondary. *Encyclopedia of social measurement, 1,* 593-599.

Huang, S. K. (2013). The impact of CEO characteristics on corporate sustainable development. *Corporate Social Responsibility and Environmental Management, 20*(4), 234-244.

Husted, B. W., & Allen, D. B. (2006). Corporate social responsibility in the multinational enterprise: Strategic and institutional approaches. *Journal of international business studies, 37*(6), 838-849.

Iatridis, K. (2011). *The influence of corporate social responsibility on business practice: The case of international certifiable management standards* (Doctoral dissertation, University of Central Lancashire).

Ibrahim, N. A., & Angelidis, J. P. (1995). The corporate social responsiveness orientation of board members: Are there differences between inside and outside directors?. *Journal of Business Ethics, 14*(5), 405-410.

Ibrahim, N. A., & Angelidis, J. P. (2011). Effect of board members' gender on corporate social responsiveness orientation. *Journal of Applied Business Research (JABR), 10*(1), 35-40.

Indiana University-Purdue University Indianapolis. (2014). *Million Dollar List*. Retrieved from http://www.milliondollarlist.org/.

Jamali, D. (2007). The case for strategic corporate social responsibility in developing countries. *Business and Society Review, 112*(1), 1-27.

Jayaraman, N., Khorana, A., Nelling, E., & Covin, J. (2000). CEO founder status and firm financial performance. *Strategic Management Journal*, 1215-1224.

Jiraporn, P., & Chintrakarn, P. (2013). How do powerful CEOs view corporate social responsibility (CSR)? An empirical note. *Economics Letters, 119*(3), 344-347.

Jo, H., & Harjoto, M. A. (2011). Corporate governance and firm value: The impact of corporate social responsibility. *Journal of Business Ethics, 103*(3), 351-383.

Jones, A., & Posnett, J. (1991). Charitable donations by UK households: evidence from the Family Expenditure Survey. *Applied Economics, 23*(2), 343-351.

Jones, T. M. (1995). Instrumental stakeholder theory: A synthesis of ethics and economics. *Academy of management review, 20*(2), 404-437.

Jones, D. A. (2010). Does serving the community also serve the company? Using organizational identification and social exchange theories to understand employee responses to a volunteerism programme. *Journal of Occupational and Organizational Psychology, 83*(4), 857-878.

Kabongo, J. D., Chang, K., & Li, Y. (2013). The impact of operational diversity on corporate philanthropy: An empirical study of US companies. *Journal of business ethics, 116*(1), 49-65.

Kang, K. H., Lee, S., & Huh, C. (2010). Impacts of positive and negative corporate social responsibility activities on company performance in the hospitality industry. International *Journal of Hospitality Management, 29*(1), 72-82.

Kang, J. (2013). The relationship between corporate diversification and corporate social performance. *Strategic Management Journal*, *34*(1), 94-109.

Keith, T. Z. (2014). *Multiple Regression and Beyond: An Introduction to Multiple Regression and Structural Equation Modeling*. Routledge.

Kerlinger Fred, N., & Lee Howard, B. (2000). *Foundations of behavioral research.* New York.

Ketola, T. (2006). Do you trust your boss?–A Jungian analysis of leadership reliability in CSR. *Electronic Journal of Business Ethics and Organization Studies, 11*(2), 6-14

Kim, W. C., & Mauborgne, R. A. (1991). Implementing global strategies: The role of procedural justice. *Strategic Management Journal*, *12*, 125-143.

Klein, K. J., Dansereau, F., & Hall, R. J. (1994). Levels issues in theory development, data collection, and analysis. *Academy of Management Review*, *19*(2), 195-229.

Koehn, D., & Ueng, J. (2010). Is philanthropy being used by corporate wrongdoers to buy good will?. *Journal of Management & Governance, 14*(1), 1-16.

Lantos, G. P. (2001). The boundaries of strategic corporate social responsibility. *Journal of consumer marketing*, *18*(7), 595-632.

Lee, M. D. P. (2008). A review of the theories of corporate social responsibility: Its evolutionary path and the road ahead*. International journal of management reviews, 10*(1), 53-73.

Lee, H., Park, T., Moon, H. K., Yang, Y., & Kim, C. (2009). Corporate philanthropy, attitude towards corporations, and purchase intentions: *A South Korea study. Journal of Business Research, 62*(10), 939-946.

Lev, B., Petrovits, C., & Radhakrishnan, S. (2010). Is doing good good for you? How corporate charitable contributions enhance revenue growth. *Strategic Management Journal*, 31(2), 182-200.

Levy, O. (2005). The influence of top management team attention patterns on global strategic posture of firms. *Journal of Organizational Behavior, 26*(7), 797-819.

Li, J., & Tang, Y. I. (2010). CEO hubris and firm risk taking in China: The moderating role of managerial discretion. *Academy of Management Journal*, *53*(1), 45-68.

Li, S., Song, X., & Wu, H. (2014). Political Connection, Ownership Structure, and Corporate Philanthropy in China: A Strategic-Political Perspective. *Journal of Business Ethics,* 1-13.

Lii, Y. S., & Lee, M. (2012). Doing right leads to doing well: When the type of CSR and reputation interact to affect consumer evaluations of the firm. *Journal of Business Ethics, 105*(1), 69-81.

Lin, C. P., Lyau, N. M., Tsai, Y. H., Chen, W. Y., & Chiu, C. K. (2010). Modeling corporate citizenship and its relationship with organizational citizenship behaviors. *Journal of Business Ethics, 95*(3), 357-372.

Logsdon, J. M., Reiner, M., & Burke, L. (1990). Corporate philanthropy: strategic responses to the firm's stakeholders. *Nonprofit and Voluntary Sector Quarterly, 19*(2), 93-109.

Luo, X. (2005). A contingent perspective on the advantages of stores' strategic philanthropy for influencing consumer behaviour. *Journal of Consumer Behaviour, 4*(5), 390-401.

Maas, K., & Liket, K. (2011). Talk the walk: Measuring the impact of strategic philanthropy. *Journal of business ethics, 100*(3), 445-464.

Mackie, J. E., Taylor, A. D., Finegold, D. L., Daar, A. S., & Singer, P. A. (2006). Lessons on ethical decision making from the bioscience industry. *PLoS medicine, 3*(5), 129.

MacKinnon, D. P., Lockwood, C. M., & Hoffman, J. (1998). A new method to test for mediation. In *annual meeting of the Society for Prevention Research, Park City, UT, 268-274.*

MacKinnon, D. P., Lockwood, C. M., Hoffman, J. M., West, S. G., & Sheets, V. (2002). A comparison of methods to test mediation and other intervening variable effects. *Psychological methods, 7*(1), 83.

MacKinnon, D. P., Lockwood, C. M., & Williams, J. (2004). Confidence limits for the indirect effect: Distribution of the product and resampling methods. *Multivariate behavioral research, 39*(1), 99-128.

MacKinnon, D. P., Fairchild, A. J., & Fritz, M. S. (2007). Mediation analysis. *Annual Review of Psychology, 58,* 593-614.

Maignan, I., Ferrell, O. C., & Hult, G. T. M. (1999). Corporate citizenship: cultural antecedents and business benefits. *Journal of the Academy of Marketing Science, 27*(4), 455-469.

Maignan, I., Ferrell, O. C., & Ferrell, L. (2005). A stakeholder model for implementing social responsibility in marketing. *European Journal of Marketing*, *39*(9/10), 956-977.

Mandhachitara, R., & Poolthong, Y. (2011). A model of customer loyalty and corporate social responsibility. *Journal of Services Marketing, 25*(2), 122-133.

Manner, M. H. (2010). The impact of CEO characteristics on corporate social performance. *Journal of business ethics, 93*(1), 53-72.

Maon, F., Lindgreen, A., & Swaen, V. (2008). Thinking of the organization as a system: The role of managerial perceptions in developing a corporate social responsibility strategic agenda. *Systems Research and Behavioral Science*, *25*(3), 413-426.

Masulis, R. W., & Reza, S. W. (2015). Agency problems of corporate philanthropy. *Review of Financial Studies*, *28*(2), 592-636.

Markides, C. C., & Williamson, P. J. (1994). Related diversification, core competences and corporate performance. *Strategic Management Journal*, *15*(2), 149-165.

Marquis, C., & Lee, M. (2013). Who is governing whom? Executives, governance, and the structure of generosity in large US firms. *Strategic Management Journal, 34*(4), 483-497.

Martin, J. D., & Sayrak, A. (2003). Corporate diversification and shareholder value: a survey of recent literature. *Journal of Corporate Finance*, *9*(1), 37-57.

Marx, J. D. (1998). Corporate strategic philanthropy: Implications for social work. *Social Work, 43*(1), 34-41.

Marx, J. D. (1999). Corporate philanthropy: What is the strategy?. *Nonprofit and Voluntary Sector Quarterly*, *28*(2), 185-198.

Mazutis, D. (2014, January). CEO open executive orientation and positive CSR initiative adoption. In *Academy of Management Proceedings* (Vol. 2014, No. 1, p. 13997). Academy of Management.

McAlister, D. T., & Ferrell, L. (2002). The role of strategic philanthropy in marketing strategy. *European Journal of Marketing, 36*(5/6), 689-705.

McGuire, J., Dow, S., & Argheyd, K. (2003). CEO incentives and corporate social performance. *Journal of Business Ethics, 45*(4), 341-359.

McWilliams, A., & Siegel, D. (2000). Research notes and communications. Corporate social responsibility and financial performance: correlation or misspecification?. *Strategic management journal*, *21*(5), 603-609.

McWilliams, A., & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of management review*, *26*(1), 117-127.

McWilliams, A., Siegel, D. S., & Wright, P. M. (2006). Corporate social responsibility: Strategic implications. *Journal of management studies*, *43*(1), 1-18.

Melo, T. (2012). Determinants of corporate social performance: The influence of organizational culture, management tenure and financial performance. *Social Responsibility Journal*, *8*(1), 33-47.

Melville, N., Gurbaxani, V., & Kraemer, K. (2007). The productivity impact of information technology across competitive regimes: The role of industry concentration and dynamism. *Decision Support Systems*, *43*(1), 229-242.

Merz, M. A., Peloza, J., & Chen, Q. (2010). Standardization or localization? Executing corporate philanthropy in international firms. International Journal of Nonprofit and Voluntary *Sector Marketing*, *15*(3), 233-252.

Mescon, T. S., & Tilson, D. J. (1987). Corporate philanthropy: A strategic approach to the bottom-line. *California Management Review,* 49-61.

Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American journal of sociology,* 340-363.

Michel, J. G., & Hambrick, D. C. (1992). Diversification posture and top management team characteristics. *Academy of Management Journal, 35*(1), 9-37.

Miller, D. (1991). Stale in the saddle: CEO tenure and the match between organization and environment. *Management science, 37*(1), 34-52.

Mintzberg, H. (1983). The case for corporate social responsibility. *Journal of Business Strategy, 4*(2), 3-15.

Montgomery, C. A., & Wernerfelt, B. (1988). Diversification, Ricardian rents, and Tobin's q. *The RAND Journal of Economics,* 623-632.

Mousa, F. T., & Wales, W. (2012). Founder effectiveness in leveraging entrepreneurial orientation. *Management Decision, 50*(2), 305-324.

Muller, A., & Kräussl, R. (2011). Doing good deeds in times of need: A strategic perspective on corporate disaster donations. *Strategic Management Journal, 32*(9), 911-929.

Musteen, M., Barker, V. L., & Baeten, V. L. (2006). CEO attributes associated with attitude toward change: The direct and moderating effects of CEO tenure. *Journal of Business Research, 59(5),* 604-612.

Navarro, P. (1988). Why do corporations give to charity?. *Journal of Business*, 65-93.

National Committee for Responsive Philanthropy. (2014). High Impact Strategies for Philanthropy. *National Committee for Responsive Philanthropy*. Retrieved from http://ncrp.org/paib/high-impact-strategies-philanthropy.

Needles, B., Powers, M., & Crosson, S. (2012). *Principles of accounting.* Cengage Learning.

Neiheisel, S. R. (1994). *Corporate strategy and the politics of goodwill.* New York: Peter Lang.

Nelson, T. (2003). The persistence of founder influence: Management, ownership, and performance effects at initial public offering. *Strategic Management Journal*, *24*(8), 707-724.

Neubaum, D. O., Pagell, M., Drexler, J. A., Mckee-Ryan, F. M., & Larson, E. (2009). Business education and its relationship to student personal moral philosophies and attitudes toward profits: An empirical response to critics. *Academy of Management Learning & Education, 8*(1), 9-24.

Oba, V. C., & Fodio, M. I. (2012). Financial Slack and Upper Echelon Traits as Predictors of Corporate Philanthropy in Nigeria. *International Journal of Business and Social Science, 3*(18).

O'Boyle, E. H., Rutherford, M. W., & Pollack, J. M. (2010). Examining the relation between ethical focus and financial performance in family firms: An exploratory study. *Family Business Review, 23*(4), 310-326.

O'Neill, H. M., Saunders, C. B., & McCarthy, A. D. (1989). Board members, corporate social responsiveness and profitability: Are tradeoffs necessary?. *Journal of Business Ethics, 8*(5), 353-357.

Oppedisano, J. (2004). Giving back: women's entrepreneurial philanthropy. *Women in Management Review, 19*(3), 174-177.

Orlitzky, M. (2001). Does firm size comfound the relationship between corporate social performance and firm financial performance*?. Journal of Business Ethics, 33(2),* 167-180.

Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. *Organization studies, 24*(3), 403-441.

Osborne, J., & Waters, E. (2002). Four assumptions of multiple regression that researchers should always test. *Practical Assessment Research and Evaluation, 8*(2), 1-9.

Ostrander, S. A. (2007). The growth of donor control: Revisiting the social relations of philanthropy. *Nonprofit and Voluntary Sector Quarterly, 36*(2), 356-372.

Palazzo, G., & Scherer, A. G. (2006). Corporate legitimacy as deliberation: A communicative framework. *Journal of business ethics*, *66*(1), 71-88.

Palepu, K. (1985). Diversification strategy, profit performance and the entropy measure. *Strategic management journal*, *6*(3), 239-255.

Palich, L. E., Cardinal, L. B., & Miller, C. C. (2000). Curvilinearity in the diversification-performance linkage: An examination of over three decades of research. *Strategic management journal*, (21), 155-174.

Peloza, J. (2009). The challenge of measuring financial impacts from investments in corporate social performance. *Journal of Management.*

Pedersen, E.R., & Neergaard, P. (2009). What matters to managers? The whats, whys, and hows of corporate social responsibility in a multinational corporation. *Management Decision, 47*(8), 1261-1280.

Peterson, S. J., Walumbwa, F. O., Byron, K., & Myrowitz, J. (2008). CEO positive psychological traits, transformational leadership, and firm performance in high-technology start-up and established firms. *Journal of management.*

Peterson, S. J., Galvin, B. M., & Lange, D. (2012). CEO servant leadership: Exploring executive characteristics and firm performance. *Personnel Psychology*, *65*(3), 565-596.

Petrenko, O. V., Aime, F., Ridge, J., & Hill, A. (2016). Corporate social responsibility or CEO narcissism? CSR motivations and organizational performance. *Strategic Management Journal*, *37*(2), 262-279.

Pfeffer, J. S., & Salancik, G. (1978). *The external control of organizations: a resource dependence perspective.* New York.

Phelan, S. E., Ferreira, M., & Salvador, R. (2002). The first twenty years of the Strategic Management Journal. *Strategic Management Journal, 23*(12), 1161-1168.

Picher, J. (2014). McGraw: CEO, civic engagement key to creating jobs. *CiNiNNATi.com.* Retrieved from http://www.cincinnati.com/story/money/2014/03/22/mcgraw-ceo-civic-engagement-key-creating-jobs/6733345/

Pollock, T. G., & Rindova, V. P. (2003). Media legitimation effects in the market for initial public offerings. *Academy of Management Journal, 46*(5), 631-642.

Porter, M. E. (1980). Industry structure and competitive strategy: Keys to profitability. *Financial Analysts Journal, 36*(4), 30-41.

Porter, M. E., & Kramer, M. R. (2002). The competitive advantage of corporate philanthropy. *Harvard business review, 80*(12), 56-68.

Porter, M. E., & Kramer, M. R. (2006). The link between competitive advantage and corporate social responsibility. *Harvard business review, 84*(12), 78-92.

Post, C., Rahman, N., & Rubow, E. (2011). Green governance: Boards of directors' composition and environmental corporate social responsibility. *Business & Society, 50*(1), 189-223.

Preacher, K. J., & Hayes, A. F. (2004). SPSS and SAS procedures for estimating indirect effects in simple mediation models. *Behavior research methods, instruments, & computers, 36*(4), 717-731.

Putnam, R. D. (2000). Bowling along. *New York: Simon, 6*.

Pynes, J. E. (2000). Are women underrepresented as leaders of nonprofit organizations?. *Review of Public Personnel Administration, 20*(2), 35-49.

Qian, G., Li, L., Li, J., & Qian, Z. (2008). Regional diversification and firm performance. *Journal of International Business Studies, 39*(2), 197-214.

Rahbek Pedersen, E., & Neergaard, P. (2009). What matters to managers? The whats, whys, and hows of corporate social responsibility in a multinational corporation. *Management Decision, 47*(8), 1261-1280.

Ramanujam, V. (1987). Diversification and performance: A reexamination using a new two-dimensional conceptualization of diversity in firms. *Academy of Management Journal, 30*(2), 380-393.

Ramanujam, V., & Varadarajan, P. (1989). Research on corporate diversification: A synthesis. *Strategic management journal, 10*(6), 523-551.

Ricks Jr, J. M. (2005). An assessment of strategic corporate philanthropy on perceptions of brand equity variables. *Journal of Consumer Marketing, 22*(3), 121-134.

Ricks Jr, J. M., & Williams, J. A. (2005). Strategic corporate philanthropy: addressing frontline talent needs through an educational giving program. *Journal of Business Ethics, 60*(2), 147-157.

Roberts, R. W. (1992). Determinants of corporate social responsibility disclosure: an application of stakeholder theory. Accounting, *Organizations and Society, 17*(6), 595-612.

Rowley, T., & Berman, S. (2000). A brand new brand of corporate social performance. *Business & society, 39*(4), 397-418.

Roth, K. (2003). Advice for keeping board members motivated over the long haul. *The Chronicle of Philanthropy. Retrieved from https://philanthropy.com/article/Advice-for-Keeping-Board/183463*

Ruigrok, W., & Wagner, H. (2003). Internationalization and performance: An organizational learning perspective. MIR: *Management International Review,* 63-83.

Rumelt, R. P. (1974). Strategy, structure, and economic performance.

Rumelt, R. P. (1982). Diversification strategy and profitability. *Strategic management journal, 3*(4), 359-369.

Saiia, D. H., Carroll, A. B., & Buchholtz, A. K. (2003). Philanthropy as strategy when corporate charity "begins at home". *Business & Society, 42*(2), 169-201.

Sánchez, C. M. (2000). Motives for corporate philanthropy in El Salvador: Altruism and political legitimacy. *Journal of Business Ethics, 27*(4), 363-375.

Sasse, C. M., & Trahan, R. T. (2007). Rethinking the new corporate philanthropy. *Business Horizons, 50*(1), 29-38.

Scott, W. R., & Davis, G. F. (2007). *Organizations and organizing: Rational, natural, and open system perspectives.* Prentice Hall.

Seifert, B., Morris, S. A., & Bartkus, B. R. (2003). Comparing big givers and small givers: Financial correlates of corporate philanthropy. *Journal of business ethics, 45*(3), 195-211.

Seifert, B., Morris, S. A., & Bartkus, B. R. (2004). Having, giving, and getting: Slack resources, corporate philanthropy, and firm financial performance. *Business & Society*, *43*(2), 135-161.

Setó-Pamies, D. (2013). The relationship between women directors and corporate social responsibility. *Corporate Social Responsibility and Environmental Management.*

Shamir, B., House, R. J., & Arthur, M. B. (1993). The motivational effects of charismatic leadership: A self-concept based theory. *Organization science*, *4*(4), 577-594.

Sharfman, M. (1994). Changing Institutional Rules The Evolution of Corporate Philanthropy, 1883-1953. *Business & Society*, *33*(3), 236-269.

Sharfman, M. P., Shaft, T. M., & Tihanyi, L. (2004). A model of the global and institutional antecedents of high-level corporate environmental performance. *Business & Society, 43*(1), 6-36.

Sharp, Z., & Zaidman, N. (2010). Strategization of CSR. *Journal of Business Ethics, 93*(1), 51-71.

Shaw, B., & Post, F. R. (1993). A moral basis for corporate philanthropy. *Journal of Business Ethics*, *12*(10), 745-751.

Sherblom, B. (2007). *Banking on philanthropy: Impact of bank mergers on charitable giving.* National Committee for Responsive Philanthropy.

Sherer, P. D., & Lee, K. (2002). Institutional change in large law firms: A resource dependency and institutional perspective. *Academy of Management Journal, 45*(1), 102-119.

Simerly, R. L. (2003). An empirical examination of the relationship between management and corporate social performance. *International Journal of Management, 20*(3), 353.

Slater, D. J., & Dixon-Fowler, H. R. (2009). CEO international assignment experience and corporate social performance. *Journal of business ethics, 89*(3), 473-489.

Slater, D. J., & Dixon-Fowler, H. R. (2010). The future of the planet in the hands of MBAs: An examination of CEO MBA education and corporate environmental performance. *Academy of Management learning & education, 9*(3), 429-441.

Smith, C. (1994). The new corporate philanthropy. *Harvard Business Review, 72*(3), 105-116.

Smith, K. G., Smith, K. A., Olian, J. D., Sims Jr, H. P., O'Bannon, D. P., & Scully, J. A. (1994). Top management team demography and process: The role of social integration and communication. *Administrative science quarterly,* 412-438.

Stevens, J. P. (2012). *Applied multivariate statistics for the social sciences.* Routledge.

Strand, R. (2013). The chief officer of corporate social responsibility: A study of its presence in top management teams. *Journal of Business Ethics, 112*(4), 721-734.

Strike, V. M., Gao, J., & Bansal, P. (2006). Being good while being bad: Social responsibility and the international diversification of US firms. *Journal of International Business Studies, 37*(6), 850-862.

Su, J., & He, J. (2010). Does giving lead to getting? Evidence from Chinese private enterprises. *Journal of business ethics, 93*(1), 73-90.

Sullivan, D. (1994). Measuring the degree of internationalization of a firm. *Journal of International Business Studies,* 325-342.

Swiercz, P. M., & Lydon, S. R. (2002). Entrepreneurial leadership in high-tech firms: a field study. *Leadership & Organization Development Journal, 23*(7), 380-389.

Thomas, A. S., Litschert, R. J., & Ramaswamy, K. (1991). The performance impact of strategy-manager coalignment: An empirical examination. *Strategic management journal, 12*(7), 509-522.

Thomas, A. S., & Simerly, R. L. (1994). The chief executive officer and corporate social performance: An interdisciplinary examination. *Journal of Business Ethics, 13*(12), 959-968.

Tilcsik, A., & Marquis, C. (2013). Punctuated generosity how mega-events and natural disasters affect corporate philanthropy in US communities. *Administrative Science Quarterly, 58*(1), 111-148.

Tonello, M. (2011). Making the business case for corporate philanthropy. In *Harvard Law School forum on corporate governance and financial regulation, August* (Vol. 20).

Turban, D. B., & Greening, D. W. (1997). Corporate social performance and organizational attractiveness to prospective employees. *Academy of management journal, 40*(3), *658-672.*

Useem, M. (1988). Market and institutional factors in corporate contributions. *California Management Review*, 77-88.

Vanhamme, J., Lindgreen, A., Reast, J., & van Popering, N. (2012). To do well by doing good: Improving corporate image through cause-related marketing. *Journal of business ethics, 109*(3), 259-274.

Varadarajan, P. R., & Menon, A. (1988). Cause-related marketing: A coalignment of marketing strategy and corporate philanthropy. *The Journal of Marketing*, 58-74.

Vartorella, W. (1992). Playing the Corporate Game: An Insider's Guide to Getting Equipment Grants'. *Fund Raising Institute Monthly Portfolio, 31*(7), 1-2.

Waddock, S. A., & Graves, S. B. (1997). The corporate social performance-financial performance link. *Strategic management journal, 18*(4), 303-319.

Waldman, D. A., de Luque, M. S., Washburn, N., House, R. J., Adetoun, B., Barrasa, A., ... & Wilderom, C. P. (2006). Cultural and leadership predictors of corporate social responsibility values of top management: A GLOBE study of 15 countries. *Journal of International Business Studies, 37*(6), 823-837.

Waldman, D. A., & Siegel, D. (2008). Defining the socially responsible leader. *The Leadership Quarterly, 19*(1), 117-131.

Walker, C. (2002). Philanthropy, social capital or strategic alliance? The involvement of senior UK business executives with the voluntary sector and implications for corporate fundraising. *International Journal of Nonprofit and Voluntary Sector Marketing*, *7*(3), 219-228.

Wang, J., & Coffey, B. S. (1992). Board composition and corporate philanthropy. *Journal of business Ethics, 11*(10), 771-778.

Wang, H., Choi, J., & Li, J. (2008). Too little or too much? Untangling the relationship between corporate philanthropy and firm financial performance. *Organization Science, 19*(1), 143-159.

Wang, H., & Qian, C. (2011). Corporate philanthropy and corporate financial performance: The roles of stakeholder response and political access. *Academy of Management Journal, 54*(6), 1159-1181.

Wang, G. Y., & Hsu, W. H. (2011, October). Corporate Social Responsibility and Firm Performance. *In Business Intelligence and Financial Engineering (BIFE), 2011 Fourth International Conference on* (pp. 390-394). IEEE.

Wartick, S. L., Wood, D. J., & Czinkota, M. R. (1998). *International business and society.* Malden, MA: Blackwell Business.

Weiss, T., Kirdahy, M., & Kneale, K. (2008). CEOs on CSR. *Forbes.* Retrieved from http://www.forbes.com/2008/10/16/ceos-csr-critics-lead-corprespons08-cx_tw_mk_kk_1016ceos.html.

Werbel, J. D., & Carter, S. M. (2002). The CEO's influence on corporate foundation giving. *Journal of Business Ethics, 40*(1), 47-60.

Westphal, J. D., & Zajac, E. J. (1995). Who shall govern? CEO/board power, demographic similarity, and new director selection. *Administrative science quarterly,* 60-83.

White, B. (2003). *Dissertation skills for business and management*. London: Cassell

Whiteman, G. M., Muller, A. R., Van der Voort, J., Wijk, J. C. A. C., Meijs, L. C., & Pique, C. (2005). The tsunami's CSR effect: MNEs and philanthropic responses to the disaster. *ERIM Report Series Research in Management*.

Wiersema, M. F., & Bantel, K. A. (1992). Top management team demography and corporate strategic change. *Academy of Management journal*, *35*(1), 91-121.

Wiklund, J. (2006). Commentary: "family firms and social responsibility: preliminary evidence from the S&P 500". *Entrepreneurship Theory and Practice, 30*(6), 803-808.

Williams, R. J., & Barrett, J. D. (2000). Corporate philanthropy, criminal activity, and firm reputation: is there a link?. *Journal of Business Ethics, 26*(4), 341-350.

Williams, R. J. (2003). Women on corporate boards of directors and their influence on corporate philanthropy. *Journal of Business Ethics, 42*(1), 1-10.

Wood, D. J. (1991). Corporate social performance revisited. *Academy of management review, 16*(4), 691-718.

Wu, L. Z., Kwan, H. K., Yim, F. H. K., Chiu, R. K., & He, X. (2013). CEO ethical leadership and corporate social responsibility: A moderated mediation model. *Journal of Business Ethics,* 1-13.

Xueying, T. (2012). Empirical research on organization performance and the influential factors of corporate philanthropy. *International Journal of Digital Content Technology and its Applications, 6*(13), 520-531.

Yao, K. (2015). Who Gives? The Determinants of Charitable Giving, Volunteering, and Their Relationship.

Zahra, S. A. (2005). Entrepreneurial risk taking in family firms. *Family business review*, *18*(1), 23-40.

Zhang, R., Zhu, J., Yue, H., & Zhu, C. (2010). Corporate philanthropic giving, advertising intensity, and industry competition level. *Journal of Business Ethics*, *94*(1), 39-52.

Zhao, X., Lynch Jr, J. G., & Chen, Q. (2010). Reconsidering Baron and Kenny: Myths and truths about mediation analysis. *Journal of consumer research, 37*(2), 197-206.

Zu, L., & Song, L. (2009). Determinants of managerial values on corporate social responsibility: Evidence from China. *Journal of Business Ethics*, *88*(1), 105-117.

Zucker, L. G. (1987). Institutional theories of organization. *Annual review of sociology*, 443-464.

BIOGRAPHICAL SKETCH

Wonsuk Cha received a Master of Real Estate Management from Sejong University in 2005. He also received an MBA from Cleveland State University in 2010. He entered the Management PhD program at The University of Texas Rio Grande Valley (UTRGV) previously known as The University of Texas Pan-American in 2012 and graduated in July 2017. He received awards from the Department of Management, including *UTRGV 2016 Teaching Excellence Award* and *UTRGV 2015 Research Excellence Award*. His research interests include strategic leadership, corporate philanthropy, corporate social responsibility, cross-cultural relations, and entrepreneurship. His teaching interests include strategic management, business and society, business ethics, principles of management, and international business. His permanent mailing address is 1913 La Cantera St, Apartment A, Edinburg TX 78541.