Corporate governance and corporate social responsibility

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Propositions of Shili Chen’s Dissertation

1. The purpose of a company is to engage all its stakeholders in shared and sustained value creation. In creating such value, a company serves not only its shareholders, but all its stakeholders—employees, customers, suppliers, local communities and society at large (The Davos Manifesto 2020, World Economic Forum).

2. Corporate social responsibility entails both “doing good” and “avoiding bad”. Nevertheless, “doing good” and “avoiding bad” are distinct concepts, they cannot be considered as two sides of the same coin (Chapter 2).

3. Firms with poor corporate social performance are more likely to have NGO directors on their boards, whereas the presence of NGO directors is not associated with subsequent increase in corporate social performance (Chapter 2).

4. Firms do not exist in a vacuum. A firm’s policies and outcomes are shaped by the institutional environment within which it operates. The institutional environment manifests its influence on firms over time and across countries (Chapter 3 & 4).

5. Passive investors may not necessarily be passive monitors. Quasi-indexers have increasingly found corporate social responsibility important, and they can generate social impact through influencing firm strategies (Chapter 3).

6. There is no one-size-fits-all approach to creating a more gender-balanced board. The effectiveness of board gender diversity policies in increasing women representation on boards depends on country-level legislative, cultural, and economic institutions (Chapter 4).

7. A healthy society should embrace diversity and respect different voices, so does a healthy company.

8. Learning is a life-long activity.