

Research examining firm and industry effects on performance has primarily focused on the financial aspects of firm performance. Corporate social performance (CSP) is a major aspect of firm performance that has been under-examined empirically in the literature to date. Adding to the fundamental debate regarding firm versus industry effects on performance, this study uses data drawn from the Kinder, Lydenberg and Domini Co. (KLD) database to examine the degree to which CSP is related to firm, industry, and temporal factors. The results of these analyses suggest that CSP tends to change in a linear manner over time; however, the slope of this line varies across firms and industries. These findings are supported by several robustness checks accounting for autocorrelation, alternative measures of industry, different samples commonly used when using KLD data to measure CSP, and alternative measures of CSP when using the KLD database. The authors also directly compare firm, industry, and temporal effects between CSP and financial performance.

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