

[Home](#) > [Journal of Business Ethics](#) > [Article](#)

Corporate Social Responsibility, Investor Behaviors, and Stock Market Returns: Evidence from a Natural Experiment in China

| Published: 01 January 2011

| Volume 101, pages 127–141, (2011) [Cite this article](#)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 96 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:



- > **Store and/or access information on a device**
- > **Personalised advertising and content, advertising and content measurement, audience research and services development**

Accept all cookies

Reject optional cookies

Manage preferences

individual investors, either before the event or after the event. Finally, firms' performance and investors' behaviors jointly affect firms' stock returns after the event but not before the event. This article reconciles the mixed findings in the literature on the effect of firms' CSR performance on their financial performance by showing that such an effect exists in a contingent manner. Furthermore, the authors show that a too low or a too high CSR performance could lead to undesirable responses from investors. Therefore, managers should pay attention to optimizing firms' CSR activities.

 This is a preview of subscription content, [log in via an institution](#)  to check access.

Access this article

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 96 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **[privacy policy](#)** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

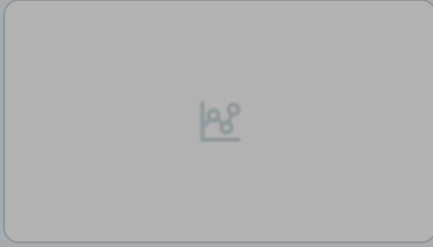
Personalised advertising and content, advertising and content measurement, audience research and services development

Accept all cookies

Reject optional cookies

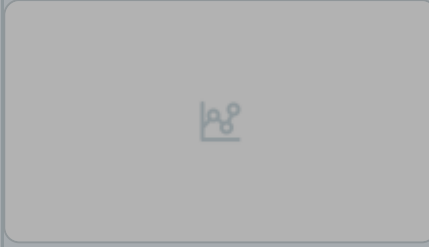
Manage preferences

Similar content being viewed by others



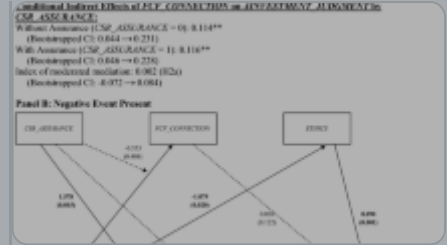
The effect of institutional investors' distraction on firms' corporate social responsibility engagement: evidence from...

Article | 12 May 2020



Does CSR reputation mitigate the impact of corporate social irresponsibility?

Article | 11 September 2020



Corporate Social Responsibility Disclosures and Investor Judgments in Difficult Times: The Role of...

Article | 24 February 2020

Explore related subjects

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 96 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

Accept all cookies

Reject optional cookies

Manage preferences

Bauer, R., R. Otten, A. T. Rad. 2006. Ethical Investing in Australia: Is There a Financial Penalty? *Pacific-Basin Finance Journal*. **14**. 33-48.

[Article](#) [Google Scholar](#)

Beber, A., M. W. Brandt, K. A. Kavajecz: 2009, 'What Does Equity Sector Order Flow Tell us About the Economy', SSRN working paper.

Benson, K. L., T. J. Brailsford, J. E. Humphrey. 2006. Do Socially Responsible Fund Managers Really Invest Differently? *Journal of Business Ethics*. **65**(4). 337-357.

[Article](#) [Google Scholar](#)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 96 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Chordia, T., R. Roll, A. Subrahmanyam. 2002. Order Imbalance, Liquidity, and Market Returns. *Journal of Financial Economics*. **65**(1). 111-130.

[Article](#) [Google Scholar](#)

Clarkson, M. B. E. 1995. A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance. *Academy of Management Review*. **20**(1). 92-117.

[Google Scholar](#)

Derwall, J., et al. 2005. The Eco-Efficiency Premium Puzzle. *Financial Analysts Journal*. **61**(2). 51-63.

[Article](#) [Google Scholar](#)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 96 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Friedman, M. 1962. *Capitalism and Freedom*. University of Chicago Press, Chicago.

[Google Scholar](#)

Hamilton, S., H. Jo, M. Statman. 1993. Doing Well While Doing Good? The Investment Performance of Socially Responsible Mutual Funds. *Financial Analysts Journal*. **49**. 62-66.

[Article](#) [Google Scholar](#)

Hill, R. P., et al. 2007. Corporate Social Responsibility and Socially Responsible Investing: A Global Perspective. *Journal of Business Ethics*. **70**(2). 165-174.

[Article](#) [Google Scholar](#)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 96 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Kreander, N., et al. 2005. Evaluating the Performance of Ethical and Non-Ethical Funds: A Matched Pair Analysis. *Journal of Business Finance & Accounting*. **32**(7-8). 1465-1493.

[Article](#) [Google Scholar](#)

Kurtz, L. 2005. Answers to Four Questions. *Journal of Investing*. **14**. 125-139.

[Article](#) [Google Scholar](#)

Lee, C., B. Radhakrishna. 2000. Inferring Investor Behavior: Evidence from Torq Data *Journal of Financial Markets*. **3**. 83-111.

[Article](#) [Google Scholar](#)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 96 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Margolis, J. D., J. P. Walsh. 2003. Misery Loves Companies: Rethinking Social Initiatives by Business. *Administrative Science Quarterly*. **48**(2). 268-305.

[Article](#) [Google Scholar](#)

McWilliams, A., D. Siegel. 1997. Event Studies in Management Research: Theoretical and Empirical Issues. *Academy of Management Journal*. **40**(3) 626-657.

[Article](#) [Google Scholar](#)

McWilliams, A., D. Siegel. 2001. Corporate Social Responsibility: A Theory of the Firm Perspective. *The Academy of Management Review*. **26**(1). 117-127.

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 96 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Posnikoff, J. F. 1997. Disinvestment from South Africa: They Did Well by Doing Good. *Contemporary Economic Policy*. **15**(1). 76-86.

[Article](#) [Google Scholar](#)

Preston, L., D. O'Bannon. 1997. The Corporate Social-Financial Performance Relationship. *Business and Society*. **36**. 5-31.

[Article](#) [Google Scholar](#)

Renneboog, L., I. Ter Horst, C. D. Zhang. 2008. Socially Responsible Investments:

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 96 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Solomon, J., A. Solomon and S. Norton: 2002, 'Socially Responsible Investment in the UK: Drivers and Current Issues', *Journal of General Management* **27**, 1-13

[Google Scholar](#)

Sparkes, R., C. J. Cowton. 2004. The Maturing of Socially Responsible Investment: A Review of the Developing Link with Corporate Social Responsibility. *Journal of Business Ethics*. **52**(1). 45-57.

[Article](#) [Google Scholar](#)

Teoh, S. H., I. Welch, C. P. Wazzan. 1999. The Effect of Socially Activist Investment Policies on the Financial Markets: Evidence from the South African Boycott. *Journal of Business*. **72**(1). 35-89.

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 96 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Wright, P., S. P. Ferris. 1997. Agency Conflict and Corporate Strategy: The Effect of Divestment on Corporate Value. *Strategic Management Journal*. **18**(1). 77-83.

[Article](#) [Google Scholar](#)

Author information

Authors and Affiliations

School of Banking and Finance, University of International Business and Economics, Beijing, 100029, China

Maobin Wang

Desautels Faculty of Management, McGill University, Montreal, QC, H3A 1G5, Canada

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 96 **[partners](#)**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **[privacy policy](#)** for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Published

Issue Date

01 January 2011

June 2011

DOI

<https://doi.org/10.1007/s10551-010-0713-9>

Keywords

[corporate social responsibility](#)

[financial performance](#)

[stock markets](#)

[event study](#)

[investors' behaviors](#)

[emerging markets](#)

[Chinese stock market](#)

Search

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 96 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 96 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)