

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

# Doing Well While Doing Bad? CSR in Controversial Industry Sectors

| Published: 09 November 2011

| Volume 108, pages 467–480, (2012) [Cite this article](#)



[Journal of Business Ethics](#)

[Aims and scope](#) →

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [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](#)

important even though their products are harmful to human being, society, or environment.



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

### Access this article

Log in via an institution →

### Subscribe and save

✓ Springer+

from €37.37 /Month

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **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

[Permanency of CSR Activities and Firm Value](#)

Article | 25 July 2016

[Does winning a CSR Award increase firm value?](#)

Article | Open access  
17 March 2022

[The Impact of Corporate Social Responsibility on Risk Taking and Firm Value](#)

Article | 21 May 2016

## Explore related subjects

Discover the latest articles, books and news in related subjects, suggested using machine learning.

[Business Ethics](#)

[Corporate Social Responsibility](#)

[Industries](#)

[Industrial Psychology](#)

[Industrial Sociology](#)

[Sector and Industry Studies](#)

## Notes

### Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [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](#)

expertise of the firm to create economic value by creating social value, CSV should supersede CSR in guiding firms to plan their CSR programs.

3. Similarly, El Ghouli et al. ([2010](#)) find that the participation of CSR in two sinful industries including tobacco and nuclear power increases cost of equity capital, while CSR engagement decreases the cost of equity capital for all the other industries.
4. Toyota Prius is a good example—the increasingly popular hybrid car—is an intersection between Toyota’s core business and environmental benefits (less emissions, happy customers, cleaner roads, cleaner air, etc.).
5. Hong and Kacperczyk ([2009](#)) exclude adult entertainment industry and

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [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](#)

3SLS, and 165 in change regression, and none of the CSR coefficients on firm value is significant, similar to the results reported in Table [5](#). These results are available upon request.

8. To assess the quality of the KLD data, Chatterji et al. ([2009](#)) use the KLD environment ratings to predict toxic releases reported in the government's Toxic Releases Inventory (TRI) and compliance with environmental regulations including the number and amount of penalties imposed. They conclude that the KLD ratings do not reflect all the information available on environmental performance but are a good predictor of firms with the worst environmental performance. TRI emissions are a much narrower measure of environmental performance than that in the KLD Environment category and hence are not a good proxy for the KLD strengths or concerns.

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [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](#)

Baron, D., Harjoto, M. & Jo, H. (2011). The economics and politics of corporate social performance. *Business and Politics* 13(2), Article 1, 1–46.

[Google Scholar](#)

Beurden, P., & Gössling, T. (2008). The worth of values—a literature review on the relation between corporate social and financial performance. *Journal of Business Ethics*, 82, 407–424.

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

Byrne, E. (2010). The US military-industrial complex is circumstantially. *Journal of Business Ethics*, 95(2), 153–165.

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

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **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](#)

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

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

Chatterji, A., Levine, D., & Toffel, M. (2009). How well do social ratings actually measure corporate social responsibility? *Journal of Economics and Management Strategy*, 18, 125–169.

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

Chung, K., & Jo, H. (1996). The impact of security analysts' monitoring and marketing functions on the market value of firms. *Journal of Financial and*

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **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](#)

Fisman, R., Heal, G., & Nair, V. (2005). A model of corporate philanthropy. Working Paper, Columbia University.

Freeman, R. (1984). *Strategic management: A stakeholder approach*. Marshfield, MA: Pitman Publishing Inc.

[Google Scholar](#)

Frynas, J. (2005). The false developmental promise of corporate social responsibility: Evidence from multinational oil companies. *International Affairs*,

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **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](#)



Hillman, A., & Keim, G. (2001). Shareholder value, stakeholder management and social issues: What's the bottom line? *Strategic Management Journal*, 22, 125–139.

[Google Scholar](#)

Hong, H., & Kacperczyk, M. (2009). The price of sin: The effects of social norms on markets. *Journal of Financial Economics*, 93, 15–36.

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

Jensen, M. (2002). Value maximization, stakeholder theory, and the corporate

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **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](#)

Lindgreen, A., Swaen, V., & Maon, F. (2009b). Introduction: Corporate social responsibility implementation. *Journal of Business Ethics*, 85, 251–256.

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

Malmendier, U., & Tate, G. (2005). CEO overconfidence and corporate investment. *Journal of Finance*, 60, 2661–2700.

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

Margolis, J., & Walsh, J. (2003). Misery loves companies: Rethinking social initiatives by business. *Administrative Science Quarterly*, 48, 268–305.

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **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](#)

Orlitzky, M., Schmidt, F., & Rynes, S. (2003). Corporate social and financial performance: A meta analysis. *Organizational Studies*, 24, 403–441.

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

Palazzo, G., & Richter, U. (2005). CSR business as usual? The case of the tobacco industry. *Journal of Business Ethics*, 61(4), 387–401.

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

Porter, M., & Kramer, M. (2006). Strategy & society. *Harvard Business Review*, December, 78–92.

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **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](#)

White, H. (1980). Heteroscedasticity-consistent covariance matrix estimator and direct test for heteroscedasticity. *Econometrica*, 48, 817–838.

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

Wilson, A., & West, C. (1981). The marketing of “unmentionables”. *Harvard Business Review*, 51(1), 91–102.

[Google Scholar](#)

Wood, D. (1991). Corporate social performance revisited. *Academy of Management Review*, 16, 691–718.

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **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](#)

Corresponding author

Correspondence to [Hoje Jo](#).

Appendices

Appendix 1

See Table [8](#).

Table 8 List of the strength and concern items in the KLD database

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [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

Received

11 August 2011

Issue Date

July 2012

DOI

<https://doi.org/10.1007/s10551-011-1103-7>

Accepted

27 October 2011

Published

09 November 2011

## Keywords

[Corporate social responsibility](#)

[Controversial industry sectors](#)

[Window dressing](#)

[Value enhancement](#)

[Firm value](#)

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **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 93 [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](#)