As interest in corporate social responsibility is increasing, CSO or board committee of CSR is evolving. Does existence of CSR executives make a difference? The results of our study indicate that existence of CSR executives strongly affects corporate social performance. Moreover, two moderators positively affect the main effect. First, origins of CSR executives have a moderation effect on the relationship between CSR executives and CSR performance. An insider is better than an outsider to perform the role. Second, tenure of CSR executives has partial moderation effect, so there is possibility that longer tenure is better to carry out the role.

KEYWORDS: Corporate social responsibility, Top management team position, Insider, Outsider, Tenure, Corporate social performance

INTRODUCTION

As people pay more and more attention on corporate social responsibility (CSR), firms consider CSR more significantly. Firms join CSR related agreements such as United Nations Global Compact (UNGC) or ISO 26000 (Val, Lehmann, & Zinenko, 2011). 93 percent of CEOs who participated in UN Global Compact-Accenture CEO study (n=766) regarded CSR as ‘very important’ or ‘important’ for their firm (Cheng, Ioannou, & Serafeim, 2014; UN Global Compact-Accenture, 2010). Furthermore, companies explicitly mention their CSR activities on their websites, proxy statements, and publish CSR reports. 53 percent of U.S. firms refer CSR on their website (Maigian & Ralston, 2002). The percentage of CSR report publication increased from 10.9% in 1996 to 41.8% in 2006 on average (Kang & Moon, 2012). Firms try to retain a positive image by joining CSR related agreements and publishing CSR reports, but it is difficult for stakeholders to know whether the firms are really doing a good job (Asmah, 2009).

One of the proxies for investing time and resources on CSR is the existence of executives who are in charge of CSR (Bear, Rahman, & Post, 2010; Strand, 2013). If the firm currently has someone in the executives of CSR position, such as ‘Chief Sustainability Officer
(CSO)’ or ‘Member of Sustainability Committee’, we can imply that he or she is responsible for firm’s CSR activities. This person will utilize resources of the firm to adopt and implement CSR activities.

However, the existence of CSR executives can be another way of showing vain announcement just for building positive CSR image. There are many cases where new policies and practices are adopted without actual implementation (White, 2005; Zajac & Westphal, 2004). If CSR executive practice is decoupled so that CSO practice is not implemented in reality, showing others that there is someone in the CSO position can give wrong information to stakeholders of the firm. More and more stakeholders including shareholders want to know the effectiveness of CSR executives. If CSR executives do not work to achieve CSR performance but represent ostensible showing, it would result in asymmetry of information and harm decision making of shareholders whether to invest in the focal firm or not. Thus, more and more needs to verify the impact of CSR executives increase.

Understanding the impact of CSR executives on CSR performance is important not only for stakeholders who want information on firms’ CSR activities, but also for decision makers in the firms who consider adoption of CSO practices. Maintaining a CSO or a member of CSR related board committee is not free. It requires resources of the firms. Firms have to use resources to pay for these executive positions. Moreover, as a TMT member, CSR executives spend their time and energy on CSR related activities. Adoption and implementation of CSR executives is one of the important decisions, inputs and outputs of the practices have to be taken into account. Thus, it is important to know whether CSR executive practices are effective for achieving good CSR performance or not. If hiring CSO is not effective in achieving CSR performance, shareholders and managers of the firms do not need to waste their limited resources on this area.

Moreover, considering controversial perspectives on CSR, if CSR executives do not achieve CSR performance, perception of CSR as money wasting practice could be strengthened among people. This could lead people to ignore the importance of CSR. Regarding that the negative CSR performance of firms negatively affects financial performance of the firms (Moon, 2006), ignorance of CSR, which is one of the significant environmental factors, can trigger failure in responding to environmental pressure properly.

However, only a few researchers tried to understand the meaning of CSR executives on firms. Strand (2013) studied the positive relationship between existence of chief officer of CSR and inclusion of focal firm in the Dow Jones Sustainability Index (DJSI). Miller and Serafeim (2014) researched the role of chief officer of CSR by using survey and interview. Although existing researches have started to research the important topics of CSR executives, empirical evidences using regression methods are limited. Strand’s research only used dummy variable which implied whether firms with CSR executives was included in DJSI or not, so it is difficult to know the exact influence of having CSR executives on CSR performance. Though Miller and Serafeim (2014) vividly researched authority and responsibilities of CSR executives by qualitative data, their research did not relate CSR executives to CSR performance.

If the existence of CSR executives actually affects CSR performance, then the next issue is who the appropriate person is as a CSR executive for enhancing effectiveness of CSR. We suggest two aspects as moderators. First of all, origins of CSR executives are an important factor because of controversial perspectives on CSR. There are different views on importance of CSR. Some people insist that firms do not need to actively engage in CSR activities, but others argue that firms should do CSR activities proactively. Because of this controversy, one of the top three roles of CSR executives is ‘embedding sustainability strategy in the organization’ (Miller & Serafeim, 2014), which requires coordination among executives in the firm. Without coordination among different departments, successfully embedding CSR in the organization is difficult to achieve. On the other hand, outsider CSR executives tend to have more expertise in
CSR activities. Even though outsiders may have less ability to coordinate other TMT members to adopt and implement CSR, their expertise can play a critical role in achieving social performance. Thus, it is important to study which kind of origins are more suitable to make better CSR performance.

Moreover, CSR requires some time to achieve positive CSR performance. That is why we choose to study tenure as a second moderator. Longer tenure usually means firm specificity and consistency (Finkelstein & Hambrick, 1990; Hambrick, Geletkanycz, & Fredrickson, 1993; Singh & Harianto, 1989). Extended tenure of CSR executives means that the executives can work on CSR related tasks for a longer time. These executives have possibility of gaining more firm specific knowledge which is appropriate for CSR strategies (Zhang & Rajagopalan, 2010). They know much about the firm when they make and implement CSR activities. These firm specific CSR activities have more possibility of becoming sources of competitive advantages. Furthermore, once appropriate CSR strategies are settled, the strategies are implemented more consistently as the tenure of CSR executives increases. Thus, it is necessary to research whether longer tenure will be more suitable to affect CSR performance or not compared to shorter tenure.

To clarify the meaning for existence of CSR related executives, our research aims to study the impact of existence of CSR executives on firms’ CSR performance. Will CSR executives in a firm lead to better CSR performance? If firms with CSR executives actually perform better, what characteristics of CSR executives can affect CSR performance? Will the origin of CSR executive have influence on CSR performance? Are CSR executive with longer tenure better at CSR performance? Our study tries to understand the impact of CSR executives on CSR performance. Furthermore, if existence of CSR related executives helps the firms to achieve social performance, we aim to understand the moderation effect of CSR executive origin and tenure. Characteristics of CSR related executives can help achieve more positive social performance. By sampling executives based on S&P 500 firms from year 1992 to 2013, 495 numbers of companies and 7,146 observations were used.

The results of our study indicate that existence of CSR executives in a firm positively affects corporate social performance. Moreover, origins of CSR executives also have moderation effect on the relationship between CSR executives and CSR performance. Insider members are better than outsiders in performing a role as a CSR executive. The effect of tenure is partially supported, so there is a possibility that longer tenure is better to carry out the CSR executive role.

We believe that our study can provide academic implications for those who are curious about whether CSR executive trend is decoupled transient fad or not. According to our research, existence of CSR executives is not just a decoupled showing, but it actually makes a significant difference for CSR performance. Moreover, when organizations adopt controversial practice such as CSR, origins act as an important role. CSR executives who are insiders make more positive impact on CSR performance. Insiders are better at implementing CSR activities through cooperation with other TMT members.

Also, we could give managerial implications for those making decision for adoption or maintenance of CSR executive positions. If firms have issues on CSR, it is a better choice to nominate CSR executives and to give responsibility and power for CSR activities. These CSR executives can affect firm’s CSR performance positively. Moreover, CSR executives who have an insider origin or have longer tenure are more helpful in achieving positive social performance. Especially when the number of CSR experts is limited, considering characteristic of executives can help decision makers in selecting CSR executives.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT
Academic researches on CSR are mostly related to two issues. One issue is institutional pressures, and the other is profit maximization (Young & Makhija, 2014). Sociology-based theorists focus on isomorphic characteristics of CSR. Standards set by the society and pressures from the society make criteria about appropriate CSR activities, so CSR activities of firms become similar (Bansal & Roth, 2000; Buehler & Shetty, 1974; Campbell, 2007; Maignan & Ralston, 2002; Waldman et al., 2006; Young & Makhija, 2014). On the other hand, economics-based theorists focus on economic gains and costs of CSR. Stakeholder theory explains the reason why firms should care about stakeholders through CSR activities. According to the stakeholder theory, stakeholders interact with firms, and positive relationships with stakeholders contribute to firm’s financial performance (Donaldson & Preston, 1995). Barnett (2007) suggested a framework that CSR activities enhance relationship with stakeholders, which help reduce costs and increase benefits.

In the context of economic perspectives, hiring CSR executives is an issue worth considering. Strand (2013) studied 885 U.S. firms and 84 Scandinavia firms on Dow Jones Sustainability Index (DJSI) in 2009 and 2010. 17 percent of Scandinavia firms and 15 percent of U.S. firms had chief officers of CSR (CSO). On average, chief officers of CSR existed among 15 percent of total firms. TMT members are approximately positioned at the top 0.1 percent of the hierarchy in the firm. TMTs have responsibility and power to make strategic choices and those strategic choices lead to performance (Carpenter, Geletkanycz & Sanders, 2004). For example, CSO is a representative of CSR department where CSR strategies and CSR activities are made, implemented and reported. Moreover, making a CSO position in the TMT and giving proper compensation for CSO requires efforts of the firms. It needs agreements among TMT members and shareholders. Thus, having chief sustainability officers can imply that the firms are implementing CSR seriously (Strand, 2014).

In his later study, Strand (2014) conducted a research to understand why corporate sustainability positions exist in TMT and what effects these positions have on the organization. He suggested theoretical frameworks for chief sustainability officers which are upper echelons theory and neoinstitutional theory. By using case studies, he concluded that TMT positions tend to be established in response to firms’ crisis of legitimacy or firms’ proactivity for CSR. Moreover, he cast light on formalized bureaucratic structures of TMT related CSR. Miller and Serafeim (2014) researched the role of chief sustainability officers (CSO) through survey and interview. They argued that depending on different stages of sustainability orientation of the firms, authority and responsibility of CSOs differ across firms. At the later stages, commitment of the firms and authority of the CSOs are increased.

Previous studies on CSR related executives did not deal with the characteristics of CSR related executives that can affect social performance of the firms. Researches put their effort on demographics and heterogeneity of TMT to understand TMT and its effects on firm performances (Carpenter, 2002; Hambrick, Cho & Chen, 1996; Wiersema & Bantel, 1992). CSR related executives are also one of the TMT members that are at the top 0.1 percent of the hierarchy. Moreover, CSR executive positions have responsibility (Miller & Serafeim, 2014). They work for CSR issues and activities, which receive much attention from academic worlds and business fields.

Who are CSR Executives?

CSR executives, which are also called TMT members related to CSR, are constituted of two categories. First category is executives with a CSR TMT position. Chief sustainability officer (CSO) is one of the common terms which represent CSR TMT position. Depending on focuses of the firms on CSR, not only sustainability, but also other terms like responsibility, ethics, stakeholder and so forth are used to refer to CSR TMT positions (Strand, 2013; Strand, 2014).
Executives that belong to this category have clear responsibility on CSR issues (Miller & Serafeim, 2014). It does not mean that they only have tasks related to CSR, but one of their primary tasks is CSR issues. According to a survey conducted by Miller and Serafeim (2014), one third of 66 firms have a CSO position and the ones in this position have primary responsibility for CSR. Second one is executives in a CSR board committee. They have their own positions in the TMT such as chief executives officer or chief marketing officer et cetera. However, they are also members of the CSR related committee. Even though their primary responsibility is not CSR, they are supposed to be involved in CSR issues as a member of the CSR related committee.

It seems that TMT member in a CSR board committee is less relevant but we sum both categories together to see the impact of existence of CSR executives. Certainly, TMT member with a CSR TMT position is required to develop CSR strategy and to report sustainability data to public (Miller & Serafeim, 2014). However, one of the top three responsibilities of CSR related executives is integrating CSR into the organization (Miller & Serafeim, 2014). To do so, each TMT member who has responsibility of their own area is required to discuss CSR issues and to find ways of integrating CSR with their main responsibility sectors. Integrating CSR is not an easy task because CSR activities tend to be tightly linked to firm strategies (Burke & Logsdon, 1996; Carroll & Hoy, 1987). Like other strategic changes, continuous and sophisticated efforts of TMT members are required (Morsing & Schultz, 2006) to integrate CSR strategy. That is why we choose not only TMT member with a CSR TMT position but also TMT member in a CSR board committee as CSR executives. Existence of TMT member in a CSR board committee can have impacts on corporate social performance.

**Effects of Having CSR Executives**

According to the upper echelons theory, a small group of people who are located at the top of the organizational hierarchy significantly affect organization outcomes (Hambrick & Mason, 1984; Hambrick, 2007; Strand, 2014). Strand (2014) argued in his study that TMT position refers to top 0.1 percent of the firm’s hierarchy. Top portion of the management team influences the strategies of the entire firm. Individual members of TMT and the team itself affect performance of the firm. They have authorities and responsibilities for making decisions which affects performance of the firm (Hambrick & Mason, 1984; Hambrick, 2007).

CSR executives help to allocate attentions of firms to CSR issues. Attention-based view (Ocasio, 1997) helps to support the importance of TMT position. Attention-based view argues that organizational structures distribute organizational attentions because of bounded rationality. Distribution of structural attention makes situated attention. The situated attention decides individuals’ focus of attention. Individuals, especially who have authorities in higher hierarchies make strategic choices and decisions of the firm. Consequently, if firms’ distribution of attention is not allocated to CSR issues structurally, TMT members have limited or no attention to CSR issues. Thus, having CSR executives makes structural allocation of attention to CSR issues, which enables firm and TMT member to focus on CSR issues. This will help firms to make strategic decisions and to implement CSR related strategies.

On the other hand, neoinstitutional theorists question the effect of having CSR related executives. In case of the total quality management (TQM) in the 1990s, firms normatively adopted TQM to follow what other competitors did (David & Strang, 2006). Moreover, decoupling also prevailed. Zajac and Westphal (2004) found that firms announced to adopt stock repurchase plan but did not actually implement the plan. However, they still enjoyed stock market advantages due to the diffusion of the institutional logic.

Considering neoinstitutional theory, adoption of CSR executives also could be an example of decoupling. Do sustainability officers only act as an instantaneous event for
shareholders’ short-term profit or do they actually work on corporate social performance for shareholders’ long-term profit? According to Ghani, Sharma, and Stagliano (2013) the announcements about hiring sustainability officer have positive impacts on stock price over the week. The announcements could work as signals to the market that the firms will consider CSR issues seriously. Cavazos-Garza and Krueger (2014) argued that hiring a sustainability officer holds period return performance. We wonder whether the increased shareholder wealth in both short-term and long-term is based on diffusion of having CSR executives practice or based on actual increase in corporate social performance. Based on previous studies which show positive correlation between existence of CSO and corporate social performance measured by DJSI (Strand, 2013), we argue that CSR executives makes a difference on corporate social performance. Existence of CSR executives can be more explained based on upper echelon theory and attention-based view rather than neoinstitutional theory.

**H1:** Firms that have CSR executives are more likely to achieve higher corporate social performance than firms that do not have.

**Characteristics of CSR Executives**

What kinds of characteristics that CSR related executives have will make better social performance? According to upper echelon theory, individual characteristics of executives affect firm strategies and outcomes (Hambrick, 1984). Which one is more effective, insider or outsider? Does long tenure make a difference for CSR related executives to perform social responsibility?

**Origin of CSR Executives: Insider or Outsider?**

CSR is a controversial issue and implementation of CSR has various ranges from simple philanthropy to proactive strategy. Carroll (1991) and Lantos (2001) suggest four components of CSR: economic, legal, ethical, and altruistic duties. Based on different needs of the society to firms, forms of CSR also vary: ethical, altruistic, and strategic CSR (Lantos, 2001). For proactive or strategic firms, CSR acts as one of the sources of competitive advantage. These firms believe that CSR should be done by the firm in terms of ethical duties. They try to integrate CSR to their strategic management process (Vilanova, Lozano, & Arenas, 2009). However, others do not agree that CSR is a firm’s duty. Substantial number of people and firms still believe that economic duty, which makes profits, is the only duty that firms should follow (Friedman, 1996). They do not implement CSR or they only do philanthropy such as supporting charity (Ricks Jr, 2005).

Based on the controversial characteristic of CSR, CSR executives are required to coordinate various parts of the firm. Making consensus among TMT members to implement CSR and integrating CSR to firm’s vision and strategy is one of CSR executives’ duties. According to a survey, 66 respondents replied that the top 3 responsibilities of CSR TMT member position are ‘sustainability strategy development’, ‘embedding sustainability strategy in the organization’, and ‘reporting sustainability data’ (Miller & Serafeim, 2014). To conduct these top 3 responsibilities, CSR related executives need ability of coordination. Without embedding, CSR activities are limited in very isolated area such as donating briquette which is not enough to achieve high CSR performance.

We define origin as whether an incumbent executive has been an employee of the company for more or less than two years at the time of appointment as an executive. Two years is considered as an enough time period to know what is going on in the organization (Chen & Hambrick, 2012; Kesner & Sebora, 1994). There are researches which study the advantages
and disadvantages of insider and outsider origin of a CEO. To review the origin of a CEO will help understand the origin of other kinds of TMT executives.

Insiders have advantages to carry out the role as CSR executives. Insiders have deep understanding of the firms. They know what resources and constraints the firms have (Zhang & Rajagopalan, 2010). They know what the firm can do and cannot do. Therefore, when CSR executives develop CSR strategies, it is more likely that they choose CSR strategies appropriate to the firm. Further, to implement new strategy of CSR, CSR executives need to be supported by other TMT members, board directors and outside stakeholders (Shen & Cannella, 2002; Vancil, 1987). Insider executives have social networks inside and outside the firm. Thus, insiders are more likely to adjust conflicts related to CSR and draw consensus to successfully implement and embed the CSR strategies.

On the other hand, outsider origin also has advantages. According to a survey (Miller & Serafeim, 2014), most of chief sustainability officers from inside of the firm have limited backgrounds in sustainability. If CSR related task requires high specialty, outsider who has an expertise in CSR issues will be more suitable to perform the role. Outsider executives tend to have more adaptive effect which means that the strategy fits well with the environment (Hambrick & Schecter, 1983; Haveman, 1992; Zajac & Kraatz, 1993; Zhang & Rajagopalan, 2010). However, due to the lack of understanding on the resources and constraints of the firm, not only adaptive effect, but also disruptive effect takes place (Zhang & Rajagopalan, 2010). Strategic changes led by an outsider could be inappropriate to the firm because of huge costs of internal restructuring (Jauch, Osborn & Martin, 1980). Further, problems happen in the stage of implementation. Lack of support from other TMT members and beyond capacity of the firm could hamper implementations of the CSR strategies. Thus, although that outsider origin has some merits, considering controversy of CSR, insider origin will have better effect on the relationship of CSR executives and social performance in terms of its appropriate development and implementation of CSR strategy.

**H2: Origin of CSR executives will positively moderate the impact of having CSR executives on corporate social performance. Insider CSR executives are better than outsider CSR executives to achieve greater positive social performance.**

**Tenure of CSR Executives: the Longer, the Better?**

CSR has a tendency toward long-term orientation. Stakeholder theory emphasizes the relationship between stakeholders and firms. Firm performance depends on how firms respond to stakeholder demands (Clarkson, 1995; Donaldson & Preston, 1995; Freeman, 1984; Freeman & Reed, 1983). To make and maintain good relationship with the stakeholders, long term period is more likely to have a positive relationship between CSR and firm performance. To conclude, CSR is a time consuming strategy (Brammer & Millington, 2008; Donaldson & Preston, 1995; Freeman, 1984; Godfrey, Merrill, & Hansen, 2009; Hillman & Keim, 2001; Kacperczyk, 2009; Kang, 2015; McGuire, Sundgren, & Schneeweis, 1988; Ogden & Watson, 1999). To achieve positive social performance, firms are required to approach CSR issues in long-term perspective.

As tenure is extended, strengthened firm-specific knowledge helps CSR related executives to make more appropriate CSR strategies. Similar to the logic related to insider origin, longer tenure makes CSR executives know about the resources and constraints of the firm (Zhang & Rajagopalan, 2010). By considering the situation of the firm, longer tenure CSR executives have more possibility of making firm specific CSR strategy which can be valuable, rare, and inimitable. Firm specificity can be a source of sustained competitive advantage
That is the first reason why longer tenure is better for making firm specific CSR as a source of sustained competitive advantage.

Furthermore, previous studies on tenure shed light on strategic persistence (Finkelstein & Hambrick, 1990; Grimm & Smith, 1991). When tenure of the CEO becomes longer, once strategies and strategic choices of the firm are settled and implemented, there is a tendency of consistency (Hambrick, Geletkanycz, & Fredrickson, 1993). Tenure has a same effect not only for CEO but also for TMT. The longer tenure of TMT member results in more strategic persistence (Finkelstein & Hambrick, 1990). These TMT members climbed the hierarchy of the organization and stayed in the position. The longer tenure strengthens commitment to existing practices and policies. It could act as rigidity in negative perspectives, but it could enhance continuity of the policies and practices in the firm (March & March, 1977). Furthermore, tenure makes social and psychological effects. As tenure becomes longer, TMT members tend to avoid “psychological risk” of change (Salancik, 1997). Also, tenure can restrict information processing. These characteristics make longer tenure act as rigidity, on the other hand, as persistency.

When we consider long-term perspectives of CSR, longer tenure have benefits for corporate social performance. Longer tenure TMT member tend to have strategic persistence, and this strategic persistency is appropriate to maintain CSR strategy and policy. The more persistency is kept, the more likelihood of achieving good relationships with stakeholders is possible. Thus, longer tenure of people who have authority and responsibility in CSR will be more effective to achieve higher social performance of the firm.

**H3**: Tenure of CSR executives will positively moderate the impact of having CSR executives on corporate social performance. The longer the tenure of a CSR executive, the greater the positive social performance.

**METHODS**

**Sample and Data Collection**

We used Execucomp database and selected our samples of executives based on S&P 500 firm lists from 1992 to 2013. We merged executive data with KLD ratings database from 1992 to 2013. Explanatory variable and moderator variables were lagged by one year, thus it is a more appropriate way to see causal relationships with dependent variables. After removing missing data, we centered explanatory variable and moderator variables. Consequently, 495 numbers of companies and 7,146 observations were used.

**Measures**

**Dependent Variable: Corporate Social Performance - KLD index.**

To measure corporate social performance, we use Kinder, Lydenberg, Domini (KLD) Social Ratings Database, which is popularly used and considered as the most influential measurement of CSP among researchers who study CSR and CSP. Moreover, many investment managers utilize KLD ratings when they make decisions related to social performance (Berman, Wicks, Kotha, & Jones, 1999; Graves & Waddock, 1994; Hillman & Keim, 2001; Hull & Rothenberg, 2008; Kacperczyk, 2009; Kang & Moon, 2012; Waddock & Graves, 1997). KLD ratings consist of roughly 80 indicators in seven major areas, which are corporate governance, community, diversity, employee relations, environment, human rights, and product quality and product safety. Each area is constituted of strength and concern factors. We sum up all strengths and concerns to see the overall CSR performance of each firm and we named this as *KLD index*. Thus,
dependent variable is a continuous variable. Rather than dummy variables such as DJSI, we could measure degree of overall social performance of the each firm and difference of corporate social performance among firms.

TABLE 1: Keywords Associated with CSR (Strand, 2013)

<table>
<thead>
<tr>
<th>Category</th>
<th>Keywords</th>
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<tbody>
<tr>
<td>CSR strict</td>
<td>Corporate Social Responsibility, CSR, Corporate Responsibility, CR, Social Responsibility</td>
</tr>
<tr>
<td>CSR synonyms</td>
<td>Sustainability, Sustainable, Citizenship, Ethics, Stakeholder, Triple Bottom Line, Stewardship</td>
</tr>
<tr>
<td>Compliance &amp; compliance related terms</td>
<td>Compliance, Governance, Business Conduct</td>
</tr>
<tr>
<td>CSR related terms</td>
<td>Health, Safety, Environment, Community, Diversity, Inclusion, External Relations, External Affairs, Philanthropy, Green, Renewable</td>
</tr>
<tr>
<td>None</td>
<td>No keywords found</td>
</tr>
</tbody>
</table>

**Explanatory variable: CSR executives.**

We identified **CSR executives** by following Strand (2013). He categorized CSR related terms in four groups, which are CSR strict, CSR synonyms, Compliance & compliance related terms, and CSR related terms. We used all keywords (except for ‘Health’) of the category groups he suggested as associated with CSR, for example, sustainability, responsibility, governance, environment, and so forth (see Table 1). We did not use “Health” as a keyword when searching CSR executives because it is difficult to sort the names of functional division of health such as “VP of health care division” and CSR related health division such as “Member of health, environment, and sustainability committee”.

We used Execucomp database and selected our samples of executives based on S&P 500 firm lists from 1992 to 2013. We sorted out executives who had those keywords on their annual title. Annual title means that the executives had for the certain fiscal year.

**Moderator Variables: CSR Executive Origin and CSR Executive Tenure.**

**Origin** was measured as a difference between date that executives joined the firm and the date that the executives left the firm by using Execucomp. Rather than measuring how many years he or she had worked in a CSR related position, we measured how many years he or she had worked in the company from the date that the executive joined the firm to the date that the executive left the firm. If the executives had worked less than two year at the fiscal year, they were regarded as an outsider (Cannella & Lubatkin, 1993; Harris & Helfat, 1997; Zhang & Rajagopalan, 2010), so coded as 0. On the other hand, if the executives had worked more than two years at the fiscal year, they were coded as 1 as an insider. Even if the executives are not
from internal labor market but from external labor market, after two years the executives can know about firm specific resources and constraints. Thus, we concluded that they are sufficient to be regarded as an insider. We also searched joined and left date by using Business Week, Forbes, and company websites to deal with missing data and double checked the data.

Tenure was not measured as the number of years the executives had worked since he or she had joined the firm, but as the number of years he or she had worked as a CSR executive or a member of CSR related committee. We searched the years that the executives worked as a CSR executive by using Execucomp database, Business Week, Forbes, and company websites.

Control Variables.

We controlled some variables which could affect the relationship between CSR executives and CSR performance. Control variables were obtained from Compustat and Execucomp database. Firm size was controlled by logarithm dollar value of total assets, number of employee and revenue. Intangible asset and profitability were also controlled. Profitability was measured as return-on-asset (ROA). These variables are controlled to exclude their impact on CSR performance. Moreover, we controlled free cash flow and financial leverage to minimize possible impacts of financial resources and debt structure.

Empirical Methods

We used random effect and fixed effect regression models. Independent variable and moderator variables were lagged by one year because effect of CSR executives will most likely be reflected in our outcome variable in a lagged manner. Also, variables were centered to reduce multicollinearity on our results (Aiken & West, 1991). Following is our specification.

\[
(KLD \text{ Index})_{it} = \alpha + \beta_1 \times (CSR \text{ executives})_{it-1} + \beta_2 \times (Insider \ or \ outsider)_{it-1} + \beta_3 \times (Tenure)_{it-1} + \beta_4 \times (CSR \text{ executives})_{it-1} \times (Insider \ or \ outsider)_{it-1} + \beta_5 \\
\times (CSR \text{ executives})_{it-1} \times (Tenure)_{it-1} + \beta_6 \times (Profitability)_{it} + \beta_7 \times (Financial \ leverage)_{it} + \beta_8 \times (Log \ asset)_{it} + \beta_9 \times (Log \ revenue)_{it} + \beta_{10} \times (Log \ number \ of \ employee)_{it} + \beta_{11} \times (Free \ cash \ flow)_{it} + \beta_{12} \times (Intangible \ asset)_{it} + \epsilon_{it}
\]

RESULTS

Table 2 provides means, standard deviations, and correlations of variables. Also, 96 firms have CSR executives among 495 companies. 85 percent is insider and 15 percent is outsider. Average tenure of CSR executives is 2.54 year.

Table 3 shows analysis of existence of CSR executives and its impact on corporate social performance. The first five columns ran random effect regression models and the latter five columns conducted fixed effect regression models. In Model 1 of Table 3, we put seven control variables. Model 2 added the effect of CSR executives for testing Hypothesis 1. The result shows that CSR executives have a positive and significant effect on corporate social performance. This result strongly supports Hypothesis 1. Main effect is strongly supported not only for entire random effect models including full model but also for all fixed effect regression models including full model.
Hypothesis 2 predicts a positive moderation effect of insider CSR executives. Model 3 of Table 3 shows that when CSR executive is an insider, positive effect of CSR executive is greater. Hypothesis 2 is also supported.

In case of second moderation effect, Hypothesis 3 insists that the longer tenure will make greater positive main effect. Model 4 of Table 3 indicates positive and significant effect of second moderators. However, in other regressions models such as model 5, model 9, and 10 the effects are still positive but not significant. Thus, we conclude that Hypothesis 3 is only partially supported.
TABLE 2: Descriptive Statistics and Correlations

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. KLD Index</td>
<td>0.54</td>
<td>3.71</td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>2. CSR executives</td>
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<td>0.17</td>
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** p<0.01, * p<0.05

We lagged CSR executives, Insider or outsider, and tenure variables as one year.
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** p<.01, * p<.05 Standard errors in brackets.

We lagged and centered CSR executives, Insider or outsider, and tenure variables as one year.
DISCUSSION AND CONCLUSIONS

In this study, we tried to understand the impact of CSR executives on CSR performance of the firms. We also attempted to see moderation effects of characteristics of CSR executives on the main effect. The results indicate that existence of CSR executives strongly affects corporate social performance. Moreover, origins of CSR executives also have a moderation effect on the relationship between CSR executives and CSR performance. Insider is better than outsider to perform the role of CSR executives. Tenure is partially supported, so there is possibility that longer tenure is better to carry out the CSR executive role. As Hypothesis 1 is strongly supported, we imply that existence of CSR executives is not just a transient fad. CSR executives conduct substantial roles as one of the TMT members. It seems that upper echelon theory is more suitable than neoinstitutional theory to explain existence of CSR executives. Of course, there should be some aspects of isomorphic motivation of the firm who introduce CSR executives to make signaling effect to the market and stakeholders. However, rather than decoupling, CSR executives do their roles. Organizations which have CSR executives make better CSR performance. Existence of TMT member who have responsibility of CSR could make significant effects on organizational outcomes. Furthermore, Hypothesis 2 is also supported. Even though both insider and outsider respectively have advantage and disadvantage, the result indicates that insider is a better choice than outsider. Rather than outsiders’ expertise on CSR issues which fit well with environment, insiders’ appropriate CSR strategy is much effective to perform social responsibility.

Unfortunately, Hypothesis 3 is only partially supported. The longer tenure could make positive relationship between CSR executives and corporate social performance greater. We supposed that longer tenure have strategic persistency so it has benefits on building relationship with stakeholder in long term. Alternative explanation would be possible. CSP is constituent of both short-term performance and long-term performance. For achieving short-term CSR performance, longer tenure could not act significantly. For long-term CSR performance, the longer tenure could be helpful. However, when we consider short-term perspectives of CSR performance, longer tenure could only partially affect relationships between existence of CSR executives and corporate social performance.

For managerial implication, we suggest that firms who want to increase and maintain social performance, introducing system of CSR executives and maintaining the system will help. In terms of origin, insiders make positive and significant effect. They understand capacities, resources and constraints of the firm, so they can make consensus of doing CSR from other TMT members or stakeholders. Insiders are more likely to develop appropriate CSR strategies for the firms and successfully implement the strategies. Besides, CSR has characteristics of long term policy so the longer tenure of CSR executives could help to keep consistency of CSR activities and achieve high social performance.

Walking in step with increasing interests on CSR, many companies add a new type of TMT member, which is a CSR executive practice. People who have interests on CSR executives want to know whether CSR executives make a difference on social performance of the firm or not. One of the contributions our study has is that we try to understand the effect of having CSR executives on corporate social performance. The results show that firms who have CSR executives achieve higher CSR performance. Then, another question pops up to the people. What kinds of CSR related executives will make a greater difference. Second contribution of our research is that we analyzed the moderating effect of characteristics of CSR related executives. First, we suggest that insider origin is better than outsider origin. Second, we argue that longer tenure of CSR related executives could be a better option for social performance.
Unfortunately, our study has limitations. CEO’s influence on CSR is researched by many scholars (Agle, Mitchell, & Sonnenfeld, 1999; Coombs & Gilley, 2005; Dewhirst & Wang, 1992; Waldman et al., 2006). Our research did not subdivide CEO and other TMT member. Future researches can divide CSR executives by CEO who have annual title related to CSR and others executives. Furthermore, the characteristics of other TMT member also can affect relationship between CSR executives and corporate social performance. Thus, future researchers can sort out other TMT members including CEO to see the effect of CSR executives.

Second, we only cover two moderators, which are origin and tenure of CSR executives. For future study, researchers could treat various kinds of variables related to TMT member which affect the role and performance of TMT. Not only demographic characteristics such as gender and region, but also compensation factors can affect the relationship between CSR related executives and firm social performance. Rather than short-term focus, long-term focus compensation structure may be more effective to achieve high social performance. What we studied in this research is basic and significant factors which are used to make CSR related position on TMT. The more research on CSR executive issues will give many implications to academic researchers and business field. We hope that our study will act as a stepping stone in CSR executive area.

Finally, we did not specify CSR executives and corporate social performance. CSR related executives can be divided by TMT member who have CSR related position and TMT member who is a member of CSR related committee. The former have primary responsibility on CSR, and the latter do not have primary responsibility on CSR, but the latter is involved in CSR issues as a committee member. Depending on the type of CSR related executives, there could be differences of the impact. Moreover, corporate social performance also can be divided. KLD ratings consist of strength and concern factor. We summed up all of the strength and concern factors in this research. Firms’ CSR activities can have different effects on corporate social performance depending on the type of social performance. Analyzing the differences between CSR related executives who focus more on ‘Do less harm’ and ‘Do more good’ will be an interesting future research (Kotchen & Moon, 2012). Thus, future researchers can verify the impact of CSR executives on corporate social performance more specifically.

REFERENCES


Asmah, G. (2009). Corporate social responsibility: Does motivation matter? does it matter whether a Corporation’s participation in CSR is an exercise in window-dressing or genuine CSR in action? Does it Matter Whether a Corporation’s Participation in CSR is an Exercise in Window-Dressing or Genuine CSR in Action.


CEO Study.


